

RURAL LIVELIHOODS IN ASIA -PACIFIC COUNTRIES

AN OVERVIEW

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The Context¹

The development policy perspectives of the majority of countries in Asia and the Pacific region always placed rural development high on their agenda since a sizeable portion of their countries have rural areas and a vast majority of population are living in these areas that are poor. Notwithstanding the fact that the portfolio of rural development in these countries over a period of time multiplied substantially by launching of several programmes, even then, the problems of rural areas remained acute and perennial. It is, therefore, a challenging task for policy makers to tackle the problems of poverty alleviation and providing livelihoods to rural poor. Rural areas in most of the countries do suffer from various basic problems and among them rural livelihoods have emerged as a crucial issue for the policy planners. This short paper attempts to address briefly the critical issues of rural livelihoods and examines the poverty scenario in this region so as to suggest how to improve livelihood opportunities in rural areas. The theme of rural livelihood is topical, complex and multi-dimensional; therefore, it is necessary to examine the underpinnings of poverty focused development towards rural poor. The analysis can be utilised for future planning as well as assessing the benefits of existing programmes.

Analysis provided in this brief paper is entirely based on secondary sources of data and available literature on the subject and it do suffer from limitations in the absence of relevant information and data. Among the secondary sources, country reports available with CIRDAP have been scanned to cull out country specific information, policies and programmes. Hence, there may be some gap in country specific presentations. Sources are also acknowledged, if some are not properly acknowledged, it is because of oversight.

Conceptual Framework

In the present development efforts, the issue of rural livelihood is very crucial and important, as it has direct bearing upon survival of the poor. Despite sincere efforts, in majority of the countries in this region, sizeable portions of population are still in absolute poverty and poverty remains wide spread in both urban and rural areas. Thus the issue of livelihoods is a matter of concern. The issue of livelihood has gained currency in 90s from the literatures of DFID where the term has been defined with its scope and characteristics. The word 'livelihood' can be used in many ways. The existing literature on the subject provide a variety of definition, however, the DFID has given a comprehensive and pragmatic definition of rural livelihood for the purpose of analysis.

'A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.' (Adapted from Chambers,R and G. Conway, 1992)

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Conceptually, livelihood is 'means of gaining living or a combination of the resources used in activities undertaken in order to live'. In other words capability, equity and sustainability are the fundamental means and end of sustainable livelihoods. Capability is the ability to perform certain basic functions, to cope with stress and shocks and the ability to find and make use of livelihood opportunities. Equity encompasses equal distribution of assets, capabilities and opportunities, and an end to discrimination. Sustainability is the ability to maintain and improve livelihoods while maintaining and enhancing the assets on which livelihoods depend.

The sustainable livelihood approach is quite broad and covers several aspects; however, it can be distilled to six core objectives aiming to increase the sustainability of poor people's livelihoods. It focuses on promoting improved access to high quality education, information, technology and training and better nutrition and health; a more supportive and cohesive social environment; more secure access to, and better management of natural resources; better access to basic services and infrastructure; more secure access to financial resources. Over and above, it is essential to have a policy and institutional environment that supports multiple livelihood strategies and promotes equitable access to competitive markets. According to Conway (1997), the majority of poor live in areas that are resource poor, highly heterogeneous, and risk prone. The poor are isolated in every sense. They have meager holding or access to land, little or no capital and few opportunities for off-farm employment. Labour demand is often seasonal and insecure. Extension services are few and far between, and research aimed specifically at their needs is sparse. This provides the livelihoods framework in order to alleviate poverty in poorer countries and to provide better quality of life to this group.

Livelihood Diversification

Undoubtedly, land is fundamental livelihood asset and dependency of rural poor is more on agriculture, but, due to decreasing productivity it is not as profitable as it involves various risks and limitations. Thus, there is a need to diversify the income of households. Empirical evidence suggests that rural households are indeed engaged in multiple activities and rely on diversified income portfolio. Obviously, dependency on agriculture has declined in terms of providing employment and thereby earning livelihood. According to available data for developing countries as a whole, agriculture accounted for 47% of employment in 1999 (down from 66% in 1970). Consequently, there is a rapid growth in non-farm sector and share of income from the non-farm economy is growing. The reason for growth of non-farm sector is an increase in the labour force and decreasing absorption capacity in agriculture sector. More so, there is a decrease in arable land area in most of the countries.

The Table-1 shows the income from non-farm activities in rural areas of the countries of the Asia-Pacific region. The share of income from the non-farm sector is high and substantial in most of the countries. In case of Iran, it is highest accounting for more than 70% (2005), a substantial increase from 58.8% (1995). Similarly, Sri Lanka and Philippines are accounting for 56.4% and 58% of share of income respectively from non-farm activities. The least income recorded is 40% in Indonesia, nevertheless, it can be considered as a good

contribution. It is evident that there is a shift and non-farm is indeed growing fast and has potential. A range of strategies can boost this sector, such as industrial clustering, infrastructure investment, etc.

Table 1: Income Shares of Non Farm Activities in Rural Areas

| Country | Year | Percentage |
|-------------|------|------------|
| Afghanistan | 2005 | 45 |
| Bangladesh | 2005 | 43.8 |
| India | 2005 | 47.0 |
| Indonesia | 2000 | 40.0 |
| Iran | 2005 | 70.4 |
| Lao PDR | N.A | N.A. |
| Malaysia | N.A | N.A. |
| Myanmar | N.A | N.A |
| Nepal | N.A | N.A |
| Pakistan | N.A | N.A |
| Philippines | 2000 | 58.0 |
| Sri Lanka | 2005 | 56.4 |
| Thailand | 2000 | 44.0 |
| Vietnam | 2004 | 41.7 |

Source: CIRDAP Country Reports on Rural Development Initiatives, 2008

Vulnerability and Poverty Scenario

A few important parameters have been examined to ascertain the extent and nature of poverty and its ramifications in order to conceptualise and put rural livelihood in proper perspective. Recognising the fact that there is a general agreement globally that poverty is non-acceptable as a part of human condition and it has been emphasized in Millennium Development Goal (MDG). Moreover, livelihood approaches have considerable potential to deal with and many countries have adopted this approach to development.

Table-2 provides average annual growth rate in labour force in the Asia-Pacific countries. Data show that there is increase in labour force in all countries ranging from 1% to 4% during 1999 – 2006. The highest rate recorded is in Iran (3.9) followed by Pakistan (3.3), Philippines (3.1), Malaysia (3.0). In absolute terms, the highest labour force is recorded in India (438 Million) followed by Indonesia (109.2 Million) and Bangladesh (71 Million) in 2006. Evidently, a large number of persons are joining in labour force and they will look for employment. The agriculture sector has limitation to absorb them hence new avenues are to be created. This is a pertinent issue and challenging task for the policy makers as to how to absorb and mainstream the growing labour force in respective countries. This huge human capital and youth energy has to be harnessed in constructive way otherwise there could be aberrations.

Table – 2: Labour Force Growth Rate

| Country | Labour force in million | | Average annual growth rate 1990-2006 |
|-------------|-------------------------|-------|--------------------------------------|
| | 1990 | 2006 | |
| Afghanistan | N.A | N.A | N.A |
| Bangladesh | 51.2 | 71.0 | 2.0 |
| India | 325.6 | 438.0 | 1.9 |
| Indonesia | 75.3 | 109.2 | 2.3 |
| Iran | 15.6 | 29.1 | 3.9 |
| Lao PDR | 1.5 | 2.4 | 2.8 |
| Malaysia | 7.1 | 11.6 | 3.0 |
| Myanmar | 20.2 | 27.3 | 1.9 |
| Nepal | 7.1 | 10.8 | 2.6 |
| Pakistan | 35.0 | 59.6 | 3.3 |
| Philippines | 23.5 | 38.4 | 3.1 |
| Sri Lanka | 7.2 | 8.4 | 1.0 |
| Thailand | 31.4 | 36.5 | 0.9 |

Source: World Development Indicators-2008

The sectorwise absorption of labour force in Asia-Pacific countries for the year 2008 is given in Table - 3. The pattern shows that agriculture remains an important sector for providing employment than other sectors. It is evident that the highest engagement of labour force is in agriculture sector in countries like Nepal (81%), Lao PDR (80%), and Afghanistan (80%). Myanmar follows the suit with 70% employment in agriculture sector. Service sector is next to agriculture that provides employment to considerable extent and has potential to absorb more. Thus some countries have shifted towards service sector and industries, not much depending upon agriculture. Iran shows that maximum labour force engagement is in service sector to the tune of 46.5% followed by industries 32.2% and less in agriculture 21.2%. Similarly, in Sri Lanka and Philippines, service sector provides more employment than agriculture to the extent of 39.2% and 46.5% respectively. Nepal has lowest employment in service sector at the rate of three percent only. Therefore, there is a need to expand and diversify service and industrial sector opportunities in rural areas for sustainable livelihood. The policy needs to address to provide vocational training and opening new avenues by developing industrial clusters and infrastructural investment to absorb growing labour force.

Table 3: Sector wise Labour Force Participation

| Country | labour force participation-2008 | | | |
|-------------|---------------------------------|-----------------|--------------|-------------|
| | Total (million) | Agriculture (%) | Industry (%) | Service (%) |
| Afghanistan | 15.00 | 80 | 10 | 10 |
| Bangladesh | 70.86 | 45 | 30 | 25 |
| India | 523.50 | 60 | 12 | 28 |
| Indonesia | 112.00 | 42.1 | 18.6 | 39.3 |
| Iran | 24.35 | 21.2 | 32.2 | 46.5 |
| Lao PDR | 5.9 | 80 | 20 | |
| Malaysia | 11.09 | N.A | N.A | N.A |
| Myanmar | 58.82 | 70 | 7 | 23 |
| Nepal | 14.60 | 81 | 16 | 3 |
| Pakistan | 50.58 | N.A | N.A | N.A |
| Philippines | 36.81 | 32 | 13.7 | 46.5 |
| Sri Lanka | 7.56 | 34.7 | 26.1 | 39.2 |
| Thailand | 37.78 | 42.6 | 20.2 | 37.1 |
| Vietnam | 47.41 | 55.6 | 18.9 | 25.5 |

Source: World Development Indicators-2008, www.wikipedia.org

The potential of agriculture to absorb labour force is also depended upon available arable land in these countries. Table-4 shows that the available arable land in most of the countries to the total land area is quite less, except Bangladesh and India. The minimum arable land to the total land area is only about 4 per cent in Lao PDR followed by Malaysia to 5.5 per cent. Surprisingly, 80 per cent labour force in Lao PDR is engaged in agriculture sector with less arable land. Moreover, there is a decline in the availability of arable land in most of the countries except in Philippines, Sri Lanka, Lao PDR, Iran and Indonesia. Vietnam shows good increase in arable land by 5 per cent. However, the availability of arable land per capita per hector is static in all most all countries except Thailand, Philippines, Pakistan, Nepal and India which is showing a bit declining trend over the period of 1990 to 2005. It is obvious that pressure on land continues to be more than before. The shrinking arable land area also leads to migration of rural people to urban centre for job and earning livelihoods and it creates unemployment and underemployment in rural areas.

Table 4: Status of Arable Land

| Country | Land Area (thousand S.Q. km) in 2005 | Arable land (%) of total land area | | Arable land hectares per capita | |
|-------------|---|---------------------------------------|------|------------------------------------|---------|
| | | 1990 | 2005 | 1990-92 | 2003-05 |
| Afghanistan | 652.1 | 12.1 | 12.1 | - | 0.31 |
| Bangladesh | 130.2 | 70.2 | 61.1 | 0.05 | 0.05 |
| India | 2973.2 | 54.8 | 53.7 | 0.15 | 0.14 |
| Indonesia | 1811.6 | 11.2 | 12.7 | 0.10 | 0.10 |
| Iran | 1628.6 | 9.3 | 10.2 | 0.24 | 0.24 |
| Lao PDR | 230.8 | 3.5 | 4.3 | 0.17 | 0.17 |
| Malaysia | 328.6 | 5.2 | 5.5 | 0.07 | 0.07 |
| Myanmar | 657.6 | 14.5 | 15.3 | 0.21 | 0.21 |
| Nepal | 143.0 | 16.0 | 16.5 | 0.09 | 0.08 |
| Pakistan | 770.9 | 26.6 | 27.6 | 0.15 | 0.14 |
| Philippines | 298.2 | 18.4 | 19.1 | 0.07 | 0.06 |
| Sri Lanka | 64.6 | 13.5 | 14.2 | 0.04 | 0.04 |
| Thailand | 510.9 | 34.2 | 27.8 | 0.25 | 0.22 |
| Vietnam | 310.1 | 16.4 | 21.3 | 0.08 | 0.08 |

Source: World Development Indicators-2008

Another important parameter is the contribution of agriculture to national GDP. It can be seen in the Table – 5 and Figure – I that the contribution of agriculture in GDP is decreasing in all countries during 1998 to 2008. The highest contribution of agriculture in national GDP is in Lao PDR, Myanmar and Nepal which is above 40 percent but it is showing decreasing trend. Some countries like India, Malaysia, Sri Lanka, Pakistan and Iran are observing sharp decline.

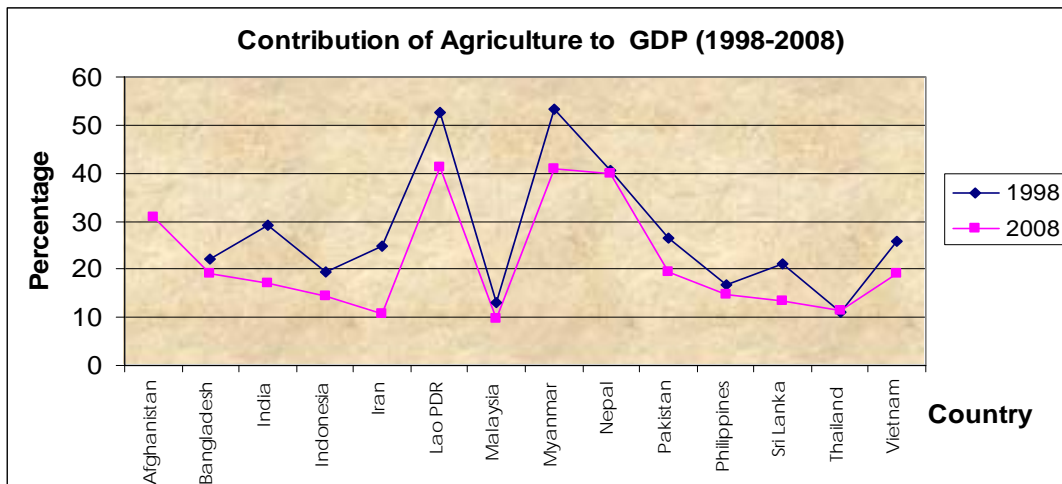
Table 5: Sector wise Contribution in GDP

| Country | Agriculture | | Industry | | Service | |
|-------------|-------------|-------|----------|--------|---------|--------|
| | 1998 | 2008 | 1998 | 2008 | 1998 | 2008 |
| Afghanistan | N.A | 31.0 | N.A | 26.0 | N.A | 43.0 |
| Bangladesh | 22.2 | 19.0 | 27.9 | 28.7 | 49.9 | 53.7 |
| India | 29.3 | 17.2 | 24.7 | 29.1 | 45.9 | 53.7 |
| Indonesia | 19.5 | 14.4 | 45.3 | 48.1 | 35.2 | 37.5 |
| Iran | 24.9 | 10.8 | 36.7 | 44.3 | 38.4 | 44.9 |
| Lao PDR | 52.6 | 41.3 | 22.0 | 32.2 | 25.4 | 26.5 |
| Malaysia | 13.2 | 9.7 | 43.6 | 44.6 | 43.3 | 45.7 |
| Myanmar | 53.2 | 40.9 | 9.0 | 19.7 | 37.8 | 39.3 |
| Nepal | 40.5 | 40.0* | 22.2 | 20.0 * | 37.3 | 40.0 * |
| Pakistan | 26.4 | 19.6 | 24.7 | 26.8 | 48.9 | 53.7 |
| Philippines | 16.9 | 14.7 | 31.6 | 31.6 | 51.5 | 53.7 |
| Sri Lanka | 21.1 | 13.4 | 27.5 | 29.4 | 51.4 | 52.3 |
| Thailand | 11.2 | 11.4 | 41.2 | 44.5 | 47.7 | 44.1 |
| Vietnam | 25.7 | 19.0 | 32.6 | 42.7 | 41.7 | 38.4 |

Note: *2002 data

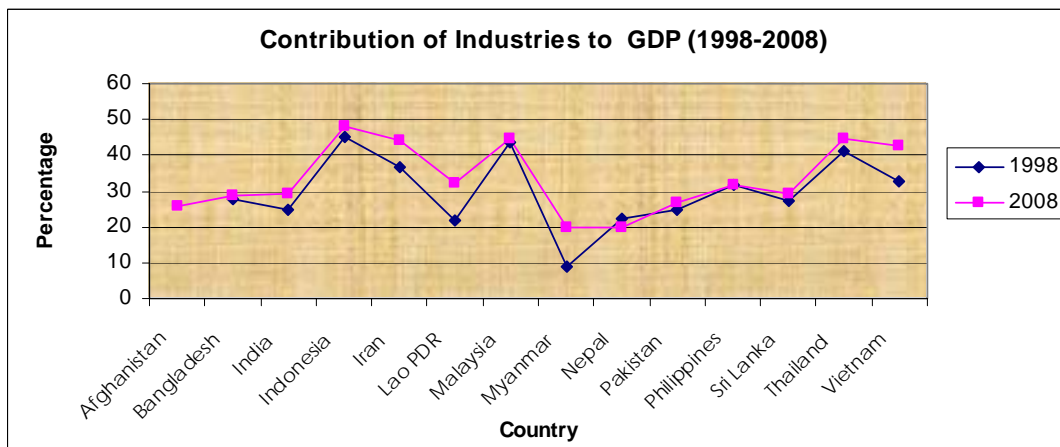
Source: Human Development Report-2002, www.wikipedia.org

Figure I



The contribution of industry sector to the national GDP tends to be increasing in all countries during 1998 to 2008, as shown in the Table – 5 and Figure – II. The substantial increase is noticed in Iran, Lao PDR, Myanmar and Vietnam. Although contribution of agriculture sector in GDP in Myanmar is about 41 percent even then contribution of industry has doubled in the national GDP. In Indonesia, Thailand and Malaysia the contribution of industry sector in the national GDP is much more than agriculture and it is higher among the Asia-Pacific countries. This also demonstrates that South East Asian countries are more going towards industrialisation than other countries in this region.

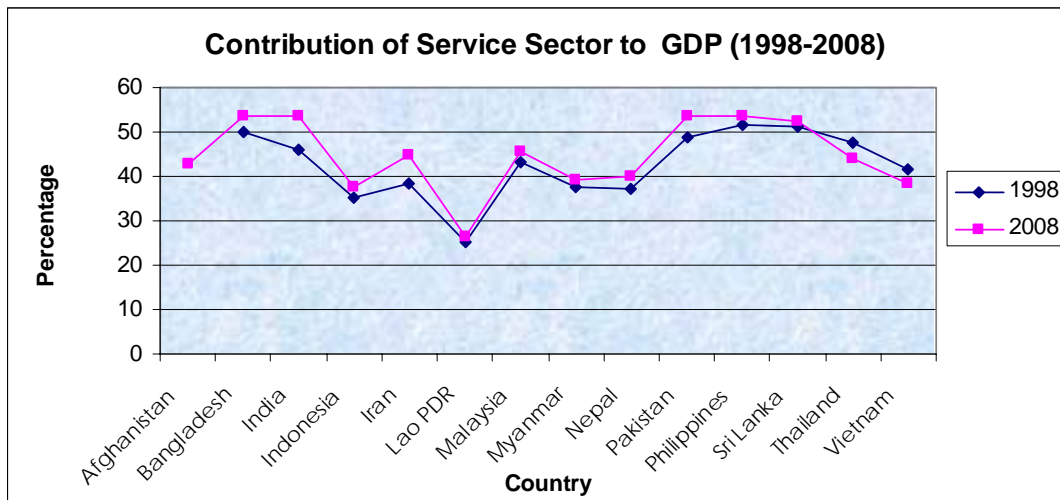
Figure II



Similarly, it is noticeable that the contribution of service sector to the national GDP is also increasing in all most all countries except Thailand and Vietnam (Table -5 and Fig – III). In Philippines, Sri Lanka, India, Bangladesh, Iran, Malaysia, and Pakistan, the contribution of service sector is more than agriculture and industry in national GDP. Evidently, it has more potential than other sectors. It is remarkable that the contribution of service sector is more than fifty percent in Bangladesh, India, Pakistan, Philippines and Sri Lanka. This sector

need to be further exploited for employment and thereby it can be a good source of livelihood opportunities in rural areas.

Figure III



The policy for rural livelihood can also be determined on the basis of the quantum of unemployed people in the country. Table – 6 provide data on unemployment rate and it shows that it is increasing in India, Lao PDR, Nepal, Philippines and Vietnam, where as it is marginally decreasing in Bangladesh, Indonesia, Iran, Malaysia, Pakistan and Sri Lanka. Nevertheless, it is a matter of serious concern for policy makers to provide employment to people in the country.

Data on persons below poverty line in the country is an important in put for policy formulation as it shows the enormity of problem of poverty that needs to be tackled. The poverty scenario is more reflected in rural area and issues are very crucial. Table – 7 provides data relating to poverty ratio in Asia-Pacific countries on the basis of income per day \$1 and \$2 collected during the period of 1990 to 2005. Although countries claim that poverty is decreasing, but issue still remain critical and challenging as they have to del with huge number of persons in this category. On this basis of per day income of \$1 calculation, the highest poverty ratio is in Bangladesh (41.3%), followed by India (34.3%) and Lao PDR (27%). A silver lining can be seen in countries like Iran, Malaysia and Thailand where they could achieve to restrict poverty to a low level of less than 2 per cent. However, data suggest that combating poverty in some countries of this region is a challenging task for policy makers.

Table 6: Unemployment Rate

| Country | Number of persons in Unemployment in thousands (1996/05) | Unemployment rate | |
|-------------|--|-------------------|------|
| | | 1996/05 | 2008 |
| Afghanistan | N.A | N.A. | 40.0 |
| Bangladesh | 2002 | 4.3 | 4.2 |
| India | 16634 | 5.0 | 6.8 |
| Indonesia | 10854 | 9.1 | 8.4 |
| Iran | 2556 | 11..5 | 10.4 |
| Lao PDR | 38 | 1.4 | 2.4 |
| Malaysia | 370 | 3.6 | 3.3 |
| Myanmar | 190 | N.A. | 9.4 |
| Nepal | 178 | 1.8 | 2.1 |
| Pakistan | 3556 | 7.7 | 7.5 |
| Philippines | 2619 | 7.4 | 7.6 |
| Sri Lanka | 623 | 7.7 | 6.0 |
| Thailand | 496 | 1.4 | 1.4 |
| Vietnam | 926 | 2.1 | 4.9 |

Source: Human Development Report 2007/08, World Development Indicators-2008, Statistical Year Book of Bangladesh-2008

Table 7: Population below Poverty Line on Income Basis

| Country | Less than 1\$ a day (%) | Less than 2 \$ a day (%) | Below national poverty line (%) |
|-------------|-------------------------|--------------------------|---------------------------------|
| Afghanistan | N.A | N.A | N.A |
| Bangladesh | 41.3 | 84.0 | 49.8 |
| India | 34.3 | 80.4 | 28.6 |
| Indonesia | 7.5 | 52.4 | 27.1 |
| Iran | <2 | 7.3 | N.A |
| Lao PDR | 27.0 | 74.1 | 38.6 |
| Malaysia | <2 | 9.3 | 15.5 |
| Myanmar | N.A | N.A | N.A |
| Nepal | 24.1 | 68.5 | 30.9 |
| Pakistan | 17.0 | 73.6 | 32.6 |
| Philippines | N.A | N.A | N.A |
| Sri Lanka | 5.6 | 41.6 | 25.0 |
| Thailand | <2 | 25.2 | 13.6 |
| Vietnam | N.A | N.A | 28.9 |

Source: Human Development Report-2007/08

Livelihood and Climate Change

The livelihood context is vulnerable due to climate change and it is influenced by external environment which is beyond control. Climate change has become a global concern and highly debated and it has impact across the globe and intensity and frequency are unpredictable. Recently concluded World Summit on Climate Change in Copenhagen, Denmark, has highlighted crucial facts that many countries are susceptible to climate change. So, the Asia-Pacific countries are not exception rather impact of climate change are being experienced as pointed out by the scientists. It is pointed out that the Asia-Pacific region will suffer from drought, flood, cyclones, heat waves, and other climatic phenomena which will have direct bearing upon productivity and thus the living conditions of the people will definitely disturbed. So to say, agriculture will be extremely vulnerable and higher temperature will reduce yields and consequently there will be shortage of food. More so, there will be loss of arable land that will have impact on the agriculture and food production. There will be raising sea level due to global warming by which there will be loss of agricultural land in many countries in this region. It is also predicted that there will be displacement of huge number of people in many countries leading to decrease of GDP. As estimated, there will be one meter rise in sea level which will inundate huge area of land directly threatening to the population and their livelihoods. The rivers will also have impact because of sea level rise and a large number of population will be affected. Various available reports and trends show that Asia-Pacific region is the most vulnerable to climate change. It will have impact on agriculture, water sectors etc. As the people are highly dependent upon agriculture, natural resources and forestry, they will have adverse impact on the livelihood of the people. Keeping this in view, a suitable policy framework has to be formulated to mitigate the impact of climate change on rural livelihoods in this region in general and country specific in particular.

ICT and Rural Livelihoods

Information and Communication Technology (ICT) play a key role on the livelihoods of the rural people. In the decision making process the poor also look for certain information to be incorporated into their livelihood strategies for both short term as well as long term strategies. The rural poor require more information to fulfill their variety of needs such as availability of jobs, market information (price, location, etc.) access to government programmes and services, maintaining social networks, etc. The information requirements of this group are diverse and it requires reliable and good quality information. It is also necessary that information needs are locally generated in local language.

According to available statistics on ICT, the countries in the Asia-Pacific region have better access to information through tele-communication in terms of mobile service, landline service and internet. The intervention of ICT has a positive impact on the livelihoods to improve and enhance social networking at various levels and reducing cost and time. There are various successful and innovative examples of application of ICT in rural areas in the countries of the Asia-Pacific region. The impact of innovative and appropriate technologies on the livelihoods of the poor is enormous and it plays substantial role in poverty reduction. For example in Bangladesh access to mobile phone (Cell Bazaar) allows the rural poor to

enhance their livelihood out come through better information. There are several other services in this context, such as, e-Krishok, Hat Bazaar, Pallitathya Kendra, etc in Bangladesh. Similarly, in other countries ar – Pakistan, ICT for RD, Rabat Ghar; Sri Lanka – eTuktuk, Govi Gnana Seva, Nanasala, etc; Malaysia – Agribazaar; Philippines – B2B Pricenow.com; India – Bhoomi, echoupal, ekrishak,ePanchayat, Gyandoot, etc. These services are meant for helping people and improve delivery of services. It also facilitates in access to credit and improved educational and health services and allow the rural poor to enhance their livelihood strategies.

Country Specific Policies and Programmes

To appreciate and understand efforts of countries in this region to address problems of rural development, particularly issues of rural livelihood, a brief analysis of policies and programmes in vogue are discussed in the following paragraphs.

Afghanistan

Agriculture is mainstay of Afghanistan economy so the Government of Afghanistan pays more attention on agricultural development for rural livelihoods. The main policy thrust is focusing on rural livelihood and rural development. Accordingly, the Afghanistan National Development Strategy (ANDS) has been launched for five years on the basis of MDG covering development of economic and social sectors. The long term vision is to ensure the social, economic and political well-being of rural communities. Therefore, some thematic areas have been focused, such as, local governance, increase agricultural production, improve agricultural and rural infrastructure, economic regeneration, poverty reduction and sustainable job creation in rural areas, series of marketing and value-chain initiatives and expansions of micro finance service. In the coming 10 years, the Afghanistan Rural Enterprise Development programme (AREDP) will provide inclusive private sector-led growth and sustainable rural employment and income generation. For the purpose, Micro Finance Institutions (MFIs) were established in 2003 for providing financial services in rural areas where formal banking services are unavailable for the poor. Till 2007, 17 MFIs have been established and providing micro credit to the rural people. Another development plan of the Ministry of Rural and Rehabilitation Development is for three year period (2006-2008) with the mandate to improve rural livelihoods in Afghanistan.

Bangladesh

The policy priority of the Government of Bangladesh has been modified from time to time based on needs. These policy priorities included achieving growth with equitable distribution, employment generation, capacity building for reaping the benefit of market economy, promoting local governance etc. In Bangladesh, a comprehensive rural development effort was started in 1953 through the Village Agricultural and Industrial Development (V-AID) programme. In the post independence period, the IRDP received special importance. In this stage micro credit has taken special place to enhance the economic capacity of the poor. Since 1970s the Government of Bangladesh has implemented Five Year Plans (Five Plans) for rural development and poverty alleviation. Of these the 4th and 5th Five Year Plans

concerned more on human resource development and generation of productive employment in the rural areas. Currently, number of government and non governmental programmes such as social safety net programmes and micro credit programme are implementing for poverty alleviation, rural livelihoods and income generating activities.

Bangladesh has emerged as Micro-credit hub in this region and one third of the households in rural areas are the beneficiaries of micro credit. According to available data till 2005, about 690 NGOs are operating in the field of micro credit. There are some specialized and big micro finance organizations like Grameen Bank, BRAC, PROSHIKA, Bangladesh Rural Development Board (BRDB) and Palli Karma Sahayak Foundation (PKSF). They are contributing in poverty reduction, diversifying and improvement of rural livelihoods.

Several Ministries and various agencies have their own programmes for poverty reduction and rural livelihoods. Among them, Bangladesh Rural Development Board (BRDB) has been implementing rural livelihood projects in 152 Upazilas. They are implementing another important programme called Integrated poverty alleviation programme in 446 Upazilas covering secondary crop production, preservation, processing and marketing. Moreover, Department of Youth Development implements youth vocational training courses. It has imparted training to 2.75 million youth on various trades, out of which 1.53 million were engaged in self employment activities. Recently government has implemented 100 days employment project to reduce poverty.

India

In 80s, the Government of India put greater attention on poverty reduction, removal of unemployment and under employment, improving the efficiency of infrastructure and the economic sector. In this period expansion of irrigation, multiple cropping, application of improved technology, conservation and better use of land and water resources were the key activities adopted for higher agriculture growth and labour absorption. Promotion of export of agricultural products has taken greater attention since 1991 and its effects on incomes of the farmers and employment of poor were considered as favorable. The XI plan also concerned and views agriculture as a growth engine and envisages a strategy of inclusive growth including creation of large scale non- farm employment, decentralization of development planning process, democratic and people centric governance and public private partnerships in infrastructure development.

The Government of India implemented number of programmes related to rural development, poverty alleviation and rural livelihoods such as Integrated Rural Development Programmes (IRDP), *Swarnajayanti Gram Swarozgar Yojana* (SGSY), *Sampoorna Gramin Rozgar Yojana* (SGRY), National Rural Employment Rural Guarantee Programme (NREGP), Integrated Wastelands Development Programme (IWDP), Drought Prone Areas Programme (DPAP) and Desert Development Programme (DDP). Many of the programmes comprising self-employment programmes (IRDP, DWCP, TRYSEM) and wage employment programmes (NREP,FFW, RLEGP) for the small and marginal farmers and landless labour etc. The IRDP covered about 35 million poor families during the eighties and provided 134.5 billion rupees of financial assistance. The NREP (1983) and Rural Landless

Employment Guarantee Programme (RLEGP in 1983/84) generated 4664 million person days of employment for the poor at an expenditure of Rs. 75,775 million during the decade of the Eighties. SGSY is the largest self-employment programme for the rural poor, which was evolved by merging the earlier self employment programmes such as IRDP and Development of Women and Children in Rural Areas (DWCRA) in 1999. Under this programme the government has disbursed credit amount Rs. 107051.6 million as at March 2008. This programme is likely to be enlarged and named as National Rural Livelihood Mission. Another flagship wage employment programme is NREGP, it is the rights based intervention in rural labour markets with focus on transparency, quality implementation and accountability of delivery system to the community. It aims at provision of 100 days of (unskilled) employment for adult members of the rural households who are willing to take up manual work at minimum wage. Under this programme 390.8 million person days of employment have been provided to poor people from 2006/07 to 2008/09.

Indonesia

The government of Indonesia carried out some direct and indirect approaches for poverty alleviation, rural development and rural livelihood. For example, during the period of 1993-1997 with the target of poor area development, Indonesia Government introduced the Presidential Instruction on Disadvantaged Villages (IDT), Income Generating Project for Marginal Farmers (P4K), Kecamatan Development Programme (KDP), and The National Community Empowerment Programme (PNPM). P4K is a programme to enhance farmer welfare through the improvement of supporting infrastructure, increasing subsidy of fertilizer and the improvement of crops price regulation. KDP was carried out for over eight years and was one of the largest empowerment programmes in Indonesia. KDP is now part of the PNPM. PNPM was launched in July 2007 aiming to accelerate achievement of three purpose of MDGs viz., improvement of basic education, reduction of under fives mortality rate and the improvement of married women health.

Iran

Since the Islamic revolution, rural development in Iran has had two phases: firstly, 'infrastructure development' and secondly, 'social development'. The second phase emphasised on entrepreneurship, diversification of rural income generation, production credit development, self employment development, development of rural and small industries, commissioning of rural ICT centers, social capital development, enhancing women's participation and decentralized planning development. The government has increased loan amounts for natural resources and agricultural sector from RIs 1646 billion in 1995 to RIs provides 2951 billion in 2000 and for industrial sector RIs 217 billion in 1995 to RIs 425 billion in 2000. Furthermore, government established Rural Employment Development Soft Loan Fund (REDSLF) in 2002 with the goal of meeting the credit requirements of the rural people. The new process of the Iranian rural development will be more or less based on a series of upstream documents such as the national vision 2025 and the 4th and 5th state economic development plan documents.

Myanmar

In Myanmar about 72 per cent of the total population is living in rural areas and depending upon agriculture for their livelihoods. The prime economic objective is the development of agriculture as a base and all round development of other sectors of the economy as well. Therefore, the Government of Myanmar implements several programmes to achieve objectives of promotion of productivity in agriculture, increase farm income and improve the livelihood of farmers in rural areas. In addition to that, Myanmar government adopted wide-ranging programmes to reduce poverty and develop the agricultural sector such as Agricultural Land Development Programme and Modern Upland Reclamation Project, construction of dams, reservoirs and pump irrigation facilities for the expansion of irrigation networking. Furthermore, government of Myanmar has put special emphasis on micro credit as an important instrument for poverty alleviation and rural livelihood. Three government banks, namely Myanmar Agricultural Development Bank (MADB), Myanmar Economic Bank (MEB) and Livestock and Fisheries Development Bank (LFDB) have been providing micro finance to rural farmers to improve their livelihood activities and income generation.

Nepal

Nepal economy is predominantly based on agriculture, which remains as a main source of livelihood for the majority of the people. Therefore, Nepal government had formulated Land Act (1964) to deal with land reforms. Besides, there are special efforts to improve the conditions of land and agriculture productivity. To improve rural livelihood government has introduces credit facilities for both farm and non-farm. Agricultural credit is disbursed by the Agricultural Development Bank and credit for business, commerce and industries is disbursed by the Nepal Industrial Co-operation (NIDC) and the *Rastriya Banijya Bank*.

Pakistan

The Government of Pakistan since 1953 implemented a number of programmes and project to improve rural livelihood and rural development. The Village Agricultural and Industrial Development Programme (V-AID) was the first comprehensive multi sectoral and multi purpose programme aimed at rural development. The programme focused at increasing income of the rural people, raising the agricultural production and establishment of rural small scale industries. Under this programme the Agricultural Development Finance Corporation (1952) and the Agricultural Bank (1957), the Small Industries Corporation (1956) were established by the government to achieve its target. The Rural Workers Programme (1963-71) was launched with twin objectives of providing gainful employment to rural people and to provide rural infrastructure needs. The focus of the programme was to take up works of labour intensive and create productive assets that include utilization of available local resources with involvement of local leaders. This programme was subsequently merged in People's work programme in 1972. These two programmes provided some temporary employment to the landless laborers. Furthermore, the Government launched another programme namely "*Khushhal* Pakistan progmmme-2000" focusing to generate employment through the construction of essential local infrastructure in rural areas and low income urban

areas. The programme provided job opportunities to around 2 million people and an amount of Rs. 36 billion was spent in two years time.

During the 1972-80 the Government of Pakistan implemented Integrated Rural Development Programme (IRDP) which aimed at providing services, facilities and opportunities for both farm and non farm activities in the *Markaz* (centre). This programme was partial success but could not make much headway in bringing socio-economic changes in the rural areas.

The Government of Pakistan implemented Special Development Programmes for improvement of comparatively less developed regions and groups including women, youth and children. Under this programme government has established *Bait-Ul-MaLL* (Bank for the poor) which aimed to rehabilitate the children involved in labour due to poverty, vocational training centres for children labour, handicraft schools to enable widows and orphan girls' to earn livelihood.

To provide the financial services to poor on sustainable basis government has launched micro finance sector development programme since 2000 and established *Khushali Bank* (KB) for micro finance. It is estimate that 40 micro finance institutions are operating in the country and these institutions have provided credit to the tune of around Rs. 6.6 billion in 2005-06. Furthermore, the government established Pakistan Poverty Alleviation Fund (PAF) in 1997, with endowment of US\$ 9 million, an apex institution to help the poor. Outreach of the programme as of June 2002 was around US\$ 15 million and the number of borrowers were over 65,000. For development of non farm sector employment, government established 'Employer-led-Skill Development Councils' in all provinces. These councils are entrusted to identify needs of geographical area, prioritize them on market demand and to facilitate the training of workers through training providers in public and private sectors. These councils have trained 46,674 persons so far.

Philippines

Although during the 1970s, government heavily intervened in agricultural production, marketing and trade, late 1980s government made to reverse the interventionist policies by deregulating the agricultural sector. Monopolies on sugar, rice and coconut were abolished. A land mark rural development policy is the institution of the comprehensive Agrarian Reform Programme (CARP). It covers both land distribution and other tenure improvement arrangements. The law provided a specific mechanism for the delivery of support services to programme beneficiaries. As at end of December 2006, the government of the Philippines distributed agricultural land 8.556 million hectares for farmers.

In 1997, government was legislated an Agricultural and Fisheries Modernization Act (AFMA) for the sector's modernization and rural development. AFMA's major provisions include reforms and reorientation in the provisions of public production and marketing services, human resource development, rationalized and strengthened national agriculture and fisheries education system, rural non farm employment, trade and fiscal incentives. The government provides P 17 billion as annual supplementary budget for fulfill AFMA's targets.

The *Kapit Bisig Laban Sa Kahirapan* (KALAH!) or Arm-in-Arm against poverty is the current programme on rural development implemented by the government. The aims of programme are reducing poverty, improving governance and empowering communities. They are following strategies like accelerated assets reform, provision of employment and livelihood opportunities, pro-poor infrastructure development and security from violence and social protection.

The Super Regions Strategy intends to harness the natural advantage of major areas of the country and take advantage of the information technology. Five super regions have been identified each with central theme such as agribusiness, industry and service, tourism, information technology.

Sri Lanka

The government implemented relatively large scale rural development programmes in the past. The major one is the Integrated Rural Development Programmes (IRDP) which is covering three fifth of 25 districts. Starting from concentration on provision of infrastructure facilities to create an enabling environment for rural communities, the emphasis on IRDPs has shifted to helping the poor to undertake non farm activities, primarily through self-employment.

In 1980 onwards, smallholder farming sector was taken up to provide technological advancement, crop diversification, market orientation, productivity improvement and income generation. To meet the emerging situation various alternative strategies were tried out such as Agricultural Productive Villages, Export Production Villages, Farmer Bank, Promotion of Agro-wells, Micro Irrigation Support Schemes and Dedicated Economic Centres. It has benefited smallholder farmers.

There are number of programme implemented by the government for rural development, poverty alleviation, rural livelihoods and income generation. For example, *Janasaviya*, *Samurdhi*, *Gamaneguma* and *Gamidiriya*. *Gamidiriya*. These are most ambitious programme currently undertaken by the government for rural development to increase the size and diversity of livelihood options. About 500,000 people in the target districts are being benefited from community infrastructure and productive investment such as drinking water, ICT centres, and access to credit, markets and income generation. *Samurdhi* is a main safety net programme being conducted by the government since 1994. Its main objective is poverty alleviation through enhancing income generation activities and rural livelihoods.

In recent years, the government has placed emphasis on SMEs development with a view to creating new employment opportunities. For the purpose, government has established SME Bank (*Lanka Puthra Sanvardana Bank*) to provide credit facilities for small and medium scale entrepreneurs. The SMEs provide about 50 percent of employment.

In addition, government has been implementing several programmes for youth vocational training through government institutions such as Vocational Training Institutions

and Council for National Youth Service in order to create a pool of skill labour to get absorbed in industries and self-employment.

Thailand

The Government policies and programmes have always emphasized the importance of agriculture and the rural economy. Hence, government has undertaken number of measures such as restructuring of the agricultural sector, public campaign on food safety and strengthening of the food safety mechanism. Under the restructuring of agricultural sector government encourage garlic framers to switch to other crops where contract farming between private sector and farmers can be made. To facilitate this government has set up an Agricultural Restructuring Fund. The programme on food safety and strengthening consisted of many components such as one million cattle farmers' project, multi year watershed development plan and land reform programme. To assist small and medium scale entrepreneurs, government has established SMEs Bank to meet the needs of small investors.

Vietnam

Vietnam government is implementing several programmes and polices especially targeting to provide rural livelihood through development of agricultural sector. Law of Investment (2005) exhibits the preference that Vietnam attaches more importance to invest in agriculture and rural sector. For example, government implemented incentives for enterprises income tax, enterprise import tax, materials, land tax remission, training support and access to capital market. More so, government implemented many policies on rural livelihood such as credit, technological development and poverty alleviation.

Under these policies government launched National Target Programme for Poverty Alleviation (NTPPA) and Programme 135. The focus of the Programme 135 is to establish new economic zone, loans grant for small projects for generating employments, improvement of employment market information system and conducting training on employment management. Government has spent VND 7640 billion for above activities in 2001-2005.

Conclusions

The foregoing discussions and analysis provides conceptual underpinnings, status and impact of policies and programmes in the Asia – Pacific countries and it postulates policy dimensions for way forward. Undoubtedly, rural development policy and programmes are conceived central to the national development strategies. However, livelihood approaches have considerable potential for improving the focus of programmes and policies directed toward poverty alleviation by integrating and converging variety of existing programmes. The present approach lacks proper coordination and consistency between the goals and variety of projects and schemes launched by government and donors. They are not able to mobilize collective support for the poor and protect their interests rather benefits of such projects go to them.

Dependency on agriculture still continues but it has sharply declined due to vulnerability to various risks and, therefore, it has limitations in exploring the potential to enhance livelihoods. Hence, a diverse portfolio of activities can contribute sustainability in rural livelihoods approach as it may improve long-run resilience in the event of adverse trends or sudden shocks. Thus there is a wide scope within existing rural development policies for support to beneficial forms of diversification. The policy change emphasises a focus on people, their assets and activities, rather than sectors and their performance as a conventional approach. So, expansion of diversification options may be multi-occupational and multi-locational households.

Evidently, when agriculture is faltering, the non-farm sector can rescue and it is growing fast and has potential, as its share in rural income is substantially increasing. A range of strategies are required to boost this sector by giving fine tune like developing industrial clustering and infrastructure investment. This needs to be exploited for the advantage of rural areas for livelihood.

Land plays a strategic role in these countries besides its productive value. Approaches to rural development and livelihoods should be well integrated with the access to land and important related issues of land reforms. Empirical evidences show that poverty is significantly correlated with lack of access to land. Land ownership gives various social values like social status, political and economic leverage and while obtaining credit from market, etc. A need, therefore, is to consider if politically feasible to go for agrarian reforms in terms of tenancy rights, redistribution of ownership of uncultivated land and giving title to land and watercourses owned by the state.

For employment opportunities in rural areas, non-agricultural enterprises play a strategic role. Evidences show that some countries made substantial progress in poverty reduction through creating off-farm opportunities. Some countries of this region are good example for creating non-farm countryside employment. For example, employment of rural labour force in non-farm sector in Thailand is 52 per cent, Myanmar 51 per cent, Vietnam about 50 per cent, which is remarkable. So, rural enterprises can become both an engine of growth and also major contributor to the reduction of rural poverty and livelihood. The potential of labour absorption is high in agri-based industries, small and medium industries and service sector. The activities in this sector are labour intensive and provide employment opportunities for semi - and unskilled rural labour.

In this regard, Self-employment through vocational training to rural youth to become entrepreneur is another source of stimulus. Some countries like Pakistan and India have such programme. In India, the *Swarna Jayanti Swarojgar Yojana* (SGSY) addresses to mobilize rural folks into Self-help Group to take up economic activities and they are given vocational training. Now it is likely to be expanded as National Livelihood Mission.

Infrastructural facilities have a potentially important impact on livelihood. It can contribute in integration of national economies, increasing mobility of the people, expanding market

facilities, speeding flow of information and ICT development. This need innovative approach for maintenance of assets created.

Wage employment programmes can be another suitable option to provide gainful employment during lean season. India has been providing such employment in rural areas from time to time in planned development approach which has culminated into right to work under Parliament Act on National Rural Employment Guarantee Act.

Another important area deserves consideration is credit. There is a need for creating rural financial institutions that are self-sustaining on the basis of savings and loan. Bangladesh is the hub of micro-finance in this region. The success of micro-finance in Bangladesh is exemplary, which can be emulated.

Poverty is closely associated with low levels of education and skills. Hence, the signification of education, both formal education and workplace skills have to be established for improving livelihood prospects. There is need for investment in human capital.

Participation and governance prominently feature in the discourse of livelihood and rural development. Democratic decentralization through local government institutions and representation of marginalized groups are necessary condition as it brings representatives closer to poor and safeguard their interest. It has been observed that poverty has correlation with local participation, accountability and transparency.

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