



November 5, 2009

The FAO Rural Income Generating Activities (RIGA) project is pleased to announce key updates to its website:

1. Release of household characteristics variables for 14 surveys
2. New Madagascar 2001 Income Aggregate
3. New publications

[1] RELEASE OF HOUSEHOLD CHARACTERISTICS VARIABLES FOR 14 SURVEYS

The new set of more than 40 variables are **household characteristics** that describe household ownership of human, natural, physical and social capital such as educational attainment, land ownership in hectares, access to agricultural and non-agricultural wealth, connection to public infrastructure and to migration networks. These variables can be easily linked to the RIGA income aggregates and to the original survey data.

At this moment the household characteristics variables are available for the following set of surveys:

- Albania 2005
- Bangladesh 2000
- Bulgaria 2001
- Ecuador 1995
- Ghana 1998
- Guatemala 2000
- Indonesia 2000
- Madagascar 1993
- Malawi 2004
- Nepal 2003
- Nicaragua 2001
- Pakistan 2001
- Panama 2003
- Vietnam 1998

Access to these variables is obtained by the same procedure as for the RIGA income aggregates. Visit the RIGA data page for instructions on how to request these and other datasets:
http://www.fao.org/es/ESA/riga/english/form_en.htm.

In the future household-level characteristics variables will also be released for the other surveys in the RIGA database.

[2] NEW INCOME AGGREGATE: MADAGASCAR 2001

The income aggregate based on the 2001 Madagascar *Enquête Permanente des Ménages* has recently been incorporated into the RIGA project and is now available for public use. This dataset can be accessed through the RIGA data request page on the RIGA website:
http://www.fao.org/es/ESA/riga/english/form_en.htm.

In the future, the RIGA project will also release new income aggregates based on surveys from Bolivia, Bangladesh, Guatemala, Kenya, Vietnam and Tajikistan.

[3] NEW PUBLICATIONS

Journal Articles:

- **A. Zezza, G. Carletto, B. Davis, K. Stamoulis and P. Winters, 2009. "[Rural Income Generating Activities: Whatever Happened to the Institutional Vacuum? Evidence from Ghana, Guatemala, Nicaragua and Vietnam.](#)" *World Development*, vol. 37(7), pages 1297-1306.**

Summary: This paper assesses the current rural development practice against the main trends in recent rural development thinking, based on evidence from four country case studies. While much progress has been made in understanding the need to look beyond only agriculture for the promotion of productive activities in rural areas, and the "institutional vacuum" consistently identified in the rural non-farm (RNF) literature is gradually being filled, much remains to be done. One aspect on which more research is particularly needed is the development of better mechanisms to promote productive investment rather than just social investment and to assess the appropriate level—community, regional, and national—at which to do this.

- **P. Winters, B. Davis, G. Carletto, K. Covarrubias, E.J. Quiñones, A. Zezza, C. Azzarri, and K. Stamoulis, 2009. "[Assets, Activities and Rural Income Generation: Evidence from a Multicountry Analysis.](#)" *World Development*, Elsevier, vol. 37(9), pages 1435-1452.**

Summary: This paper examines the links between the assets and the economic activities of rural households in developing countries to provide insight into how the promotion of certain key assets—particularly education, land, and infrastructure—influences the economic choices of these households. Nationally representative data from 15 countries which form part of the rural income-generating activities (RIGA) database are used in the analysis. The results indicate that improved land access is linked to agricultural production and thus will lead households to take, on average, this path for improving household welfare. Higher levels of education and greater access to infrastructure appear to be most closely linked to non-agricultural wage employment.

- **B. Davis, P. Winters, G. Carletto, K. Covarrubias, E.J. Quiñones, A. Zezza, C. Azzarri, K. Stamoulis and S. DiGiuseppe, 2009. "[A Cross Country Comparison of Rural Income Generating Activities](#)", forthcoming in *World Development*.**

Summary: This paper uses a newly constructed cross-country database composed of comparable income aggregates to examine the full range of income generating activities carried out by rural households. The analysis paints a clear picture of multiple activities across rural space in countries on all four continents, though less so in the included African countries. For most countries the largest share of income stems from off-farm activities, and the largest share of households has diversified sources of income. Diversification, not specialization, is the norm. Nevertheless, agricultural sources of income remain critically important for rural livelihoods in all countries.

Conference Papers:

- **T. Hertz, P. Winters, A. P. de la O, E. Quiñones, B. Davis, A. Zezza, C. Azzarri, 2009, "[Wage inequality in international perspective: Effects of location, sector, and gender.](#)" Paper presented at the FAO-IFAD-ILO Workshop on Gaps, trends and current research in gender dimensions of agricultural and rural employment: differentiated pathways out of poverty Rome, 31 March - 2 April 2009. March.**

Summary: This paper uses the well-known Oaxaca-Blinder decomposition technique to understand the determinants of wage-gaps between men and women, between urban and rural workers, and between those employed in the rural agricultural versus the rural non-agricultural sectors, for the 14 developing and transition economies in the RIGA-L dataset. The unexplained male female wage gaps (i.e. the gaps that remain after controlling for a host of observable characteristics of the job and the worker) provide estimates of labor market discrimination against women that are consistent with prior estimates from other

countries, and are generally similar in rural and urban areas. We argue that countries with large unexplained urban-rural gaps, such as Tajikistan and Malawi, are those in which rural to urban migration is likely to persist even in face of high urban unemployment rates. Furthermore, we find that large unexplained wage gaps in favor of non-farm employment, versus paid labor in farming, exist in Tajikistan (53%), Ecuador (44%), Nepal (36%), Nicaragua (32%), and Nigeria (30%); these would then appear to be the countries for which a shift of existing workers, with their current attributes, from the farm to the non-farm sector would have the largest impact on rural incomes.

- **K. Covarrubias, A.P. de la O Campos, A. Zezza, 2009, "[Accounting for the Diversity of Rural Income Sources in Developing Countries: The Experience of the Rural Income Generating Activities Project](#)." Paper prepared for presentation at the Wye City Group Meeting on Rural Development and Agricultural Household Income, 11-12 June, 2009, Rome, Italy.**

Summary: The RIGA project of the Food and Agriculture Organization created a growing database of 33 household living standards surveys from which a set of income aggregates and other measures of well-being were constructed in a methodologically consistent manner. Through this elaborate task a host of definitional and methodological issues arose that confirmed the need to reflect on the different stages leading to the construction of income aggregates for developing countries. These issues relate to topics such as the defining agricultural households, identifying rural areas, defining reference periods and frequencies, among other topics. We summarize both the RIGA methodology for income aggregate construction and the obstacles faced in their construction and offer a consolidated list of methodological recommendations for the measurement of household income levels.

Working papers:

- **A. Valdés, W. Foster, G. Anríquez, C. Azzarri, K. Covarrubias, B. Davis, S. DiGiuseppe, T. Essam, T. Hertz, A.P. de la O, E. Quiñones, K. Stamoulis, P. Winters, A. Zezza, 2009, "[A Profile of the Rural Poor](#)" FAO ESA Working Paper 09-04.**

Summary: This paper has two main objectives. Firstly, it provides an overview of trends in the magnitude, location and nature of rural poverty, with emphasis on least developed countries. Secondly, it offers new evidence that advances our understanding of rural poverty, by presenting quantitative analyses of the determinants both of rural activities and of income from farm- and non-farm sources drawing on data from FAO's Rural Income Generating Activities (RIGA) data base of 15 countries, complemented by demographic, health, production and income data from other sources. In order to reduce rural poverty, policies should concentrate both on improving household activities already available – most prominently farming – and on expanding the range of potential activities of family members. The lesson from experience and much of the rural development literature is that the income generating potential – the ability to access and take advantage of activities – depends crucially on access to assets, such as education, land, and infrastructure.

The **Rural Income Generating Activities** project is a collaborative effort of FAO, the World Bank and American University that aims to promote the understanding of the roles, relationships and synergies of on-farm and off-farm income-generating activities for rural households. To learn more about the RIGA project please visit <http://www.fao.org/es/ESA/riga/>.

Please send a message to RIGA@fao.org if you no longer wish to be contacted regarding the RIGA project.