



# Gender and Poverty Issues in Asia

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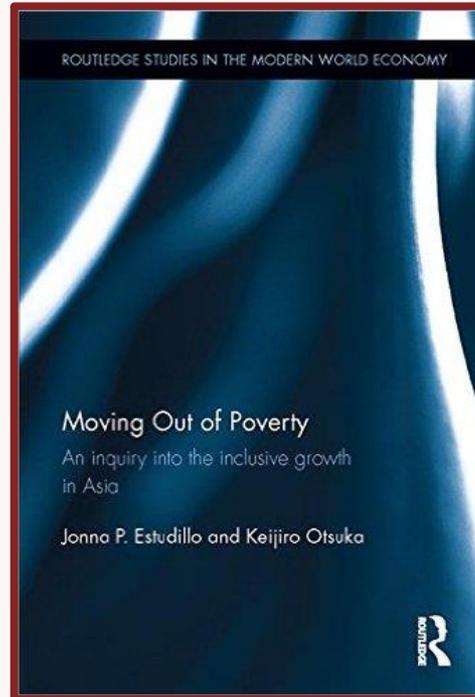
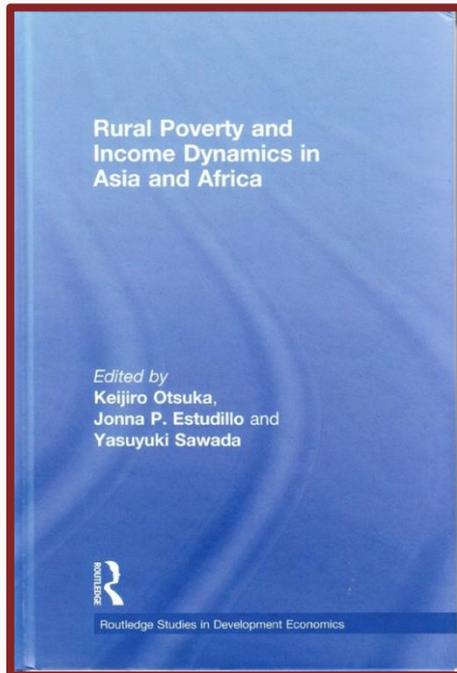
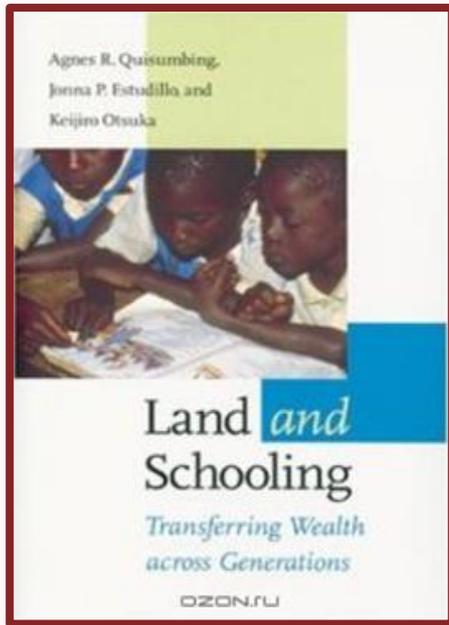
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# Lecture to the Memory of Nobuhiko Fuwa



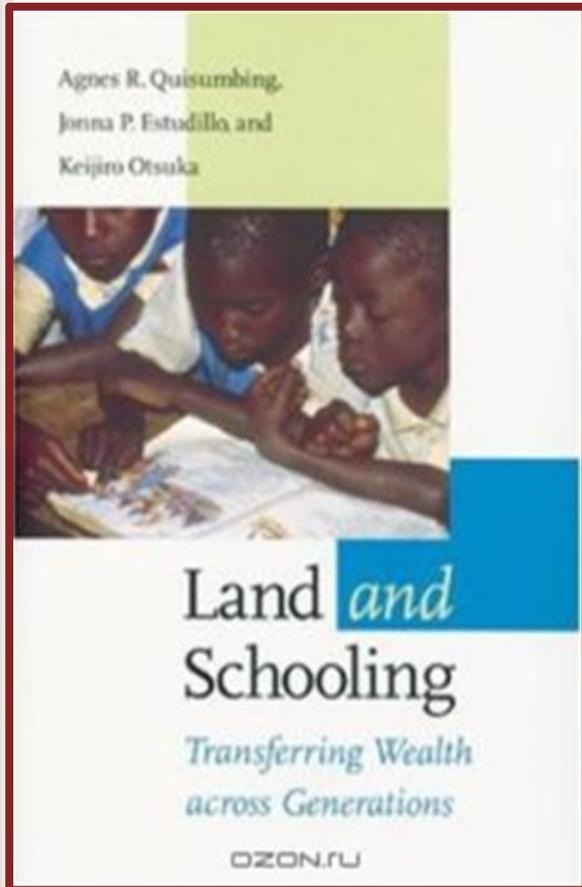


- Findings came from intensive household surveys
- Repeated surveys creating panel data
- Southeast Asia and South Asia



# Land and Schooling: Transferring Wealth Across Generations

(Quisumbing, Estudillo and Otsuka, 2004,  
Johns Hopkins University Press)



01

How do households allocate land and schooling between daughters and sons?

02

How do changes in market returns to land and schooling affect parental bequest decisions?

03

Do gender differences in land and schooling affect the future welfare of children?



Retrospective surveys in the Philippines, Indonesia and Ghana



- Historically, land is the most important factor of production.
  - Returns to land made up substantial portion of household income.
  - As nonfarm job opportunities emerge, land income becomes less important as a source of income.
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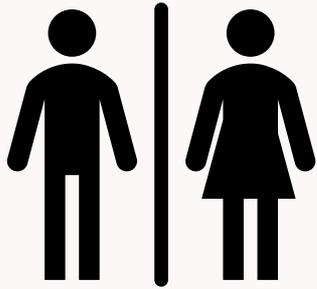


T.W. Schultz Nobel lecture in 1979:

“an integral part of modernization of the economies of low-income countries is *the decline in the economic importance of farmland and a rise in that of human capital – skills and knowledge*”.



# How do parents allocate land and schooling?



- Parents make land bequest and schooling decisions based on the comparative advantage of labor.
- Sons may receive more farmland, if they specialize in farm work. Daughters may receive more schooling, if they work primarily in nonfarm sector.



## Philippines

Farming is more intensive in male labor, men inherit more land than women. Women stay longer in school because they take nonfarm jobs.

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## Indonesia

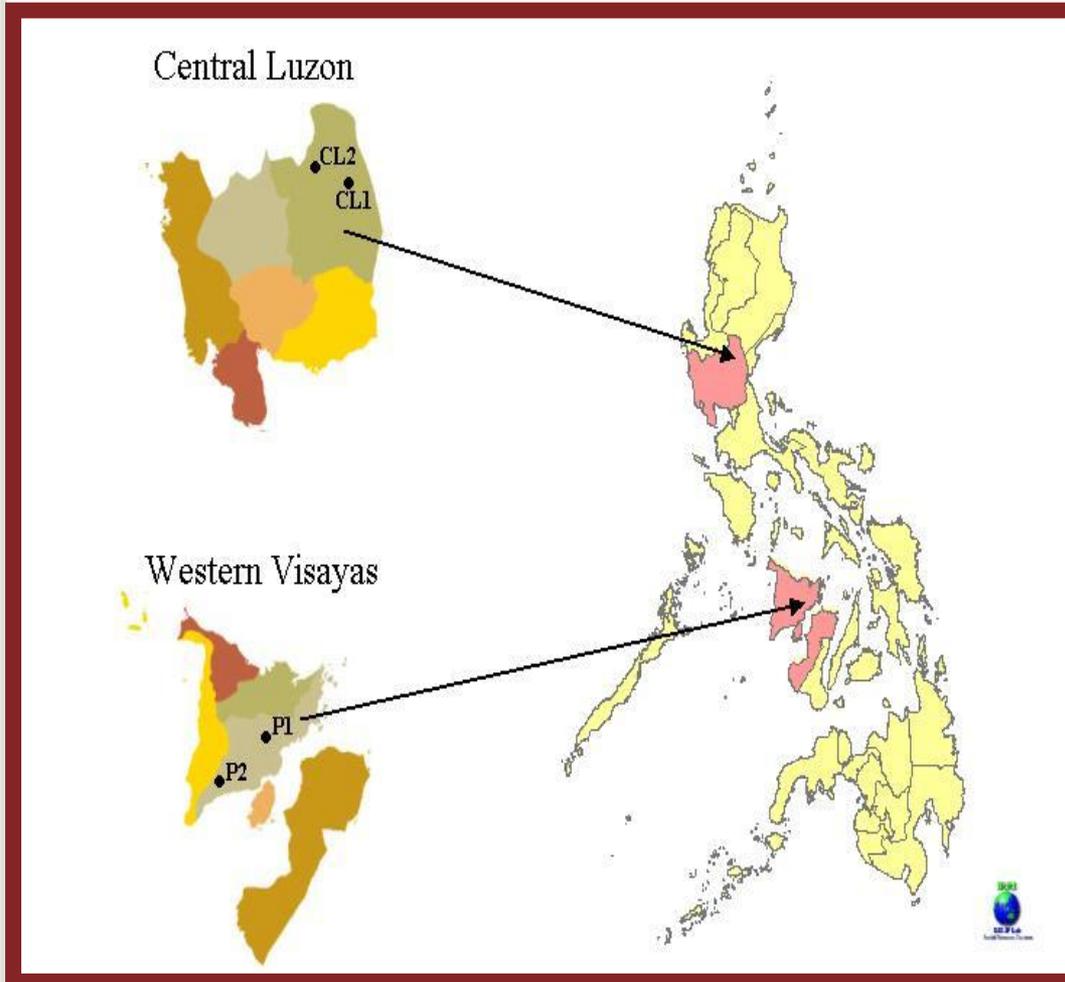
In areas where men work primarily on rubber agroforestry and women specialize in lowland paddy production, men inherit rubber fields and women inherit paddy fields.

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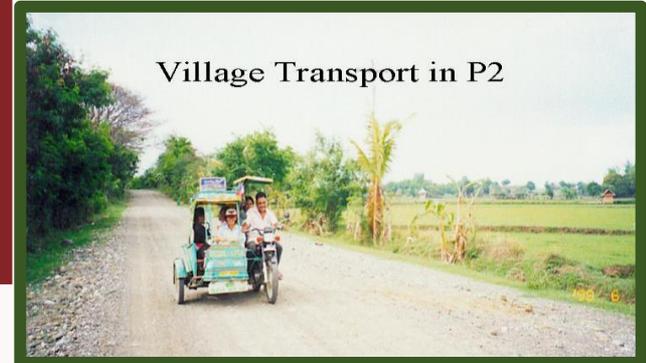




# Study sites in the Philippines

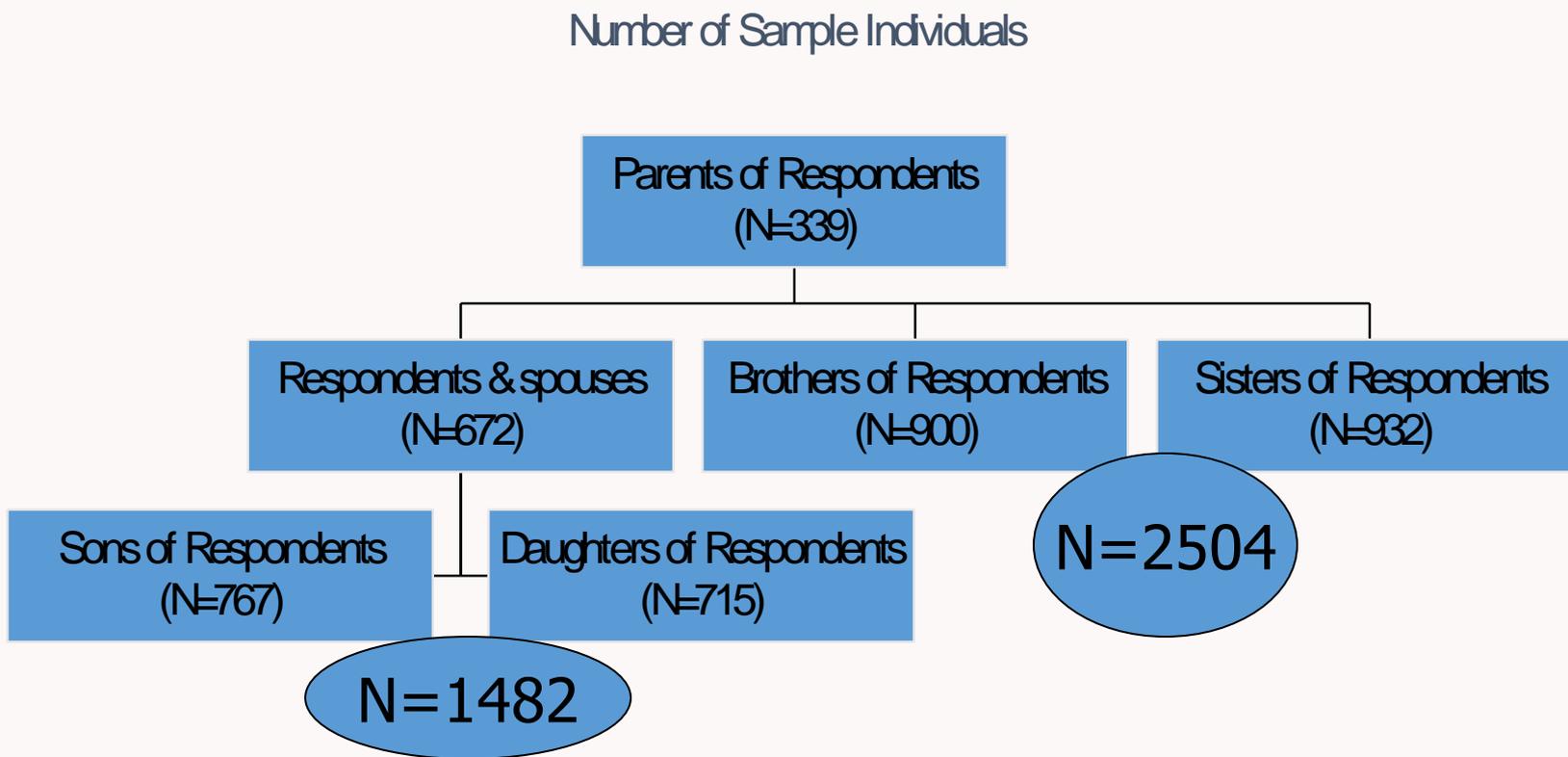


Philippine map





# Number of Sample Individuals





**Table 1**  
**Land, schooling, and individual income**

	<b>Sons</b>	<b>Daughters</b>	<b>Difference</b>
	Inherited landholdings		
Parents (G1)	1.4	0.6	0.80**
Siblings of respondents (G2)	0.44	0.25	0.19**
Children of respondents (G3)	0.33	0.18	0.15**
	Years of schooling completed		
Parents (G1)	3.7	3.2	0.5*
Siblings of respondents (G2)	6.7	7.2	-0.5*
Children of respondents (G3)	8.5	10	-1.5**
	Lifetime incomes		
Children of respondents (G3)	86.1	78.3	7.8



# Major findings from Table 1

- The amount of inherited lands has declined over time.
- Males have been favored with respect to land bequests.
- Average years of schooling attainment have increased over time.
- Filipino males in the first generation (parents' generation) (G1) have obtained higher levels of schooling than females.
- Gender gap in schooling has disappeared in the second generation (respondents' generation) (G2).
- Gender gap in schooling in favor of women has appeared in the third generation (children's generation) (G3)





# Major findings in the Philippine study

01

Sons are preferred with respect to land inheritance while daughters are treated more favorably in schooling investments.

02

In the child generation, sons received 0.15 ha of additional land while daughters received 1.5 more years of schooling.

03

Filipino parents allocate land and schooling to equalize incomes among children while taking into account the comparative advantage of sons in farm work and daughters in nonfarm work.

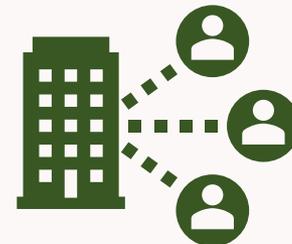
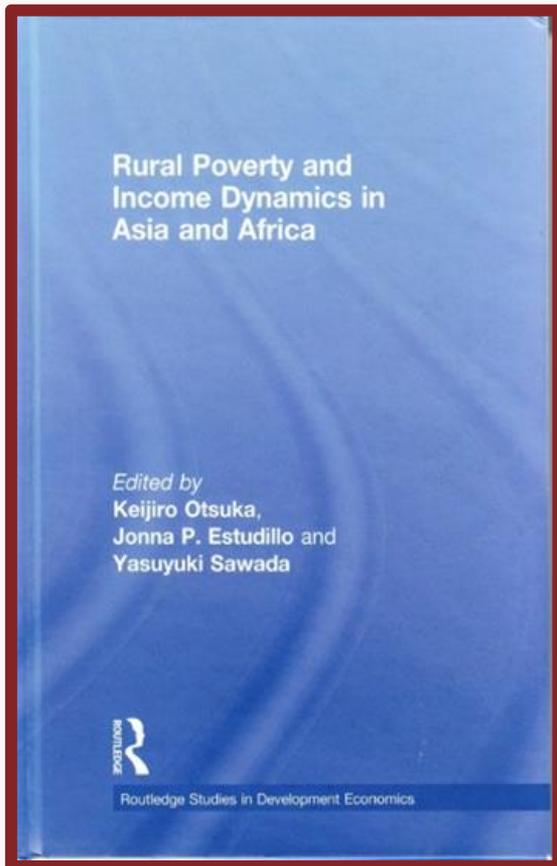
04

Takeaway: Extend and strengthen schooling systems in rural areas



# Rural Poverty and Income Dynamics in Asia and Africa

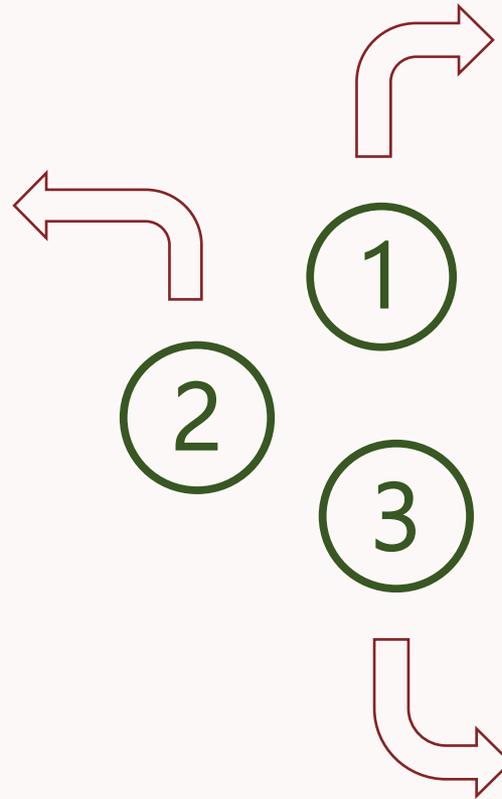
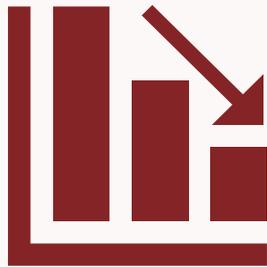
(Otsuka, Estudillo and Sawada, eds., Routledge, 2009)





# Unfavorable Asian Scenario

Decline in farm size and increased incidence of landlessness



High population pressure on closed land frontier

Limited and declining labor employment opportunities in agriculture because of stagnant rice yield, declining rice prices, and acceleration in the use of labor-saving technologies

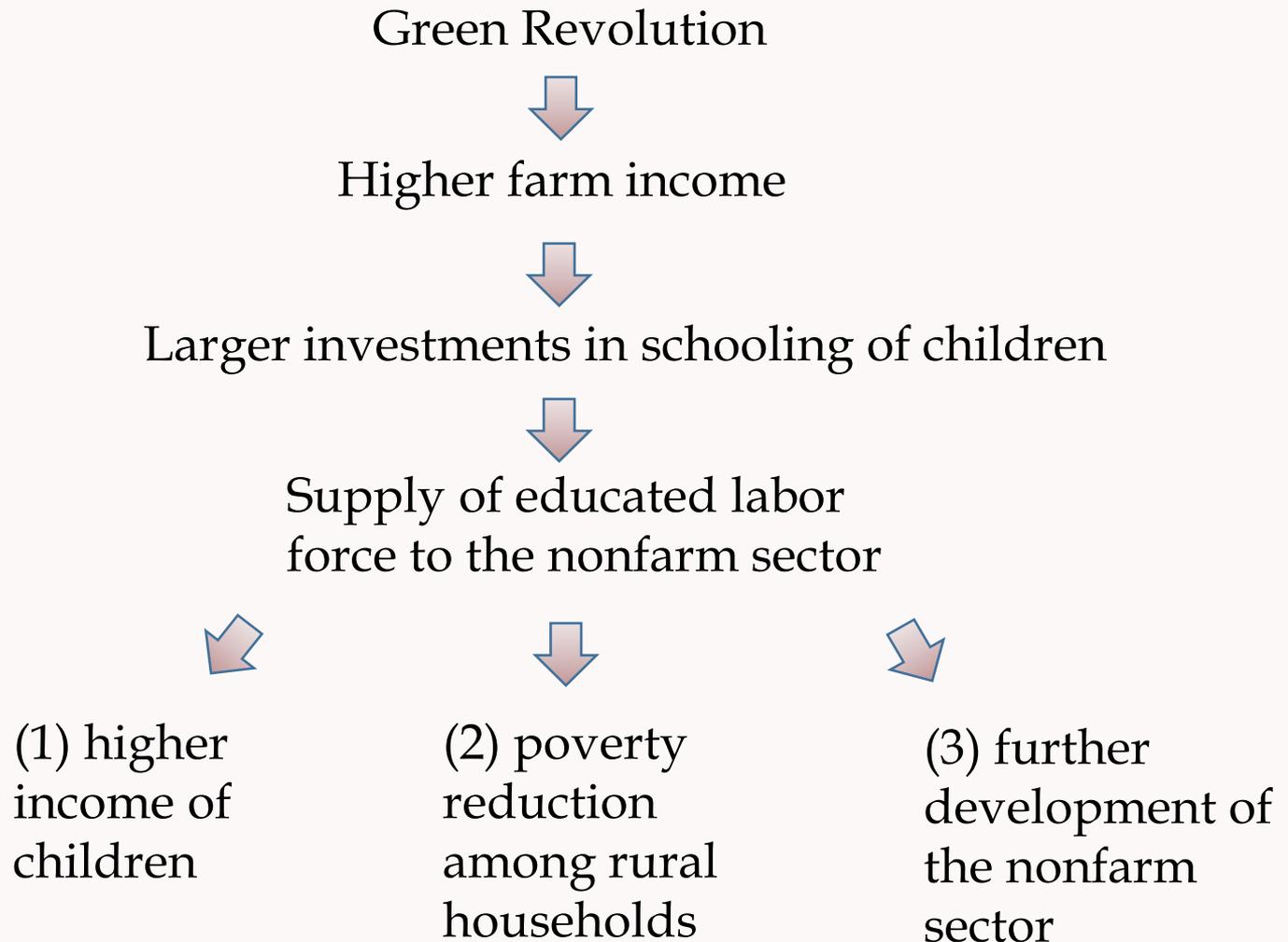


## Unexpected outcomes

*Rapid and significant increase in income and reduction in rural poverty, importantly in areas with unfavorable production environment and among the landless and near landless households*



# New Concept of Farm and Nonfarm Linkages





# New Concept of Farm and Nonfarm Linkages

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Development of rural  
nonfarm sector



Expanded nonfarm employment  
opportunities for relatively  
uneducated workers



Poverty reduction



# Origin of this research

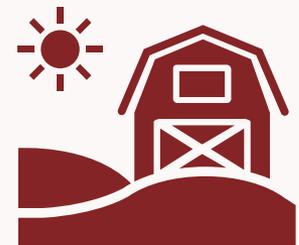
- This presentation is a synthesis of five case studies on the rural poverty and income dynamics in Asia



- Based on the household surveys organized by IRRI in the second half of the 1980s and our own resurveys in the mid-2000s.



- These studies explore the dynamic changes in rural poverty and rural household income for a period of two decades.





# Recurrent household surveys



1. *Five villages, Philippines*: 447 households in 1985, 1989, 2002, and 2004
2. *Central Luzon, the Philippines*: 126 households in 1979 and 2004, and 499 grown-up children in 2004
3. *Thailand*: 295 households in 1988 and 2004
4. *Bangladesh*: 1,239 households in 1988, 1,872 households in 2000, and 1,927 households in 2004
5. *Tamil Nadu (India)*: 400 households in 40 villages in 1971 to 1980 and 600 households in 60 villages from 1981 to 2003



## Table 2 Farm size and landlessness in Asia

Country	Average farm size (ha)		Percentage of landless households	
	1980s	2003/04	1980s	2003/04
Philippines	1.00	0.76	22	44
Thailand	4.24	2.42	0	30
Bangladesh	0.87	0.59	34	39
Tamil Nadu (India)	1.01	0.95	n.a.	n.a.





# Common Major Findings From the Four Countries

01

Rapidly decreasing incidence of rural poverty

02

Rapidly increasing importance of nonfarm income

03

Increasing importance of human capital and decreasing importance of land as determinants of rural household income

04

Increasing schooling of young generations

05

Increasingly frequent choice of nonfarm jobs by educated children of rural households





# Table 3 Rural Household Income in Asia

Country	Favorable agricultural areas		Unfavorable agricultural areas	
	1980s	2003/04	1980s	2003/04
<b>Philippines</b>				
Per capita income (PPP\$)	1,065	2,364	386	1,119
Agricultural wage (%)	13	11	30	7
Rice (%)	37	12	20	9
Nonrice farm income (%)	5	7	13	24
Non-farm income (%)	45	70	36	60
<b>Thailand</b>				
Per capita income (PPP\$)	2,014	4,617	959	2,543
Agricultural wage (%)	4	6	12	5
Rice (%)	66	26	54	7
Nonrice farm income (%)	21	22	13	14
Non-farm income (%)	10	47	21	74
<b>Bangladesh</b>				
Per capita income (PPP\$)	634	1,001	841	1,094
Agricultural wage (%)	14	8	11	4
Rice (%)	35	20	24	13
Nonrice farm income (%)	18	21	20	26
Non-farm income (%)	33	51	55	57
<b>Tamil Nadu (India)</b>				
Per capita income (PPP\$)	520	697	228	623
Agricultural wage (%)	11	28	17	3
Rice (%)	62	50	39	22
Nonrice farm income (%)	19	18	40	49
Non-farm income (%)	9	4	7	27





# Major findings from Table 3

01

Real per capita income has risen substantially

02

Share of agricultural wage income has been low and declining

03

Share of rice production income has been declining.

04

Share of non-rice farm income has risen in Bangladesh and unfavorable areas in Tamil Nadu (India).

05

There is a more substantial rise in the share of nonfarm income in all study sites in the four countries except in the favorable areas in Tamil Nadu (India)

06

Income gap between favorable and unfavorable areas has declined indicating that the development process is pro-poor



## Table 4 Changes in the Incidence of Poverty (Head-Count Ratio) in Asia (%)

Country/ area	Favorable areas		Unfavorable areas	
	1980s	Early 200s	1980s	Early 2000s
Philippines	40	23	66	42
Thailand	51	12	70	21
Bangladesh	64	41	58	43
Tamil Nadu (India)	76	54	86	59

Note: The poverty line is US\$1 per capita per day in purchasing power parity.





# Major findings from Table 4

01

There was a reduction in poverty in all study sites particularly in unfavorable areas

02

The shift of household income away from farm to nonfarm sources is associated with a reduction in poverty incidence

Additional findings:

03

Share of nonfarm income is higher for the landless and small farmers

04

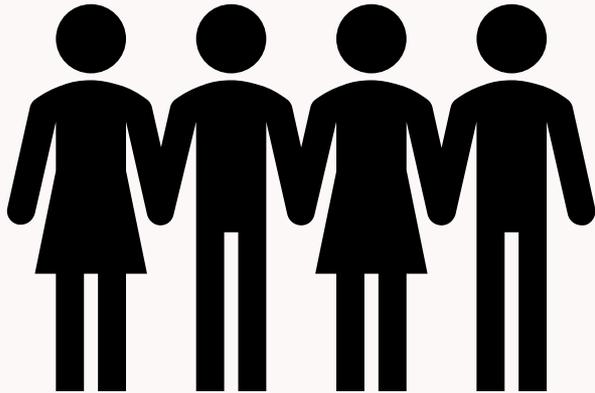
As a result, income differences among landless and small farmers are small

05

These data suggest that increased nonfarm employment opportunities are pro-poor.



# Who Earn NonFarm Income?



- (1) The more educated members earn a higher nonfarm income because the nonfarm sector offers higher returns to schooling.
- (2) Many of our studies found that rural households invest a major portion of their increased income in the schooling of children, who later engage in rural nonfarm jobs or migrate to cities to seek more lucrative employment opportunities.
- (3) A main source of the additional household income in the earlier years was found to be improved farm technology, e.g., the adoption of high-yielding modern varieties of rice.



# Conclusions from this book

- (1) Households are able to move out of poverty amidst the increasing scarcity of farmland by diversifying their income away from rice to non-rice crops, livestock, and nonfarm sources.
- (2) Increased income from rural nonfarm and urban labor markets is the most decisive factor *directly* responsible for the increase in income and the decline in poverty.
- (3) The more educated children tend to earn higher nonfarm income.
- (4) Increased farm income brought about by the Green Revolution facilitated investments in children's schooling.



# Takeaway from this book

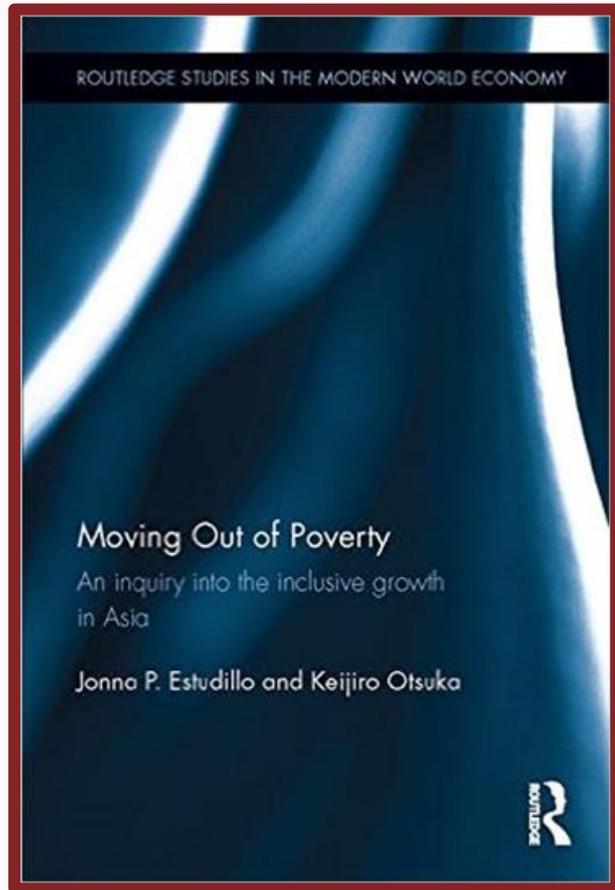


It is imperative for poverty reduction to develop agriculture in the early stage of development in order to stimulate investments in schooling of children and to develop the nonfarm sectors.



# Moving Out of Poverty: An Inquiry Into the Inclusive Growth in Asia

(Estudillo and Otsuka, Routledge, 2016)

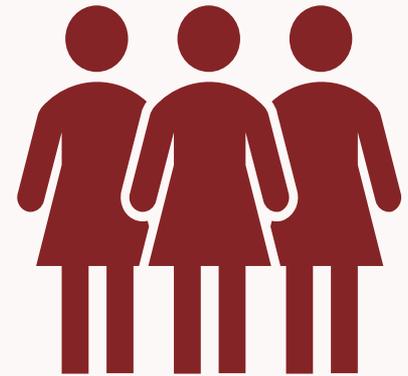


- Growth is inclusive if a large segment of the population is able to participate in and benefit from it.
- Labor market is the key transmission mechanism through which the poor is able to participate in economic growth.



# Women in the process of inclusive growth

- Economic growth creates a “level playing field” for women and men.
- A level playing field would mean that women vis-à-vis men are able to have equal access to economic resources (importantly, farmland and schooling), economic opportunities in the expanding nonfarm sector, and political participation (or agency).





# Women in the process of inclusive growth



- The purpose of this volume is to identify the channels through which economic growth is able to confer benefits to the poor and improve the status of women
- The channels are productive employment, better education and good infrastructure.
- Improving the status of women means narrowing the gender disparity in schooling and employment opportunities between women and men



# Main findings from this book

01

Income growth and poverty reduction took place because the rural poor was able to find jobs in labor-intensive and profitable farming activities and labor-intensive informal nonfarm sectors.

02

Women's status was enhanced primarily because women obtain higher levels of schooling, able to migrate, and get employed in productive jobs, not only in agriculture, but more importantly, in nonfarm sectors



# Channels of pro-poor growth

## Intensive Household Surveys

### Panel sample set

- Lao PDR
- Myanmar
- Philippines
- Northern Vietnam
- Sri Lanka
- Bangladesh



# Lao PDR

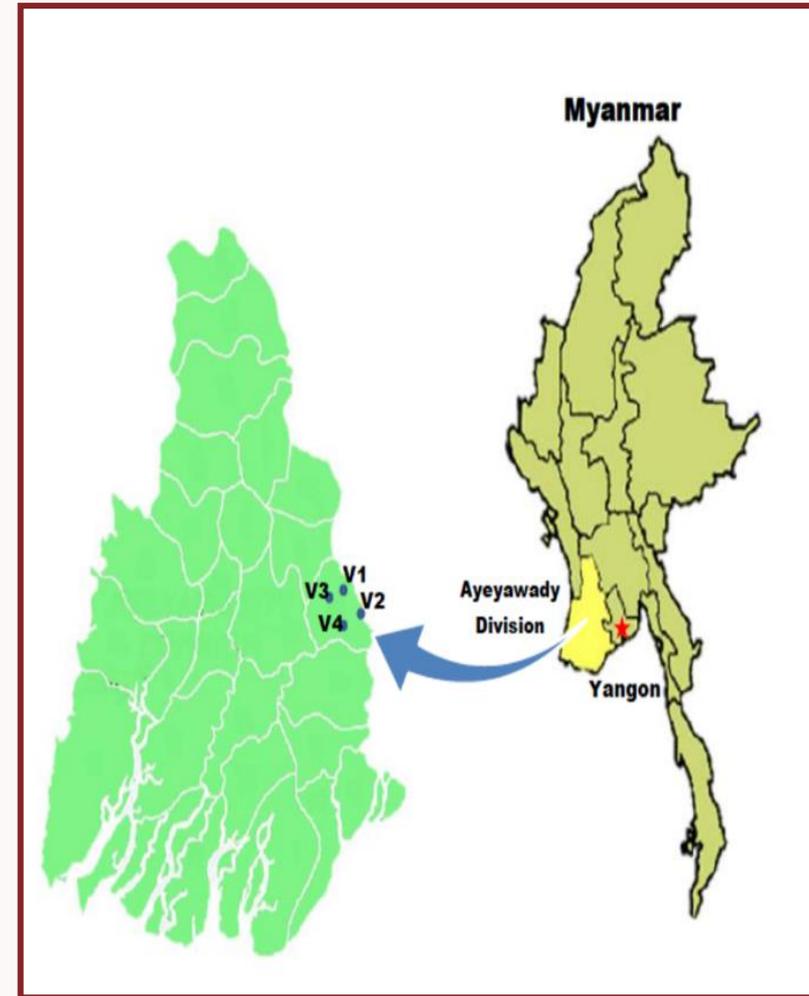


- Aim: To explore dynamic changes in the rural labor market by analyzing the job choices of three generations of household members
- Seasonal cross-border migration to Thailand
- Youth, women, poorly educated
- Underlying forces are: (1) decrease in farm size, (2) slow modernizing agriculture, (3) slow expansion of rural nonfarm economy within the country, and (4) rising demand for overseas workers in Thailand



# Myanmar

- Aim: To identify sources of income growth and poverty reduction in rural Myanmar
- Characteristic features: (1) population pressure and (2) slow development of nonfarm sector in a regime of relatively closed economy
- Shift in household income structure away from farm to nonfarm sources accompanied by income growth and poverty reduction
- Role of **the growth of the informal nonfarm sector** in poverty reduction particularly among the landless households

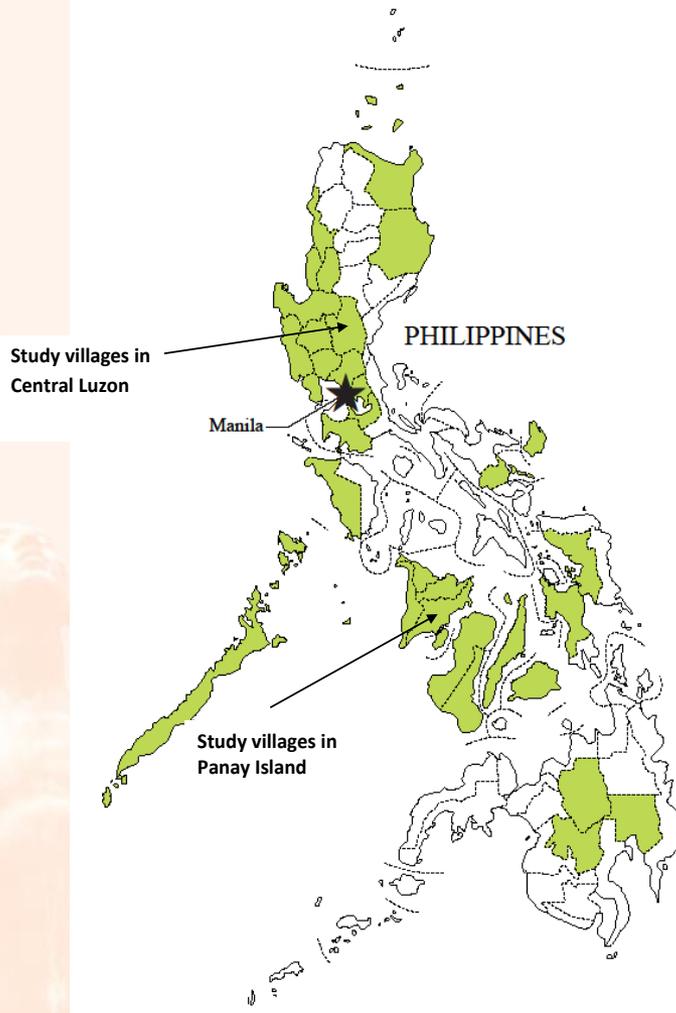




# Philippines

## Intergenerational economic mobility

Figure 1 Location of the study villages and residences of sample children in the Philippines



- Aim: To explore whether poverty has been transmitted over generations of household members in selected villages in the northern and central Philippines
- Data set with information on a pair of parent and a child spanning at least two generations.
- We were able to trace about 50% of children from the 1985 benchmark survey.
- Focus: landless children whose parents are poorly endowed with farmland and education



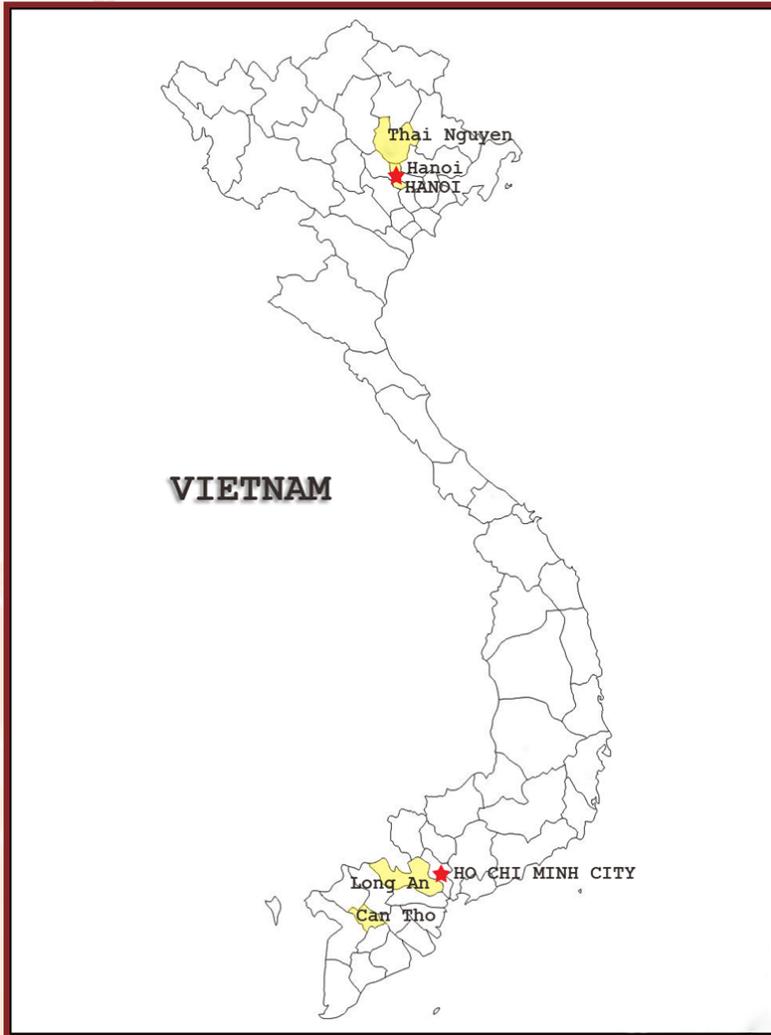
# Major findings

- Intergenerational transmission of poverty did not take place even among the poor landless.
- Landless children reach an educational level comparable with that of farmer children, thus enabling them to move up the ladder of economic mobility by participating in the **rural nonfarm labor market and by migrating to big cities, local towns and overseas.**
- Poverty has declined among landless children and the income gap between farmer and landless households has narrowed.





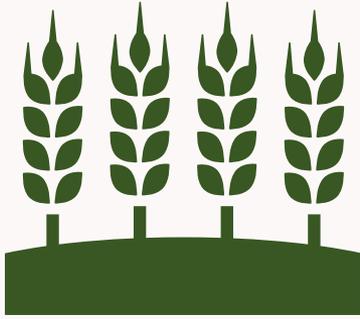
# Northern Vietnam



- Aim: To examine dynamic changes on the choice of occupation of three generations of household members
- Women in all generations tend to receive less schooling but the gender gap has declined over time
- Men migrating to the cities, women left on the farms. Are women worse off?



# Women left on the farms



- They are not necessarily worst off because they are engaged in the production of high-value products such as fruits, vegetables, and cut flowers and in raising livestock.
- Important role of the high-value agriculture in improving women's income-earning capacity.



# Philippines

## Role of infrastructure in rural transformation

- Aim: Explore the role of infrastructure in rural transformation, i.e., the shift of household income structure
- Electricity → trade, transport, and communication sector (informal sector)
- Paved road → manufacturing sector
- The expansion and upgrade of infrastructure such as electricity and roads and investment in secondary and tertiary education are important factors that induce the economic transformation of the rural Philippines.
- The importance of higher education as requirement for entry into the nonfarm labor market has declined indicating that **even the unskilled and uneducated can participate in the nonfarm labor market.**





# Sri Lanka

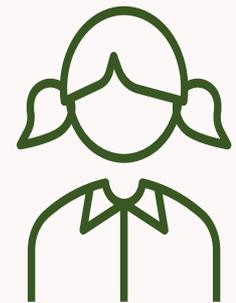
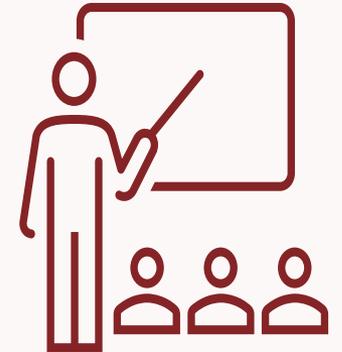


- Characteristic feature: Urban, rural and estate sector: Poverty is highly prevalent among households in the estates
- Aim: Examine the changes in household income structure and trends in income growth and poverty reduction
- In the 1990s, rural households were as poor as those in the estate sector, but in subsequent periods, the income of rural households grew much faster than did the estate households and caught with urban households.
- Higher levels of schooling, more ample nonfarm employment opportunities, and better infrastructure in the rural sector are the principal factors behind the rise of income in the rural sector



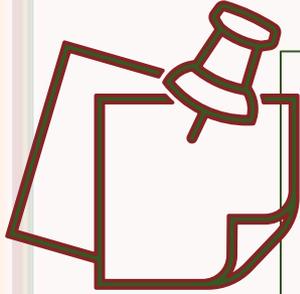
# Bangladesh

- Focus: School enrollment of girls
- Aim: Explore the impact of electricity in promoting girls' schooling in rural Bangladesh
- Electricity works indirectly in promoting school enrollment of girls
- Electricity → household income → school enrollment
- Why girls are favored? (1) rise in household income, (2) affirmative action, and (3) emergence of employment opportunities for women.





# Concluding remarks



- Three books provide strong evidence on the dynamism of household decision making in rural areas
- Decisions of rural households regarding wealth transfers and livelihood strategies are dynamically changing in response to changes in household resources, market conditions, and policy regime.
- Women status have improved over time partly because parents strategically invest in their schooling in response to the rising returns to female education and partly because of the policy environments that have been increasingly favorable to women.



**Thank you very much**