



Short Article

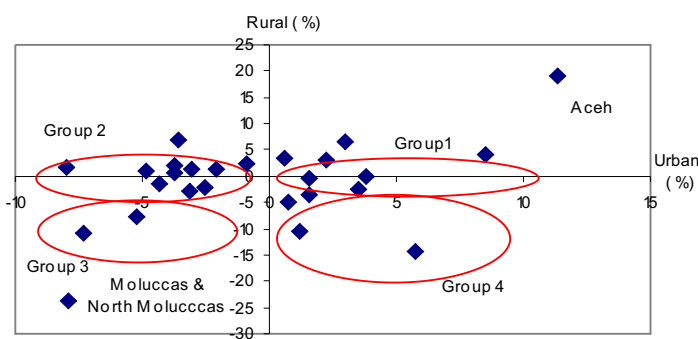
Provincial Disparities in Recovery: Post-crisis Poverty Data in Indonesia

Since Indonesia was hit by a monetary crisis in 1997, the question of Indonesia's recovery concerning poverty alleviation still remains unanswered. Based on the data provided by the Central Bureau of Statistics in Indonesia (BPS) from 1996-2004, during the crisis economic growth as indicated by the Gross Domestic Product (GDP) declined by 13.12 per cent. At the same time the total number of poor Indonesians increased to 50 (24.20 per cent) million people from around 35 (17.70 per cent) million.

After the crisis the Government of Indonesia (GOI) worked hard to answer the question above by changing the paradigm of poverty reduction (Djoharis Lubis, nd). Indonesia has made significant progress to push economic growth leading to poverty reduction since the peak of the crisis. In 2000, the economic condition and poverty alleviation started to show an upturn, indicated by economic growth of 4.9 per cent and a 4.3 per cent drop in poverty. This condition has stabilized in the past four years due to more economic and political stability. Average yearly GDP growth has been 4 per cent and poverty declined by 0.74 per cent per year.

Unfortunately, this aggregate data does not reflect variations within a country well known for its domestic diversity. In the analysis at the provincial level of poverty data provided by BPS four groups can be identified, each reflecting different conditions. The graph below displays these groups along two axes showing the evolution of poverty after the crisis in urban and rural areas.

Poverty change in rural and urban areas after the crisis



Group 1, which groups provinces mainly in Sumatera, represents 10.57 per cent of the Indonesian population and 12.95 per cent of Indonesian GDP, and shows an increase of poverty in rural and urban areas. In Group 2 urban poverty

decreases while rural poverty increases. It represents the generic poverty change of the country after the crisis. This group consists mainly of Java and Bali, it includes 62 per cent of Indonesia's population and represents 51 per cent of Indonesia's GDP. The poverty level in this group has not shown significant progress with only a 0.31 per cent change after the crisis. Group 3 represents provinces where poverty dropped both in rural and urban areas. Interestingly, this is the smallest group with only 9 per cent of the Indonesian population (8.63 per cent) and 5 per cent of its GDP. Group 4 reflects conditions where poverty decreased in rural areas but increased in urban areas. This group consists of provinces in Sumatera, Kalimantan and provinces in east Indonesia.

Aceh, Moluccas and North Moluccas are areas of conflict. Aceh is the province that has shown the most significant increases in poverty due to the long-standing struggle with the militant separatist movement, with a 10.9 per cent increase in poverty in rural areas and a 7.3 per cent increase in urban areas. Surprisingly the conditions are opposite in Moluccas and North Moluccas. These provinces face social conflict but are showing a 23.6 per cent decrease in poverty in rural areas and a 7.9 per cent decrease in urban areas. The number of Internally Displaced Persons (IDP) or the fact that there have been so many donations given to these areas are likely to explain the unexpected progress towards poverty alleviation. But still the validity of the data, especially in the case of Moluccas and North Moluccas should be intensively looked into.

Although Indonesia seems altogether to have recovered from the peaks of poverty generated by the crisis, the situation within the country still shows unequal poverty reduction among provinces. South Sumatera shows the highest poverty rise, North Sumatera, Bengkulu and East Kalimantan (Group 1) in particular, need to be paid special attention to understand why these provinces still experience negative growth in poverty alleviation and what could be done to solve the outstanding problems so that they can contribute to the achievement of the Millennium Development Goals ■

Written by Naoko Nagai, Internship Student UNESCAP-CAPSA and Dian Kusumaningrum, Research Assistant-CIRAD, Bogor, Indonesia.

(References available upon request)

Flash **BREAKING**

Food Shortfall in Democratic People's Republic of Korea

Democratic People's Republic of Korea is facing its worst food crisis in many years, said one spokesman for the United Nations World Food Programme. The diet of the country is now 300 g in the cities, and 250 g in rural areas, which is only half of a person's daily needs. Cuts in food rations by "Dear leader" Kim-Jong-il's regime, disastrous economic reforms and the nuclear crisis have led to an appalling food shortfall. Hopes to make the country self-sufficient in agriculture have not materialized. It was noted by a frequent visitor to the country from an aid organization that Democratic People's Republic of Korea is not an agrarian country, it is mostly rugged mountain terrain, and only about 18 per cent is arable.

AsiaNews.it, 2005. North Korea Facing Its Worst Food Crisis Ever, <http://www.asianews.it/view.php?l=en&art=3523>, (16 June 2005).

Philippines Using Biotechnology in Agriculture

The Philippines is at the forefront of using biotechnology as an alternative means to ensure food security and alleviate poverty. Over 8 million farmers worldwide who have benefited from biotechnology are subsistence farmers in developing countries. In the Philippines only, some 50,000 subsistence farmers plant *Bacillus thuringiensis* (Bt) corn which is resistant to the dreaded Asiatic corn borer. In the 2004 annual report released by the International Service for the Acquisition of Agri-biotech Application, the Philippines was ranked No.14 among countries producing agricultural biotech products.

Agri-Food Trade Service, 2005. Philippines at Forefront of Using Biotechnology in Agriculture, <http://www.ats.agr.gc.ca/asean/news-e.htm>, (April 2005).

High Yielding and Bold-Seeded Chickpea Variety

Scientists of the Division of Genetics at the Indian Agricultural Research Institute (IARI), New Delhi, have developed a high-yielding and bold-seeded 'Kabuli' chickpea (*Cicer arietinum*) variety. The improved variety with a semi-erect growth habit yields bold seeds, is moderately resistant to root diseases and tolerant to the pod borer, according to Dr. S. Nagarjan, Director, IARI.

Sent by Prof. Dr. Shyam Singh Yadav, 2005. The Hindu, <http://www.hinduonnet.com/seta/2005/03/03stories/2005030301191600.htm>, Sci Tech.

Viet Nam Achieving One of the MDGs

In 2003, Viet Nam achieved the United Nations Millennium Development Goal for 2015 by halving the number of people living in poverty, from 17.2 per cent in 1990 to 8.3 per cent in 2003. Since the adoption of the doi moi ("renewal") policy in the late 1980s, Viet Nam's economy has shown remarkable growth. From 1991 to 2003, average growth of gross domestic product was 7.5 per cent per year.

Myers, Allen, 2005. Viet Nam: Booming Economy Reduces

Benefits of Developing Bioenergy

FAO reported that around two billion people, mostly living in rural areas of developing countries, are still without electricity or other modern energy services. Increased use of bioenergy can help diversify agricultural and forestry activities and improve food security, while contributing to sustainable development. Bioenergy is produced from biofuels (solid fuels, biogas, liquid fuels such as bioethanol and biodiesel) which come from crops such as sugarcane and beet, maize and energy grass or from fuelwood, charcoal, agricultural waste and by-products, forestry residues, livestock manure, and others. Increasing the use of biomass for energy could lead to improved economic development, especially in rural areas, since it attracts investment in new business opportunities for small- and medium-sized enterprises in the field of biofuel production, preparation, transportation, trade and use. The use of biomass for energy also generates incomes and jobs for rural people. In fact, bioelectrical production has the highest employment-creation potential among renewable energy options. It can create several times the number of direct jobs than the production of electricity using conventional energy sources, and with lower investment cost per job generated. In developed countries, there is growing interest on the part of governments and the private sector in expanding the use of biofuels derived from agricultural and forestry biomass. Liquid biofuels have gained importance, particularly in the transport sector. Scenarios developed for the USA and the EU indicate that short-term targets of up to a 13 per cent displacement of petroleum-based fuels with liquid biofuels (bioethanol and biodiesel) appear feasible on available cropland ■

Based on Antonios, Pierre, 2005. Bioenergy, Key to the Fight Against Hunger FAO NEWSROOM, <http://www.fao.org/newsroom/en/news/2005/101397/>, (14 April 2005).

Relationship between Productivity and Poverty

A study in Bangladesh, China, India, Indonesia, Pakistan and Viet Nam indicates the significant contribution of productivity improvements on poverty. The estimated elasticity of poverty reduction with respect to crop productivity performance varies across countries from 0.15 to 4.42 with the average of 0.29. This implies that a 1 per cent increase in productivity reduces poverty incidence from 0.15 to 4.42 per cent. The elasticity estimates are much higher in China (-4.42), followed by Viet Nam (-0.91) and much lower for South Asian countries (from 0.15 to 0.28). These findings are consistent with the theory that poverty elasticities are higher where the initial inequity in resource distribution and the poverty level are relatively low and vice versa. In other words, where inequity and resource distribution are high, poverty levels also tend to be high, and poverty elasticities are low ■

Based on Hussain, Intizar, 2005. Pro-poor Intervention Strategies in Irrigated Agriculture in Asia, Poverty in Irrigated Agriculture: Issues, Lessons, Options and Guidelines, International Water Management Institute (IWMI) and Asian Development Bank.

Severe Malnutrition in Indonesia's West Nusa Tenggara Province

Images of emaciated children with bloated stomachs have been appearing in local media recently. However, these images are only the tip of the iceberg as more malnourished Indonesian children in Papua, East and West Nusa Tenggara, Central Java and even Jakarta, are still facing the problem by themselves. Local media attributed the cause of widespread malnutrition to poverty, lack of jobs as well as the sluggish economy that always fails to support the national healthcare system. After suffering from severe drought this year, the rate of malnutrition in Nusa Tenggara is cause for concern as it is higher than the national average. The national average is 8 per cent of the total number of children under the age of five, while the number of undernourished children reached 10 per cent of the 500,000 under-fives in West Nusa Tenggara. Widespread incidence of malnutrition in West Nusa Tenggara has added to the long list of health problems faced by the province's four million people. Malnutrition is a disease resulting from an acute deficiency of protein and carbohydrates in the diet. Sufferers usually die as a result of these deficiencies or because their bodies are no longer capable of warding off disease. At least 487 children under five years old have been recorded as suffering from malnutrition and 10 of these have died. Four of the 10 dead succumbed at home, despite free treatment being provided at hospitals. Families prefer to take care of their sick children at home because they cannot afford to tend to them while they are in hospital. The total number of under-fives suffering from malnutrition in the province is most likely to be more than this because many cases go unnoticed or unreported ■

Based on More Children Suffer from Malnutrition in Indonesia's West Nusa Tenggara Province, 2005. <http://www.reliefweb.int/rw/rxb.nsf>, (8 June 2005).

Agricultural Trade Reforms Key to Reducing Poverty

Without significant reforms, the agricultural trade surpluses of industrial countries and the agricultural trade deficits of developing countries will both increase, worsening rural poverty, according to a World Bank report, Global Agricultural Trade and Developing Countries. Developing countries have been improving agricultural productivity, but the impact of these gains on poverty reduction will not be fully realized unless richer countries reduce their agricultural trade protection. Without such liberalization, increased productivity will lead to overproduction and price declines for many commodities, undermining poor countries' efforts to expand exports. The report recommends coordinated global liberalization of agriculture policies rather than a regional or product-based approach because gains and losses from such reforms differ significantly by market. This approach would also allow countries to trade off gains in some commodities against losses in others. The report concludes that reform would reduce rural poverty in developing economies, both because they have strong comparative advantage in agriculture and because the agricultural sector is important for income generation in these countries ■

Based on International Information Programmes, 2005. Agricultural Trade Reforms Key to Reducing Poverty, coordinated global approach to liberalization, <http://usinfo.state.gov/xarchives/display>, (10 January 2005).

Flash EVENTS



ITAFE05 - International Congress on Information Technologies in Agriculture, Food & Environment

12 - 14 October, 2005
Adana, Turkey

Contact:

Zeynel Cebeci

Cukurova University

Email: itafe05@cukurova.edu.tr

Website: <http://itafe05.cukurova.edu.tr>

Linkages between Population and Millennium Development Goals: An Asian Perspective

29 November - 1 December, 2005
Islamabad, Pakistan

Contact:

Mr. Akhlaq Ahmed

Executive Officer - PAP

House 7, Street 63, F-6/3 Islamabad, Pakistan

Phone: +92 51 2877192

Fax: +92 51 2877183

Email: akhlaq@pcpak.org

International Conference on Natural Farming and Farmers' Knowledge

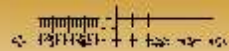
14 - 16 December, 2005
Hisar, Haryana, India

Contact:

Dr. S K Kaura

Email: nf_network@mailcity.com

Website: http://www.geocities.com/nf_net/icnffk.html



UNESCAP-CAPSA

Jl. Merdeka 145
Bogor 16111, INDONESIA
Phone: (62-251) 356813, 343277
Fax: (62-251) 336290
Email: capsa@uncapsa.org

 www.uncapsa.org

EDITORIAL COMMITTEE Robin Bourgeois
Tomohide Sugino
Wayan Reda Susila
Erna M. Lokollo
Parulian Hutagaol
Naoko Nagai

EDITOR Matthew L. Burrows
PRODUCTION Agustina Mardiyanti
DISTRIBUTION Fetty Prihastini
LAYOUT DESIGN Fransisca A. Wijaya

Flash EDITORIAL CONTACTS

Book Review

Scaling Up and Out: Achieving Widespread Impact through Agricultural Research

Pachico, Douglas and Fujisaka, Sam (eds.), *Economics and Impact Series 3*, Centro Internacional de Agricultura Tropical (CIAT), Colombia, 2004. ISBN 958-694-064-0

Most agricultural research institutes which engage in research collaboration with developing regions face some conflicts within the objectives of their activities. While their final goal is poverty alleviation or securing sustainable food production in the world, the immediate objectives of research used to be more oriented toward “scientific” outputs rather than direct impacts on rural poor populations.

In short, the basic concept of “scaling up and out” is that agricultural research should produce “more benefit and more equity, to more people, more quickly and more lastingly”. Scaling up is both horizontal and vertical; the former referring to adoption and the latter to institutionalization. Horizontal scaling up is also known as “scaling out” and it is geographically spread to cover more people and communities through replication and adaptation. Vertical scaling up is “higher up the ladder”. It involves other sectors or stakeholder groups in the process of expansion, from the level of grassroots organizations to policy makers, donors, development institutions, and finally, investors at the international level. Both directions are complementary to each other. As one goes higher up the institutional levels, the greater chances are for horizontal spread. Likewise, as one spreads farther geographically, the greater are the chances of influencing those at higher levels.

Interest to the issue of scaling up has arisen in the context of several important developments in discussions about research activities. First, donors and civil society are increasingly pressuring that money spent on research must bring about lasting impacts on the rural poor. Second, the recognition that many relevant technologies are not achieving their full potential impact because of low levels of adoption has led to more emphasis on the effectiveness of research to produce adoptable technological options. Thus, donors and other stakeholders are not only calling for increased impact but they are also putting conditions on the quality of that impact regarding sustainability and equity.

This book first deals with definitions and issues concerning scaling up and impact assessment. The author selected and weighed major criteria; poverty alleviation, environmental preservation, etc., in order to evaluate the impact of research activities. Second, it analyzes the scaling up of technologies, which goes well beyond the spread of new technologies to

institutional changes and the effects of policy on the impacts of technologies. Third, it turns to the scaling up of natural resource management research. It describes how impacts were achieved through researcher-farmer partnerships. Finally, the book examines institutional innovations that look forward toward new ways of scaling up. The discussions include the responsibilities of libraries, contributions of modern information and communication technologies to rural innovation, and partnerships between researchers and development workers or local governments.

The second part of this book provides important examples of how the ups and downs faced over time by farmers were largely policy rather than technology related. For example, cassava farmers in Colombia lost ground in the 80's after protectionist policies and available credit led to overproduction and falling prices for fresh tubers. Small-scale farmers gained with the introduction of new varieties plus dried-chip technologies in a protected market in the 80 and 90's. Cassava lost ground again when the Colombian economy was liberalized in the early 90's. Prices increased and cassava became more competitive after the Colombian peso was devaluated and the national poultry industry grew in the late 90's. The story is interesting in that, although gains were achieved through the introduction of new varieties and technologies, the major forces buffering the small-scale producers were policy related.

This book includes various cases from which policy planners and research managers can learn useful lessons about how technological development can be effectively spread and benefit rural poor farmers and how policy intervention can support or disturb this process. Of course, the intention of the editors is not to deny the importance of basic research to solve problems in developing countries. However, if we are going to tackle poverty alleviation, which is usually not a simple phenomenon nor can a one-size-fits-all approach work well, the concept of scaling up seems to be crucial. It may be time to forget the good memories of the 80's, a time when researchers could enjoy basic and strategic research without giving much attention to applied research and the impacts of developed technologies ■

Reviewed by Tomohide Sugino, Project Leader, AGRIDIV