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How can the rural poor participate in global economic processes?

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Drawing on work commissioned by the International Development Research Centre (IDRC) to help its forward planning, this paper asks how the rural poor might benefit more fully from global economic processes. It argues that, whilst the scope for the more entrepreneurial to link into value chains associated with either agriculture or the non-farm rural economy is present, its relevance for many of the rural poor is questionable. There is, however, substantial scope for labourers to participate in activities influenced by globalisation. Policies therefore need to support temporary and permanent migration from rural to urban areas. As a prior condition for the design and implementation of such policies, political mindsets need to be changed to give fuller recognition to the value of such labour in supporting economic modernisation.

Policy conclusions

- Whilst many view the impact of global processes on the rural poor as unequivocally negative, this paper argues that there are important, but largely unexplored, positive dimensions.
- These will require policy interventions across several spheres, together with efforts to overcome knowledge gaps.
- Some of these opportunities, specifically for linking more fully and in new ways into global value chains, are open to the more innovative producers in both the agricultural and non-farm rural economy.
- However, the major opportunities lie with labourers who bridge the (increasingly blurred) rural-urban divide and so take advantage of work generated either directly or indirectly by globalisation.
- Engagement of the rural poor in global processes will only become more inclusive if affirmative action is taken in relation to cross-cutting issues such as gender and ethnicity.
- Likewise, engagement is unlikely to be economically, institutionally or environmentally sustainable unless action is taken to improve access to factors of production, strengthen the enabling environment, and improve environmental and natural resources management.

Background

Over the past year ODI has been working with the International Development Research Centre (IDRC) to support the development of a research agenda on the theme 'Productive strategies for rural poor households to participate successfully in global economic processes'. The desire to help peripherally-located poor people engage with globalisation on beneficial terms is the preoccupation of many development practitioners and policy makers in different places and economic contexts. The aim of this paper is to describe how this task was approached and what priorities were identified.

Structure of the paper

The paper begins with a conceptual section, defining the rural poor and discussing the rationale for a rural focus, and then defining global economic processes and the enabling environment. The productive options are then identified which offer most potential for the rural poor, specifically, for: small producers for global markets; workers and migrants; and marginal producers for domestic markets.

We then consider two meta themes, namely access to factors of production, and environmental and NR management, and two cross-cutting issues, gender and ethnicity, before drawing conclusions.

Conceptual issues

Who are the rural poor? The 0.8 billion rural poor in the South are not an undifferentiated group of people. The poor may be producers but can also be traders, workers, migrants, consumers and the managers of resources. Poverty is not a static concept and there is considerable upward and downward mobility around any poverty line. In relation to global economic processes, the rural poor may be categorised as:

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Box 1: Manifestations of Global Economic Processes of relevance for the rural poor

Manifestation	Evidence
Penetration of rural markets by global goods and, increasingly, services, with consequent implications for consumption and welfare	Chinese companies are exporting increasing quantities of a wide variety of products directly to the African markets. The result is clearly visible in rural markets consisting disproportionately of low-priced Chinese goods.[1]
Liberalisation of national markets and reduction of tariffs allowing greater competition from imports	Average (unweighted) tariffs for 35 countries saw a decline to around 8% at the turn of the century from 12-15% over the previous half-century and around 25% in the 1930s.
Changes in the market for traditional commodities (e.g. declining prices and increasing volatility, overproduction)	Between 1977 and 2001, real dollar prices fell for 41 out of 46 leading commodities, at an average rate of 2.8% each year. In 2001 the inflation-adjusted price of coffee on the international market was just 16% of what it was in 1980, and cotton was worth no more than 21% of what it was in 1980.[3]
Development of new markets for export commodities (e.g. new products, changing specification of traditional export commodities)	Fresh fruit and vegetables, fish, live animals and meat, nuts and spices accounted in 2001 for 50% of the total value of agri-food exports of developing countries, up from 31% in 1981.[4]
Development of global companies and increasing concentration	Concentration in agri-business can be detrimental to poor countries: coffee producing countries currently receive $5.5 billion from the value of retail sales in the USA of over $70 billion, against US$ 10-12 billion out of a $30 billion market at the end of the 1980s.[5]
Change in finance markets	Following the abolition of fixed exchange rates in major economies during the 1970s, capital mobility increased dramatically.[6]
Development of growth poles/urban agglomeration, attracting mobile capital and labour	In 2000, more than three-fifths of the urban population of Africa, the Caribbean and Southeastern Asia was living in market towns and administrative centres with fewer than half a million inhabitants.[7]
The ageing population and strong economies in the North, plus reduced air travel costs, have resulted in a boom in South-North migration.	There were an estimated 191 million migrants worldwide in 2005, up from 176 million in 2000. Women accounted for 49.6% of global migrants in 2005.[8]

Sources:
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2 Kaplinsky, R. (2005) Globalisation, Poverty and Inequality. Cambridge, Polity Press. p. 23
3 Oxfam (2004) "The Rural Poverty Trap: Why agricultural trade rules need to change and what UNCTAD XI could do about it." Oxfam Briefing Paper 59. Oxfam.
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6 Kaplinsky, R. (2005) op. cit., p. 24
7 Satterthwaite, D. and Tacoli, C. (2003) The urban part of rural development: the role of small and intermediate urban centres in rural and regional development and poverty reduction. Working Paper Series on Rural-Urban Interactions and Livelihood Strategies, WP 9. London, IIED.
8 International Organisation for migration (IOM) Global Estimates and trends. htpp://www.iom.int, accessed 20.07.2006

- *Small producers for global markets*: these are households that are already participating in globalisation but whose assets still generate insufficient returns to escape poverty on a sustainable basis.
- *Workers and migrants*: households that participate in global economic processes as workers because they lack access to assets. They do not produce directly for global markets, but work in farms and factories that do. This category includes the increasing number of workers who cross international boundaries to secure work.
- *Marginal producers for domestic markets*: this category of the rural poor does not interact with global economic processes through either work or production – consumption is the only direct link with globalisation.

The choice of category of rural poor to focus upon as the target beneficiary group has important practical consequences for the appropriate type of development intervention. For instance, the first category of the poor can often be supported by short-term and highly specific interventions that enhance the terms of their existing engagement with global markets. These interventions tend to be justified by the fairly narrow conception of market failure held by many orthodox economists - such as gaps in market information.

By contrast, the constraints faced by the most marginalised are often multiple, structural and seemingly insoluble (e.g. extremely poor human capabilities, gender and ethnic discrimination and poor infrastructure linking producers to potential markets). These constraints are based upon the broader conception of market failure often adopted by development economists. Addressing these failures often requires longer term, expensive and strategic interventions.

Why the rural focus?

Whilst urbanisation is gathering pace in the South, the poor are mainly living in rural areas – and will remain there for some time. Projections suggest that over 60% of the poor will be rural as late as 2025. Therefore the achievement of the Millennium Development Goals of halving the 1990 levels of poverty by 2015 will depend disproportionately on reducing rural poverty.

That said, it is clear that rural areas in the South are currently in the midst of a profound transition and the linkages between 'rural' and 'urban' areas are deepening rapidly. Examples of these include: the extent of migration and remittance flows from urban to rural areas; the growth of the Rural Non-Farm Economy (RNFE) where agriculture contributes the minority of income even in rural areas; and, rural production for urban markets and rural consumption of urban products. Therefore, whilst the work reported here ostensibly has a rural focus, much of the analysis is actually preoccupied with the nature of the linkages between rural and urban areas.

What are Global Economic Processes?

Globalisation is characterised by an accelerated mobility of capital, labour, goods and services. Impacts on the rural poor can be direct or indirect, long or short term, and negative, neutral or positive. The search for ways in which global economic processes (GEP) impact on the poor can be enhanced requires assessment of economic prospects and enabling environments, not only at micro, but also at the 'meso' (national) and 'macro' (international) levels. [See Box 1].

The economic policy context has changed considerably over the past twenty years. Across the South a range of deregulatory measures have been taken including: the development of *competitive markets*; *trade liberalisation*; and, the encouragement of *foreign direct investment*.

Several global economic processes have the potential to provide an impetus for pro-poor rural growth, such as the:

- Reduced cost of mass consumer goods, including food;
- Greater availability of low paid but regular work in casual wage labour markets where growth is labour-intensive;
- Spread of urban agglomerations to rural regions as hubs for investment as well as labour migration;
- Growth of demand in developed countries for specific products (e.g. specialities, fresh produce year-round, etc.); and
- Increasing consumers' social and environmental awareness.

The enabling environment comprises institutions and policies which facilitate or promote economic growth favouring the rural poor. The 'Operationalising pro-poor growth' studies[1] indicated that pro-poor agricultural growth is facilitated by: available economic infrastructure; secure property rights; positive incentive frameworks in the sectors where poor people work and invest; investments in R&D and dissemination of crop technologies to small producers; and initiatives to help the management of risk. Put differently, the enabling environment, both formal and informal, influences whether and how poor people can access vital assets for productive strategies.

For both agriculture and the RNFE, critical factors encouraging pro-poor growth include the investment climate; incentives for labour-intensive production; access to post-primary skill-enhancing education with gender equality; greater infrastructure spending and improved quality of services delivered.

These variables can be grouped into:

- Legal and regulatory reform (tax reform, land laws and administration);
- Infrastructure (different types of which benefit quite distinct groups of poor people, also infrastructure development has important employment generating impacts);
- Capacity of the state (in terms of contracting, regulation and project supervision);
- Investment climate surveys (should be broadened to include agriculture, services and informal sector – including the views of poor entrepreneurs and workers); and
- Increasing access to finance (particularly in terms of improving the usually weak links between the conventional financial sector and community banks and micro-finance institutions).

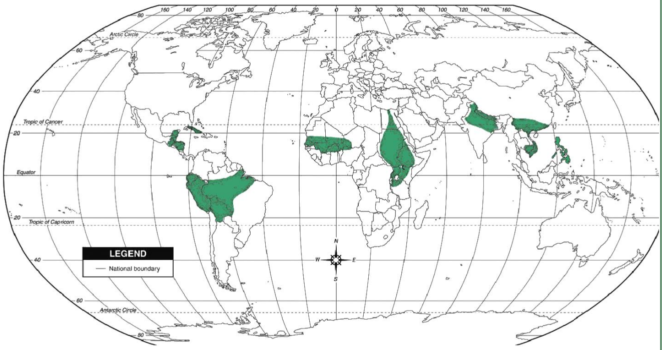
Methodology

A three-step approach consisted, first, of a desk-top empirical socio-economic analysis of the rural poor and their engagement with global economic processes, in six regions where these issues had already been identified as a priority by IDRC (Figure 1 illustrates the diverse locations of these Regional Scans).

The second step was to select individual case study countries in each of the IDRC Regions . One case study country was selected from each Region in all cases except the Nile Basin where, to reflect the particular diversity of the Region, two case study countries were selected. Narrowing the focus to these seven countries also allowed the research team to engage with local stakeholders and local institutions.

The final step was to hold workshops in each country. These allowed the research team to validate the issues raised in the Regional Scans and Country Reports with local stakeholders. In addition, the Country Workshops allowed the prioritisation of critical research themes emerging from the earlier research. It is to the themes emerging from this analysis that we now turn.

Figure 1 RPE Regions of Geographic Focus



Prospects for Engagement

From each case study country, productive strategies were identified to support a meaningful and positive engagement between small producers, employees and marginal producers on the one hand, and global economic processes on the other. In addition overarching (so-called 'meta') themes were also identified – together with cross-cutting issues raised by this analysis.

Productive Strategies

The following productive strategies were prioritised during the consultation:

Small Producers for Global Markets

Priority areas for support for small producers for the global market included market facilitation, direct support to small producers, the strengthening of viable pro-poor value chains and enhanced economic infrastructure.

Market facilitation mainly involves supporting small producers to counter the market failures that constrain their current engagement with global market processes. For instance, this could involve supporting producers in accessing the necessary production factors (finance, land, etc.) and information, and supporting them in marketing their produce (e.g. certification services).

Removal of a relatively simple impediment can allow small producers to participate more successfully in market processes. For instance, the radio broadcasting of agricultural market information in Kampala to rural producers has had a significant and positive impact on the prices producers have been able to negotiate. Possible further scope for engagement by small producers includes the improved provision of market information and the identification of alternatives to certification processes required to access viable value chains.

Direct support to small producers embraces a range of possibilities, from the use of collective action to strengthen the bargaining position of small producers; linkages between small and large firms, with the latter providing market access for the small producer; and, extension services to provide technical support to small producers. Many support services of this kind have been suspended or reduced – in part because of the higher input costs and greater competition that result from liberalisation. The demise of public extension services and their inadequate replacement by alternatives is a prime example. The imperative is to find new models of collective action that learn from past experiences, such as partnerships with private sector organisations already within the value chain. Other priority forms of support mentioned during consultations included improvements in market information, access to production finance, and product certification schemes.

The questions requiring further elucidation here include:

- What are appropriate models for collective action amongst small producers that are responsive to their needs, commercially

sustainable and support them in accessing viable global value chains or dynamic local value chains?
- What lessons can be learnt from successful producer organisations about their potential influence over the leading actors in value chains?
- How can producers and their representative organizations best interact with specialist intermediary organizations providing information, marketing, quality control and certification services?
- Can incentives be designed for the formation and maintenance of partnerships between poor, rural producers and established private sector organisations within the value chain?

The identification and strengthening of viable pro-poor value chains: Small producers find it difficult – perhaps increasingly so – to access global value-chains, whether in traditional commodities (e.g. coffee, cocoa, tea, cotton, or in higher value agricultural products (e.g. fresh fruits, vegetables, flowers, meat, dairy products, fish, shrimp, etc.).

Small producers need to be linked better into promising supply chains, and the terms on which they are incorporated improved. Much of the focus has been on global supply chains, but the rural poor often produce into local chains. The demand for meat and dairy products or fresh vegetables and fruits increases rapidly with growing incomes - often as a consequence of globalisation - and so provide opportunities for rural producers.

Different value chains have important environmental impacts. For instance, shrimp farming in Vietnam is already beginning to run up against environmental constraints that are having serious impacts on the livelihoods of the rural producers, as well as the environment itself. Historically, value chain analysis has not successfully incorporated issues of environmental management into consideration.

Enhancing economic infrastructure: It is clear that small producers cannot fully engage with global economic processes when the roads are too poor to get goods to market, and communications systems and power supplies are dysfunctional. In Uganda, for instance, it was proposed that literally building the economic infrastructure of a rural market place was a necessary intervention to assist small producers to engage with broader economic processes. However, goods from remote rural areas, unless based on a specific comparative advantage, are unlikely to be competitive in urban markets no matter how good the transport infrastructure. This suggests that, over and above a certain minimum level of infrastructure, public expenditure priorities have to be set according to whether it is more socially beneficial to continue putting investment in, or to help those who wish to get out, as reflected in the discussion of migration below.

Questions requiring additional attention include:
- Which niche markets are likely to evolve into mass markets, and with what upstream and downstream implications in the value chain?
- What analytical tools will best convince supply chain operators to take the interests of the rural poor into account, as part of corporate social responsibility or otherwise?
- What are the welfare implications of poor, rural producers accessing viable global value chains and how are they shared among individual household members?
- How can indigenous capacity for value chain analysis in the South be enhanced?
- What are the key local value chains affected by global economic processes and how are they changing, with what implications for the rural poor?
- What are the environmental impacts of different value chains?

Labourers and Migration

Most of the rural poor in developing countries are unlikely to enter global value chains, either as migrants or as entrepreneurs, but may enter jobs in the local labour market that are a consequence of global economic processes. Wage labour in the local economy is not only what many of the poor want, it is also an effective mechanism for reducing poverty. Rapidly tightening rural labour markets, and the associated rising wage levels, were the principal routes out of poverty in Asia. In Africa, increasing the output of producers was the most effective mechanism for pro-poor growth and in Latin America poverty was reduced by a combination of the two mechanisms.

Agriculture is changing from a subsistence to a commercial mode of production in many poor rural areas as part of a wider transformation of the rural economy. One consequence is that the objectives of land policy are changing: Vietnam and Egypt are now aiming to aggregate farm holdings to a size sufficient to allow efficient production of a marketable surplus – rather than the traditional preoccupation with equity issues and breaking farms into small subsistence units to give all rural people access to owning land. Further, the RNFE has expanded to the point where – in a broad range of rural contexts across the developing world – between about 40% (in Latin America) and three-quarters (in parts of Sub-Saharan Africa) of rural income no longer has its immediate source in farming.[2] The RNFE therefore merits a closer policy focus. In many areas, the most effective approach to rural poverty reduction could be to enhance the skills of the rural poor to facilitate their move out of farming and even out of rural areas altogether.

The questions requiring more thought include:
- What is the impact of agricultural transformation on the livelihoods of the poor in the rural labour market?
- Can the RNFE reduce poverty through generating increasing numbers of pro-poor jobs for the landless and the land-stressed in rural areas?
- Can eco-tourism impact on the livelihoods of the rural poor at scale?
- What are the environmental impacts of RNFE activities?
- Do non-timber forest products only provide a likely route out of poverty when harvested as a 'specialist' strategy – rather than collected as a 'coping' strategy?

Our research revealed that the importance of migration as a strategy for linking rural people to global opportunities, is ubiquitous. It also makes clear that rural issues cannot be discussed without considering the linkages between rural and urban areas. Although the nature of migration flows and the issues arising from these varied considerably in different regions, migration was identified most consistently as an area of high potential for labourers, and the macro-economic significance of remittance flows from international migration is beginning to be acknowledged by policy-makers.

Several distinct trends in migration are emerging. South – North migration is very significant in places like Honduras, where 10% of the population are currently working in the United States. There is also a long tradition of Egyptian migrants working in the Gulf States and South Asians working in Europe and the Gulf. It should not be assumed that the rural poor are not international migrants. Amongst rural Mexicans, for instance, the better educated and affluent tend to migrate to Mexico City with the poorer and less educated migrating to the US;

South–South migration is common in the Sahel and in parts of Latin America – for instance from Bolivia into Argentina. Significant international rural–rural migration flows exist between, for instance, Nepal and the affluent agricultural regions of Northern India, some of which are increasingly producing for global value chains. In many cases even domestic rural–urban migration is linked to global processes, e.g. where work is found in urban enterprises financed by foreign investment.

The questions emerging from the analysis include:
- What is the nature of migration from poor, rural areas that links with global economic processes?
- What are the social, economic and environmental impacts of migration on poor, rural households and destinations (with

a particular focus on gender, poverty and local development impacts)?
- How can policies that marginalise migrants be changed?
- What are the skills development impacts of migration?
- How can remittance transaction costs be reduced and do conventional financial institutions have a role that includes the poor?

Marginal Producers for Domestic Markets

Enhancing incomes in 'lagging' regions - often remote rural areas where the bulk of poor and other marginalised groups reside - is often a euphemism for mitigating sensitive social and economic issues.

Investment in services such as education and health are of prime importance in strengthening the capacity of rural people to leave remote areas and compete in higher skill markets. Questions of this kind are particularly important in areas recovering from conflict, where large volumes of relief may distract attention from the need to identify realistic economic prospects for the region. Of similar importance – given the faster growth and poverty reduction associated with urbanisation – are questions of how far public investment can stimulate the sustainable growth of urban centres in what are predominantly rural areas, and by what means they can attract private investment to these areas.

In Vietnam and Bolivia the 'lagging' region issue relates to those highland areas which contain high concentrations of ethnic minority people and have been largely bypassed by the impressive socio-economic performance of the mainstream economy. The term 'lagging' regions, then, had an ethnic dimension in Vietnam and Bolivia – and, to some extent, in India also. By contrast, in Senegal the concern with 'lagging' regions is more a function of the pattern of economic development that is currently reinforcing spatial inequality between the already more prosperous areas, like Dakar, and the poorer regions in the interior.

The rural poor are not just producers but are also consumers of global goods and, increasingly, services. Pure consumption products have penetrated even isolated communities. Although consuming imported goods and services is not a productive strategy, and so may be thought to lie outside the scope of this paper, it is an activity which has important effects on the welfare of the rural poor.

Increased income from engagement with global processes may also increase the variability of income flows as the uncertainties and variability resulting from the natural environment and local community context are compounded with those resulting from the functioning of the international economic system. Public policy can provide safety nets, but also can itself be a source of instability: the swings in trade agreements between Honduras and the US have injected additional volatility into the livelihoods of many rural poor households. In addition, there is some evidence of an emerging market response to this need to reduce the vulnerability of the poor. In India, for instance, conventional financial institutions are increasingly seeing mid/low income rural households as a viable market for a range of livelihood financial products, from pensions to life insurance.

The questions requiring deeper elucidation here include:
- What policies will facilitate the spread of urbanisation into rural regions?
- How could government spending on social infrastructure and services be influenced to avoid spatial discrimination against 'lagging' regions?
- What tools are required to identify sustainable drivers of inclusive economic growth in 'lagging' regions?
- Having identified viable value chains for the region, what policy interventions will stimulate a developmental trajectory?
- How can public funds, whether from international humanitarian organisations or government sources, be used to leverage sustainable private sector funds into the 'lagging' region?
- What is the net impact on welfare of price and other changes resulting from the consumption of imported goods by the rural poor?
- Is there evidence of imported goods displacing traditional goods to the detriment of the health and welfare of rural poor households?
- How and how far can market provision of financial products reduce the vulnerability of the rural poor to global economic processes?
- To what extent can value chain actors be encouraged to provide (or enable the provision of) insurance and other protective mechanisms alongside core market interactions?

Meta Themes

Access to Factors of Production

There are major prospects for intervention to improve access by the poor to new skills, and to reduce widespread discrimination against women in this process. However, many questions remain unanswered. We need better understanding of how the social capital of the poor can best be strengthened in order to permit them better access to input and output markets. Is support for collective action enough?

Particularly noticeable is the continuing preoccupation with micro-credit in many parts of Africa, whereas a diversity of financial services is now being emphasised in parts of Asia (to include savings schemes, personal insurance, pensions etc). Questions that need to be addressed here include: what mix of rural financial services best meets the needs of the poor? What market failures are found here and how can they best be overcome? What, historically, has been the impact of micro-finance initiatives on poverty? What has changed in the way conventional financial institutions regard the rural poor that has allowed them to become bankable and insurable?

As a consequence of increasing commercialisation of agriculture, it is also possible that conflicts over land might increase as small producers are increasingly pushed to the margins by more powerful actors claiming land for their enterprises. A particularly clear pattern is emerging in Bolivia and Brazil where global demand for beef and soya is fuelling a conflict between incoming large commercial farmers and indigenous people. On the other hand, land tenure in many parts of Asia is characterised by increasing fragmentation and there are important questions about what the policy response should be, at a time when the "small is more efficient" evidence from the Green Revolution is being challenged by the disadvantage which small farmers face in linking into globalising markets.

Questions prompted by this analysis include:
- Given the significance of processes such as urbanisation and the growth of RNFE, should land reform remain on the public policy agenda?
- What is the impact of land reform on poverty?
- What should be the public policy response to the fragmentation of family farms to (and beyond) the point of non-viability?

Environmental and natural resource management

One of the most important assets to which the rural poor often have access to, or ownership of, is a range of natural resources and environmental services. Common pool resources contribute US$5bn a year to rural poor households in India – equivalent to 12% of total household income.[3]

The unsustainable use of natural resources has important direct impacts upon the livelihoods of the rural poor. Over-fishing in coastal areas of the Philippines provides one example. Furthermore, the pursuit of new global opportunities can lead to a reallocation of resources to the detriment of the poor – the extraction of groundwater for export vegetable production in Kenya, for instance, impacts negatively on those downstream. Much of the price of conserving the environment is being borne by the rural poor. There is a need for innovative compensation mechanisms for environmental services – going beyond the (now conventional) consideration of carbon sequestration to other forms of environmental service, and for strategising responses to climate change.

Questions raised include:

- Can local knowledge be harnessed to inform natural resource management processes and who pays for this service?
- What is the environmental impact, and scope for sustainability, of natural resource-based activities on which the rural poor depend?
- How can the interests of the rural poor be integrated into international negotiations relating to the management of natural resources?
- What impacts does the growth of economic activity have on the environment and the quality and quantity of natural resources?
- What innovative approaches to managing common pool resources in a more sustainable and equitable manner are being utilised, or could be tested, in specific local contexts?
- Does the transformation of economic activities and the increasing integration in global processes reduce conflicts over access to resources or aggravate them?

Enabling environment

The enabling environment is an umbrella term that generally includes: access to factor inputs; regulatory and institutional issues; access to markets and the role of state support.

In many contexts, government is failing to establish an enabling environment conducive to enterprise establishment and expansion. At the basic levels of registering a start-up business, getting access to economic infrastructure or enforcing a contract, many developing countries are performing poorly (as evidenced by 'costs of doing business' rankings). This disabling environment makes all business activity more risky - and vulnerable rural businesses even more so. A poverty dimension could be added to such rankings, asking for instance "what enabling measures are critical to ensure that the benefits of investment are shared by the (rural) poor?".

Consultations revealed a widely-shared view that government is also largely failing the rural poor with respect to listening, and responding to, their needs in terms of public service delivery. This is evidenced by poor service delivery to rural areas, lack of political representation of rural poor in policy-making processes and failure to implement legislation that is on the statute books that would benefit the rural poor. There were many instances revealed during the research where the innovative strategies of the rural poor are effectively stifled by an unfavourable enabling environment.

The questions requiring further work include:

- How can government enhance the quality of the investment climate, including the macro and trade framework and incentives for labour-intensive production?
- What enabling measures are critical to ensure that the benefits of investment are shared by the (rural) poor?
- To what extent does increasing infrastructure access stimulate earnings in poorer areas?
- How can the voices of the poor be strengthened to articulate their concerns to public policy makers more effectively?
- How can barriers to local entrepreneurship be lowered sufficiently to allow access to the self-help mechanisms of the rural poor?

Cross cutting Issues

Gender and ethnic minorities

The choices made by the rural poor as to which value chains to enter, can have very significant impacts on the access to resources of people by different gender in the household. For instance in West Africa, where men and women have separate budgets, the transition from harvesting shea, nere and tamarind (where the benefits accrue to women) to farming cotton (where the benefits accrue to men) has a stark gender impact. There is a strong case for going beyond conventional "women only" income generation projects and taking a fresh look at gender issues from a value chain perspective to see whether engendered projects can be approached using more mainstream development approaches.

In the same way, ethnic minorities tend to be marginalised from mainstream development processes, and therefore also from access to global economic processes. Many of the same questions raised here in relation to the rural poor more generally, will also be relevant to ethnic minorities, but in addition, more specific consideration can be given to the question of whether and how ethnic minorities can be protected from some of the negative features of such processes, and supported in accessing the positives.

Questions requiring deeper elucidation include:

- What is the scope for identifying value chains that are already dominated by women and ethnic minorities and supporting the development of these as a means of targeting specific beneficiaries?
- What analytical tools will successfully 'engender' value chain analysis, such that rural poor women and ethnic minorities as well as men are considered by key value chain actors?

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The opinions expressed in this paper are those of the authors and do not necessarily reflect the views of the IDRC.

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