

**CONSOLIDATED REPLY: NHDR For Lao PDR on Rural
Development**

Date: Mon, 09 Apr 2001 19:32:36 -0400

Dear Koen and NHDR Network Members

We are sending you a Consolidated Reply on your Query for reviewing the draft of the Lao PDR NHDR on Rural Development.. Some responses may have been lost in Cyberspace as we are experience serious technical problems with the Network. But I would like to thank all those who tried, and all whose responses made it through. Below please find all the replies in full.

We received comments from:

Garry Wiseman UNDP Suva / Pacific SURF
Shahrbanou Tadjbakhsh, NHDR Unit/NHDR Network
Jafar Javan, Poverty Network

and supporting documents and CVs from:

Ouch Chamroen, UNDP Cambodia
Manoj Basnyat, RBEC SURF, UNDP Bratislava
Yared Kiflom, Central and East Africa SURF, UNDP Ethiopia

I am also attaching here, in addition to the original draft Outline of the Lao PDR NHDR, two other documents which were posted last year by Hakan based on a similar Query from Poland. They are:

- a) The at-that-time draft outline and theses for discussion of the 2000 National Human Development Report for Poland on Development in Rural Areas
- b) The at-that-time draft outline of the Cambodia NHDR 1999 on Village Economy and Rural Poverty

Furthermore, please refer to the Cambodia 1999 NHDR on Village Economy and Development which is at <http://www.un.org.kh/chdr/99/toc.html>

I also want to draw your attention to the new Lithuania NHDR on Territorial Disparities which was briefly reviewed in the February InfoNet (No.6). You might want to contact their country Office for a copy.

CVs of consultants mentioned below are being sent to you separately.

I hope this is useful and I wish you and the Lao PDR Team much luck for this Report.

Best regards,
Shahrbanou

CONSOLIDATED REPLY
NHDR Network

Comments on Lao PDR NHDR outline
(on Rural Development)

==> Original request from Koen Wagenbuur, UNDP Lao PDR

Dear NHDR Network Members,

I am happy to inform you that the preparation of the second NHDR for Lao PDR has taken off. We have had a meeting with the multi-disciplinary team of writers and agreed on a broad outline. I attach it herewith. The team for the NHDR will be Rural Development. I would be grateful for your comments on the outline, in particular from country offices who have experience with the theme Rural Development, based on your lessons learned and good experiences. Furthermore, we would be grateful for relevant materials and sources, to enrich our authors. For our work planning, it would be very convenient if we could receive comments by 7 April.

I look forward to your comments.

With kind regards,
Koen

==> REPLIES IN FULL

1) Garry Wiseman UNDP Suva / Pacific SURF (garry.wiseman@undp.org)

Thank you for the opportunity to review the proposed structure of the Lao NHDR for 2001. Overall I believe the structure is sound and gives real focus to rural development - an aspect of development which seems to go in and out of fashion.

I would, however, like to make a couple of suggestions:

1. On the report structure I would suggest that the report might flow more easily if Chapter 6 was moved to become Chapter 4 and that a new Chapter be included as Chapter 5 to discuss rural development in the context of national development. This would mean that Chapters 2-5 would be more 'macro' while the remainder of the report be 'micro' focusing on rural development at the local or community level.

I believe the new Chapter 5 might then give attention to the impact rural development can have on the broader development agenda. Rural development can be of benefit to town and urban areas in that it can strengthen two-way market opportunities; it reduces pressure on urban services etc. I emphasize this because too often rural development is seen as something which only benefits rural communities. The existing Chapters 4,5 and 7 would then follow and while being seen in the broader context of national development would focus more on the issues relevant to rural communities.

2. On the proposed report content I assume that the HD analysis, that is to be covered in Chapter 1, will provide the necessary comparisons to support the argument for the rural development focus. For example, it will be important to try and identify what the specific issues are which lead to poverty in the rural areas that may be different or more marked than that seen in towns or urban areas. It might also be useful to consider the differences which may be present across ethnic lines. This latter point will be important as an introduction to Chapter 4 but will no doubt have to be handled carefully. I also assume that in all the analysis gender differentiation will be made.

I note that there are to be differences identified between income and human poverty and while no two places are the same you may be interested in the Pacific experience. Until recent years it was generally considered that Pacific islanders living in rural communities were reasonably well off and suffered less from poverty than those who had moved off their land or those living in urban areas. There was a belief that rural dwellers had access to subsistence agriculture and fish and therefore there was little call for cash. However, much of this has now been found to be false with many people suffering real deprivation, particularly when you look at access to services and to good and services which have to be paid for.

The last Chapter on managing rural development for poverty reduction should include consideration of policy options at both the macro and micro level i.e. not only those which focus on those which promote rural development but also those national policies, which may not be directly related to rural development but which have an impact. A classic example would be an electrification policy that promotes hydro electricity for use in urban areas but does not sufficiently consider the impact of the dam on surrounding rural villages.

Just a couple of thought which I hope are helpful.

2) Shahrbanou Tadjbakhsh, NHDR Unit/NHDR Network
(Shahrbanou.Tadjbakhsh@undp.org)

I also agree that NHDRs on rural development and regional disparity have a

lot to add to the Human Development debate at the Country Level. Here are some issues that I suggest could be further highlighted in relevant sections of your NHDR:

- 1) Your outline is exciting in as much as it tries to give theoretical perspective on what should be done and why. I thought that what may be missing is more situation analysis on what is the problem and why. Chapter One may consider explaining gaps in human development indicators between rural and urban areas. You do need a section where you identify the problems and the causes, and you could consider setting them up in a human development lens (not only poverty, but also access to health, education, social welfare, equality, etc.) by comparing the data at the national level with the regional one in the introduction, before you embark on why rural development is important for poverty eradication in Lao as a whole. You don't need a separate chapter on State of HD as it is normally done, when you can use this opportunity to directly talk about territorial gaps in HD indicators.
- 2) Root causes of rural/urban disparities and differences in coping mechanisms have to be discussed further. This can be done in either chapter One or weaved into Chapter Two. What are institutional causes for expanding gaps in the regions? What are the consequences? Gary has raised an important point: There may be a perception that people in rural areas suffer less in hard times because of their access to land, but access to quality services and important factors such as nutrition (as opposed to food), which are more sustainable solutions, is more difficult to come about at the rural level. The NHDR can take a position on this issue.
- 3) With all respect to your Chapter Three that examines macro-economic policy for rural development, I would suggest that you don't "add" social policies, but that you weave them right in (transformative approach). Attack fiscal and monetary policies, budget allocation, etc., from the point of view of social allocation for rural areas, arguing that bad economic policies (non-pro-poor, or non-people) will have bad social consequences which exasperate territorial disparities because of X, Y and Z, which in turn would require further economic bandages, and so on and so forth.
- 4) Chapter 4 discusses ethnic diversity. Perhaps (and especially in order to diffuse any politically sensitive analysis made on the ethnic factor), you may want to bring in some of the other groups too (such as social fabrics in community hierarchies, families, migrants, gender and generation gaps, etc.)
- 5) The discussion in Chapter 6 on local governance and decentralization needs to include, and I agree with Jafar on this, the role and responses from communities. Decentralization is of course not only about a top down plan of letting go, but a bottom up desire and ability to internalize

power. You might want to point out at existing (formal and informal) community self organization and self help as part of the solution (and the problem?).

6) For Chapter 7, I would recommend the Lithuania NHDR which did a very good job in setting the institutional and global context. In Lithuania, regional development was "created" as part of the requirement for EU membership, but it has not been successful for lack of correlation with national economic development and investment policies neither in terms of institutional framework nor policy tools. Gary also raised the issue of the national development context. Furthermore, are institutions ready for rural development policy implementation? Can statistics be gathered and monitored systematically?

7) A good alarming conclusion is a good idea. The Lithuania Report concluded that economic recession sharpens disparities in human development, and in the absence of new opportunities for sustainable livelihoods, regional differences in economic and social development will probably continue to increase due to the further restructuring of agriculture and industry, a process that is being accelerated by EU membership. I suppose there may be similar allusion in the case of Lao PDR to the Globalization process in that region which you may want to consider.

3) Jafar Javan, BDP/SURF Poverty Network, (jafar.javan@undp.org)

Thanks for sharing the draft outline of Lao's NHDR. The topic of the report is extremely important and timely as the international community seems to be rediscovering rural poverty as a pertinent element of the overall fight against poverty. The proposed outline seems to be pretty tight and addresses key issues around poverty at the rural level.

However, there are two issues which I would like to bring out in my review which may be considered by colleagues in Laos when finalizing the outline.

I. Although the outline addresses indicators for rural poverty as the underlining theme of the report: "As a result of the poverty focus of this NHDR, priority of place is given to indicators of poverty, making sure that measures of income poverty are included along with measures of human poverty", the whole emphasis on indicators seem to get buried under the weight of many other crucial issues such as economic policy for rural development, ethnic diversity and local development, etc. To keep indicators and measuring poverty as a principal theme, the outline should clearly spell out how under each of the suggested topics, indicators could find their own distinct place, in other words, how each of these factors contribute to the enhancement or shrinkage of rural poverty. With our (UNDP) involvement the World Bank is involved in an interesting exercise to

identify key indicators for rural poverty and for the time being, they have proposed the following ten indicators. In selecting these indicators, attention has been focused on development outcome indicators. The exceptions are the inclusion of rural paved roads, and access to credit (output indicators), which play catalytic roles in rural poverty reduction.

1. Head Count Index (The population of rural people living in extreme poverty)
2. Gender Development Index (health and education)
3. Percentage of rural children malnourished
4. Percentage of biologically significant habitat protected.
5. Rural illiteracy rate (Proportion of rural people 15-50 years, who cannot read or write)
6. Rural infant mortality (under 5 years)
7. Access to water (Percentage of rural population with access to safe water)
8. Access to sanitation
9. Rural paved roads
10. Percentage of rural household with credit services in financial institutions.

It would be interesting to see how policies have affected (or could impact) such (and perhaps other) indices of rural poverty.

II. What is also missing in the proposed outline is the distinct role of communities themselves in fighting poverty. Basically what could the communities do for themselves and how could the government facilitate the process for communities to become empowered to achieve social and economic development. This could focus on the role of community organizations (and other village-based groups) and their needs and activities to be a truly significant vehicle for empowerment and development at the rural level.

I hope this helps.

4) Ouch Chamroen, UNDP Phnom Penh Cambodia (chamroen@undp.forum.org.kh)

Many thanks for your message below. We are pleased to enclose herewith an electronic version of Cambodia Human Development Report 1999, entitled "Village Economy and Development" in dpf format. (we have given the internet link above)

We hope you will find the enclosed report of some use for preparation of Lao Human Development Report 2001.

5) Manoj Basnyat, RBEC SURF, Bratislava (manoj.basnyat@undp.org)

Apologies for the slight delay. Some of the people I have come across with excellent service with UNDP on rural development are Rajeev Pillay, Richard Huntington, Binod Shrestha and Arun Agrawal. I am attaching their CVs which may be useful. (CVs are being sent to Koen directly. Should others need them, please email me. ST)

With kind regards,

6) Yared Kiflom, Central and East Africa SURF, UNDP Ethiopia
(yared.kiflom@undp.org)

We identified two consultants from our database on the above subject. They are Mr. Dennis Ellingson, and Mr. Fayolle André.

1. Mr. Dennis Ellingson has more than twenty years experience in agricultural and applied economics, financial and economic analysis of rural and regional development projects. He worked as a Principal Economist, Agricultural and Rural Development Section, National Planning Office, Papua New Guinea.

2. Mr. Fayolle André has nineteen years of experience developing, managing, appraising or monitoring rural development programs in East, Central and West Africa.

(CVs sent to Koen, if anyone wants to see them, please write to me. ST)

Many thanks to those who contributed

Shahrbanou