Policy Research Priority in South Asia

Priority Setting Workshop, IFPRI,

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Presentation by
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CPR 2- Policies, Institutions and Market

• For Strengthening Food Security and Income for the Rural

• Research Program

• Purpose is to discuss the Research themes

• in South Asian Context
CPR 2-cont

• Three themes

• Effective policies and strategic investment

• Inclusive governance and institutions and

• Linking small producers to markets
About presentation

• The themes identified under CPR2 are comprehensive and self explanatory,

• I proposed to reiterate and reflect on some aspects

• In South Asian context,

• I wish to draw from my research and share some views on the three themes
South Asia – Region of High rural poverty

- S.A account 23% of global population,

- contribute about 2.4% of global GDP

- 42% of the poor living on less than UD dollars 1.25 a day.

- Variations among the S.A countries
Agricultural growth and poverty

- IFPRI recognized that pro-poor, sustainable agricultural growth, particularly small farmers is the key for reducing poverty.
- IFPRI also recognizes that among other things, appropriate policies, supportive institutions and markets are necessary, keeping in view “Small Farm Sector.”
- Small farm sector vary from 36% in Pakistan to 90% in Nepal, 80% in India, 87% in Bangladesh.
Two background issues

• Who are persistently poor”?

• What are the elements of pro-poor growth that would address their

We bring some clarity on these two aspect as backdrop to the later discussion
Who are most poor in rural SA?

- **Economic groups /Livelihood groups**
  - Landless, small farmers, petty producers/business household, farm and non farm wage labour, illiterate

- **Social ,ethnic and religious minorities**
  - SC,ST and Muslim in India, low caste in Nepal and Bangladesh, Ethnic minorities in Pakistan, Ethnic/religious minorities in Sri Lanka

- **Duel Factors for high poverty among these Livelihood and Social groups** – lack of assets, employment, and discrimination
Debate on Inclusive and Pro-Poor Growth

- Debate on Inclusive growth-World bank, UNDP, Asian Development Bank,
- India’s 12 th plan

- Outcome in terms of income gains and processes
Pro-poor growth?

- **Indicator and measurement**
  - Any decline in poverty as result of growth,
  - Poor gains more than non-poor
  - Gains (income/poverty decline) are more in current year compared with past year
  - Share in net income is more in current year
  - Share in proportion to population share and
  - By some international standard

- Discrimination and disadvantage reducing
On Effective Policies and strategic Investment

• Policies that increase agricultural productivity of small farmers, increase farm and non-farm employment and remunerative wages

• Improve supply of food grains at reasonable price, and also generate resources of the govt. for social protection measures
Research on Where to Invest?

- IFPRI’S Studies – lessons
- Investments in infrastructure (roads), research in technology and education reduce poverty directly and indirectly through growth
- Returns are more in rain fed regions, compared with advanced regions,
- Same Experience from East Asia Countries
Where to Invest cont--?

- Research on issue confronting advance regions, technology, ground water, soil fertility, diversification of crop towards high value – support
- Rained region – technology, water-land development, seeds,
- Hilly farming, tree, horticulture, livestock (Nepal)
Where to Invest cont?

- Climatic changes, grounds water
- Social protection - Success stories
- Gender,
- Equally important is discriminated groups
Inclusive Governance and Institutions

- Issues – access to rural services, property right, collective actions and access to assets,
- Develop appropriate regulatory framework,
- Implementation with positive outcomes is key problems,
- Poor and discriminated group get access
- Research on which institutions works in heterogeneous social and cultural society,
Governance --

• Collective Action in a multi-cultural and plural society – More research on conditions of successful collective actions in credit, marketing etc, SHG and others,

• Decentralized governance – panchayat, local bodies, Bureaucracy,

• Research on constraints in governance and overcoming them, suggesting proper forms
Linking small producers with markets

• Aggregating small farmers and reach bigger markets – individually cannot gain

• Various forms – producer cooperatives, producers companies, commodity interest groups, SHG research on alternatives, which suits more,

• Investment in storages and marketing information's,

• Crop insurance
Gender and discriminated groups

• Gender focus
• Focus on discriminated groups – persistently poor – persisitance and chronic poverty
• Research on forms and nature of discrimination in accessing market, and nonmarket exchange-inputs, Commodity sale, in food security schemes, health and education
Gender an discriminated groups

• Consequences of market and nonmarket discrimination ,

• Policies to ensure non discriminatory access to markets and non market exchange ,
• Thanks