



**Food and Agriculture
Organization of the
United Nations**

Rural Poverty and Gender inequality: cross-cutting challenges

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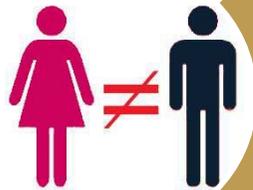
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Questions covered.....



Distortions in international agriculture markets affect extreme poor to benefit fully from trade~ and what risks are present stemming from this?



How do gender inequalities limit the capacity of women to benefit from trade opportunities?



How can these be overcome and how can trade have a greater impact on poverty reduction by creating economic opportunities for women.

“Trade liberalization is like opening a window...”

(Eugenio Diaz-Bonilla)

The outcome will depend on:



The “weather”
outside

The degree of
openness

The conditions
inside



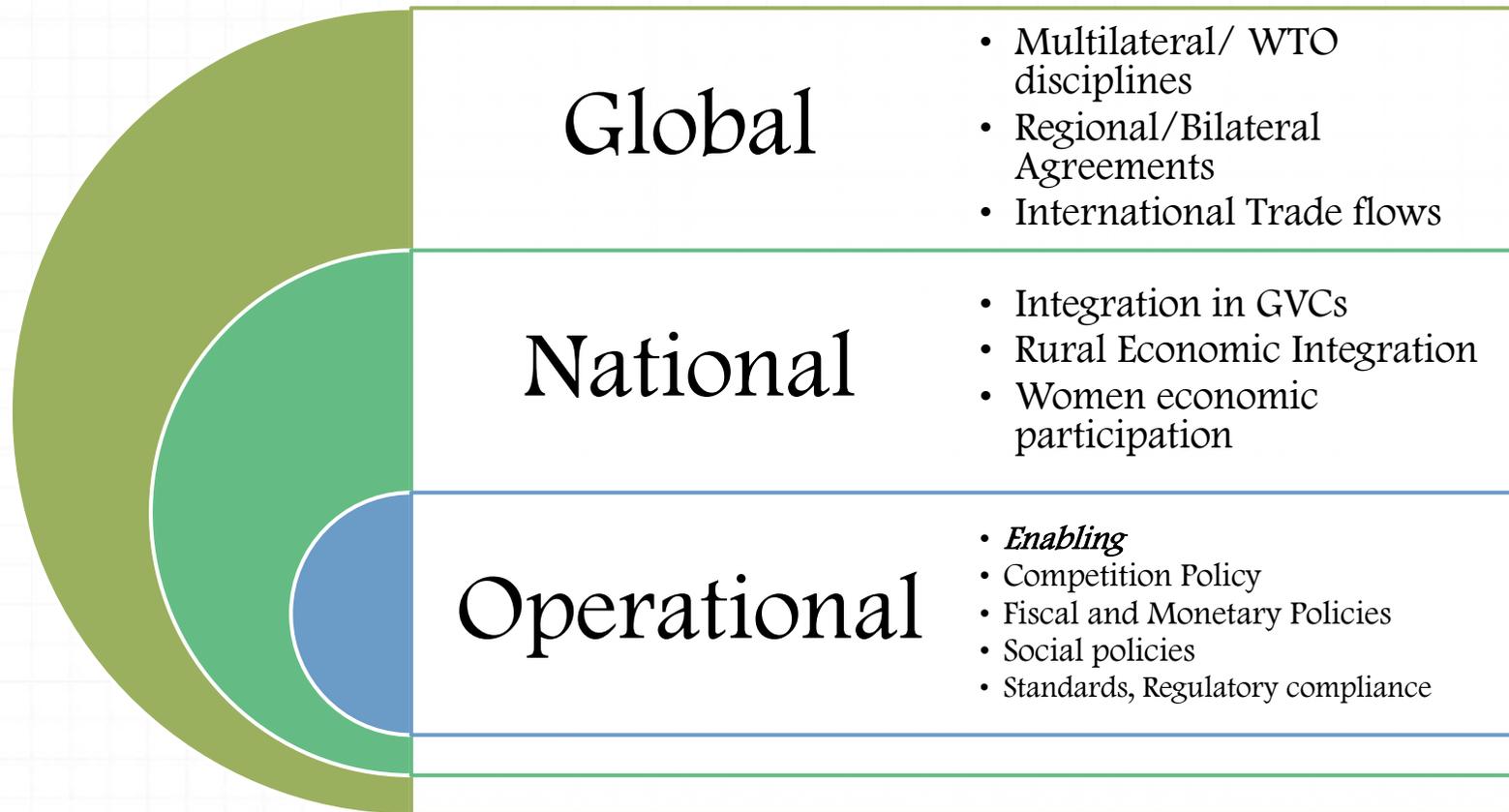
Agriculture Trade



ABCD of Trade Policy: **Enabling Agriculture Trade**



Trade Policy: **Enabling Agriculture Trade**



Trade: Opportunities and risks

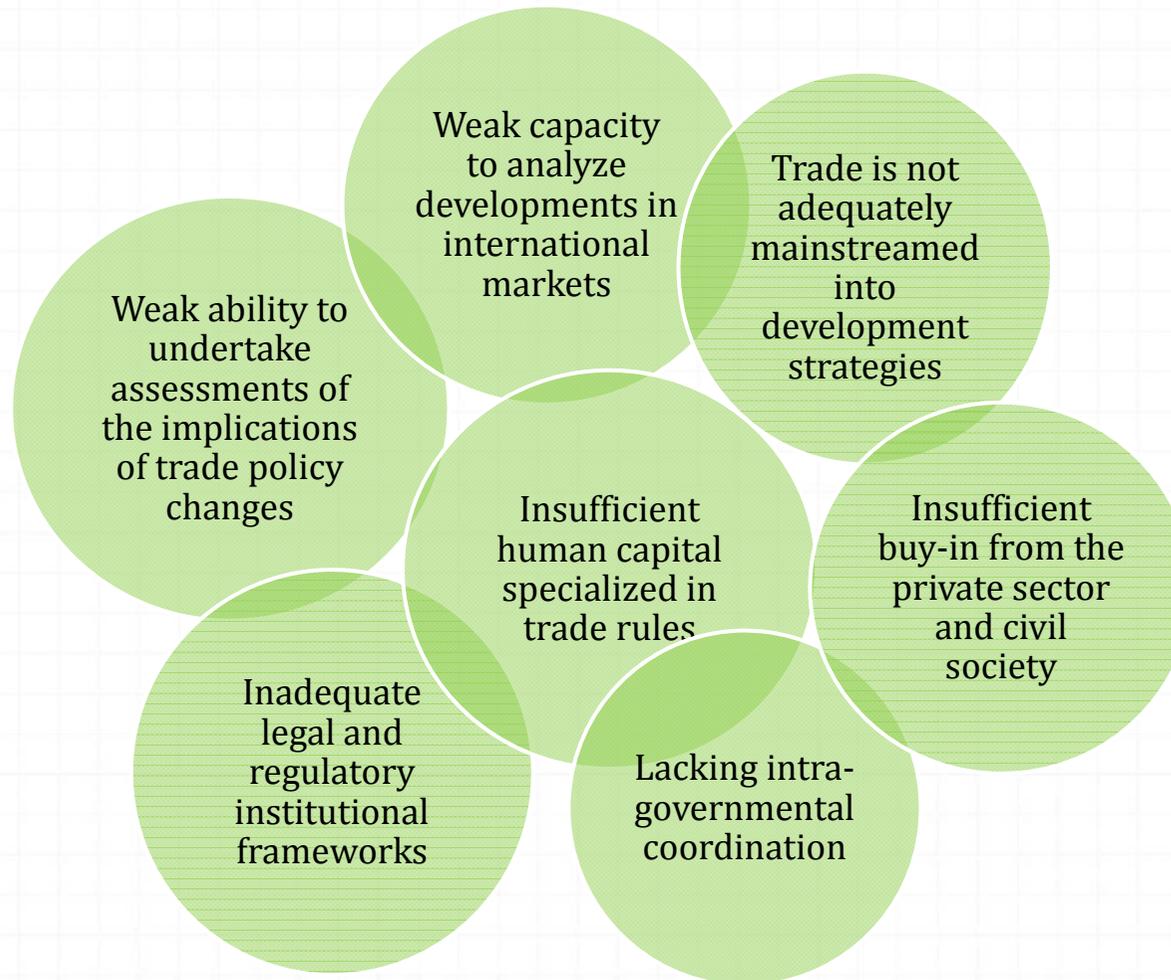
Provide access to larger and more remunerative markets for exporters.

Lower food prices to domestic consumers through imports and associated competitive pressure for innovation by domestic producers in import competing sectors.

The distribution of the benefits from participation in trade has been very uneven.

The capacity of the countries to participate effectively in trade varies greatly.

Internal constraints to effective participation of developing countries in the global trading system



Trade policy effects

Changes in trade policy affect the relative prices of goods and factors



Hence, both food production and consumption are affected



Different impacts on different segments and population groups



For example

An export ban boosts domestic supplies and reduces prices in the short-run.
Good for consumers and domestic food processors, bad for agricultural producers that export.

Trade liberalization is likely to reduce food prices to consumers, but some farmers may be affected by declining incomes

Trade: Support to agriculture and agricultural development

- Need to look beyond short-term policy consequences.
- Longer-term food security requires policies that promote *sustained agricultural productivity increases*
- Consideration to the level of economic structural transformation and the role of agriculture in the economy.

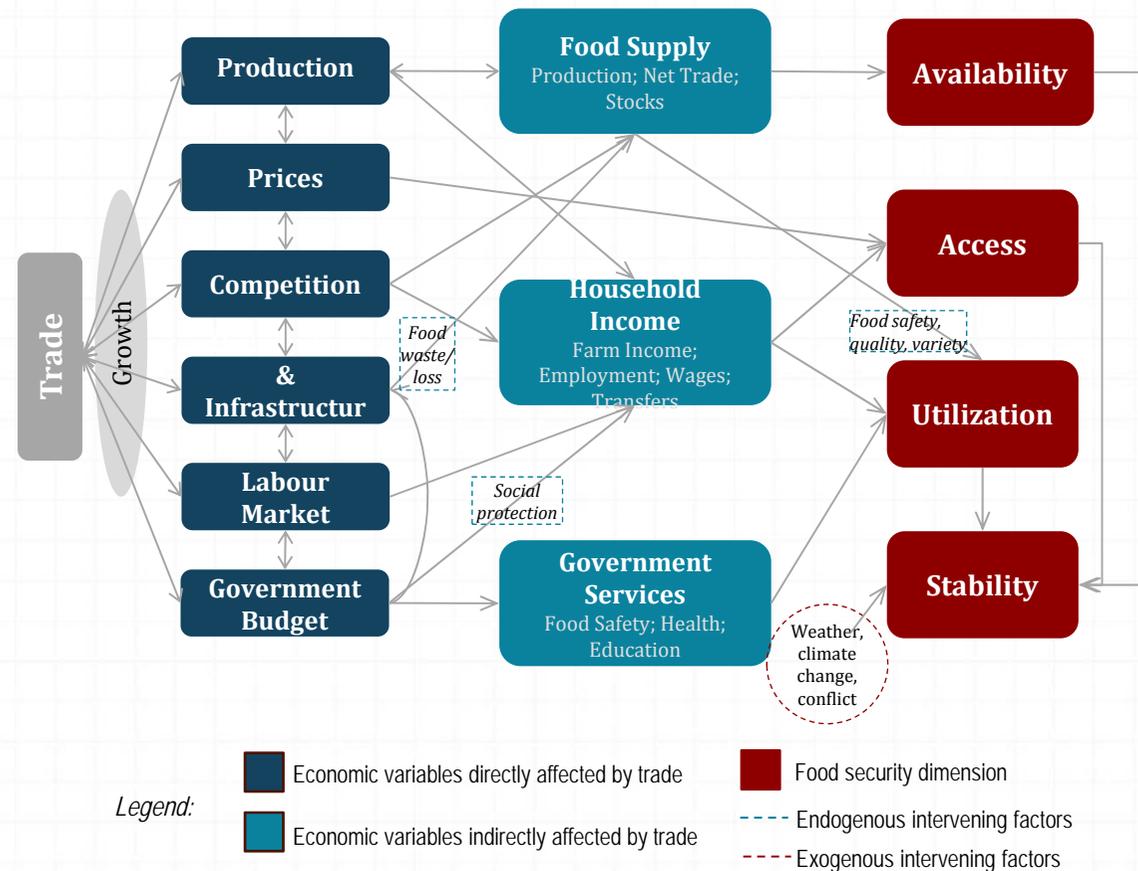
STAGES OF AGRICULTURAL TRANSFORMATION

	Earlier	Later
STATUS OF AGRICULTURE	<ul style="list-style-type: none"> • Largely non-commercial production • Fragmented input and output markets • Limited risk management instruments 	<ul style="list-style-type: none"> • Commercialized production • Functional input and output markets • Adequate risk management instruments
GOVERNMENT ACTION	<pre> graph LR A[Phase 1 Investments establishing the basics] --> B[Phase 2 Subsidies kick-starting markets] B --> C[Phase 3 Withdrawal] </pre>	
DOMESTIC SUPPORT POLICY	<ul style="list-style-type: none"> • Government incentives have a critical role providing access to finance and input and output markets at low cost and low risk, to allow farmers to generate a surplus 	<ul style="list-style-type: none"> • The use of interventionist approaches can become increasingly detrimental; instead, it is important for governments withdraw from market activities and allow the private sector to take over.
TRADE POLICY	<ul style="list-style-type: none"> • For a defined period of interventions to promote productivity-enhancing private investment, trade policy can help reduce production risks and provide the stability needed for producers to react positively to the incentives. 	<ul style="list-style-type: none"> • In more mature economies, where input, credit and output markets function more efficiently, it may be appropriate to liberalize agricultural trade policy to release further agriculture growth potential.

Linkages between trade and food security

The links between trade and food security are inherently complex, with several channels of interaction affecting the different dimensions of food security simultaneously.

- Immediate effects on: food production, total supply, prices, employment and government revenues
- In the longer run, effects on: competition, marketing, infrastructure, value chain development, investments.



Impacts of trade on food security and nutrition

Trade can have both positive and negative effects on each of the four dimensions of food security. The short and long-term impacts potentially working in different directions can make it difficult to determine a generalizable relationship.

	Short term	Medium to Long Term
Availability	<ul style="list-style-type: none"> Trade boosts imports and increases the quantity and variety of food available 	<ul style="list-style-type: none"> Food production may increase due to greater specialization, and productivity improvements may be triggered by greater competition
	<ul style="list-style-type: none"> Trade may decrease the domestic availability of crops in net exporting countries 	<ul style="list-style-type: none"> In net food-exporting countries, domestic availability of staples may decline, as production is diverted toward exports; in net food importing countries, some producers are likely to curtail production, forgoing the multiplier effects of agricultural activities in rural areas
Access	<ul style="list-style-type: none"> Food and input prices are likely to decrease for net food importing countries 	<ul style="list-style-type: none"> Incomes would rise in competitive sectors, due to greater market access, and growth and employment would be supported by export growth and inflow of FDI
	<ul style="list-style-type: none"> Domestic prices of exportable products may increase for net food-exporting countries 	<ul style="list-style-type: none"> Incomes may decline in import-competing sectors, with some producers transitioning out of agriculture. Also, unequal distribution of gains may occur due to enclave developments in export crops to the detriment of broad-based smallholder food crop production

■ Possible positive effects

■ Possible negative effects

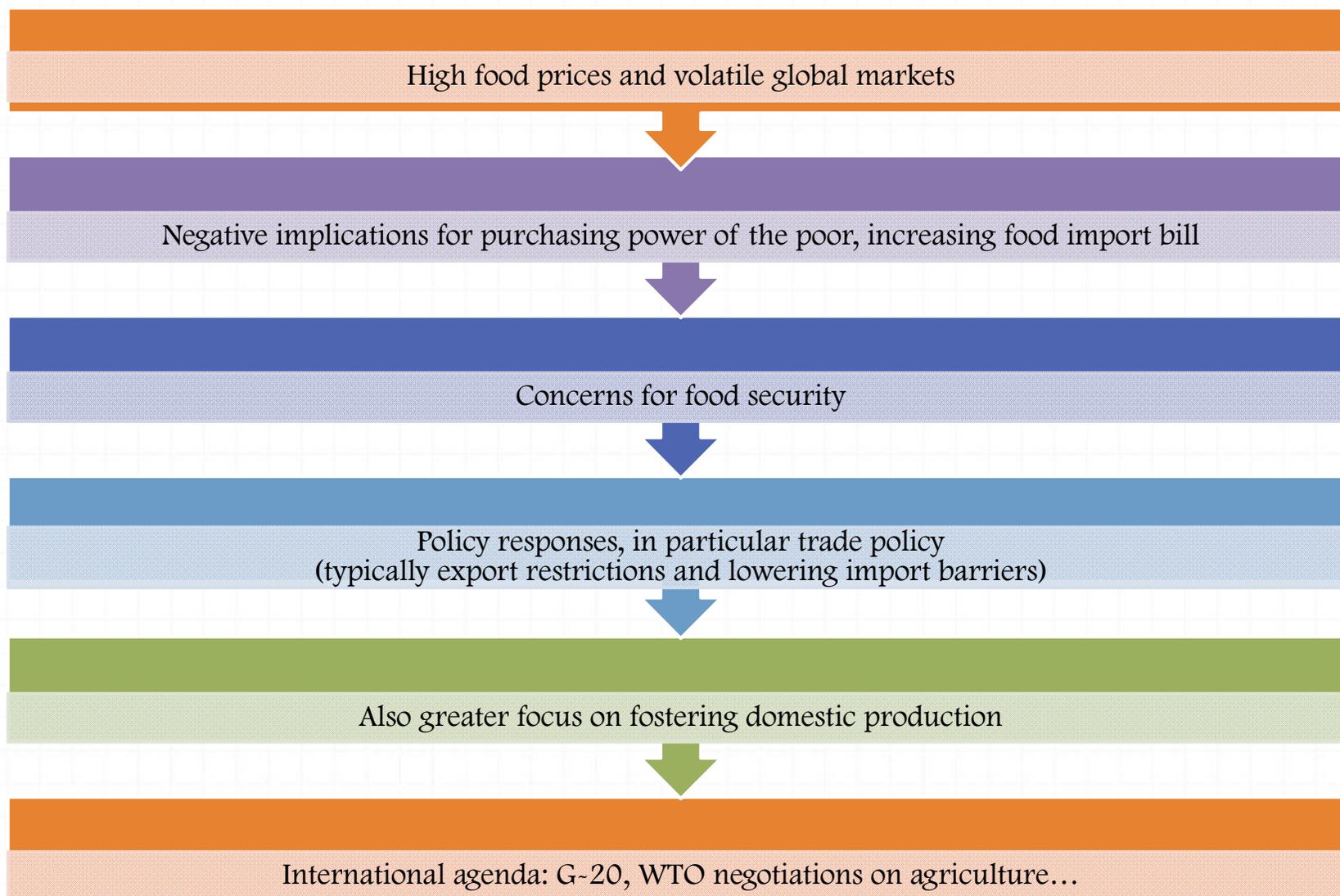
Impacts of trade on food security and nutrition

Trade can have both positive and negative effects on each of the four dimensions of food security. The short and long-term impacts potentially working in different directions can make it difficult to determine a generalizable relationship.

	Short term	Medium to Long Term
Utilization	<ul style="list-style-type: none"> • Greater variety of food available may promote a more balanced diet 	<ul style="list-style-type: none"> • Food safety and quality may improve if international standards are applied more rigorously
	<p>There may be greater consumption of food that is cheaper, high in calories and low in nutritional value</p>	<ul style="list-style-type: none"> • Prioritization of commodity exports may divert land and resources from traditional and indigenous foods, which are often superior from a nutritional perspective
Stability	<ul style="list-style-type: none"> • Imports mitigate likelihood of shortages resulting from local production risks 	<ul style="list-style-type: none"> • Global markets are less prone to policy- or weather-induced shocks
	<p>Countries may be more vulnerable to changes in trade policy by exporters, such as export bans</p>	<ul style="list-style-type: none"> • Sectors at earlier stages of development may become more susceptible to price shocks and import surges

Possible positive effects
 Possible negative effects

As food prices increased dramatically in 2006-08 and 2011-2012, there was a greater focus on domestic markets in pursuit of national Food Security objectives



Typical measures for stabilizing domestic agriculture markets

Trade policy

- Export restrictions
- Reduction of import duties

Support to agriculture

- Subsidies (input, output), state purchases
- Access to credit
- Technical assistance

Support to consumers

- Social protection, targeted transfers
- Food aid and school feeding
- Subsidized prices on basic foods

To conclude...

Improve opportunities for the rural poor to access decent farm and non-farm employment

Improve social protection systems

Strengthen synergies between social protection measures and food security, improved nutrition, agricultural productivity growth, empowerment of rural women

Support development of national policies and programmes

Strengthen social protection programmes

Empower the rural poor gaining sustainable access to resources and services



FINANCIAL RESOURCES

Women are granted fewer and smaller loans than men

Women in forestry, fishing and agriculture receive just **7%** of total agriculture investment



LAND & WATER

In developing countries **10% - 20%** of all land holders are women

Farms managed by female-headed households are between half to **2/3** the size of farms run by male-headed households



PRODUCTIVE RESOURCES

Women make up **43%** of the agriculture workforce in developing countries

If women had equal access to productive resources as men, they could increase yields on their farms by as much as **20% - 30%**



ACCESS TO DECISION-MAKING FORAS

Women hold **14%** of management positions in the agricultural sector

At the UN Climate Change Summits between 2000-2010, only **30%** of registered country delegates were women



KNOWLEDGE AND TECHNOLOGY

2/3 of the world's illiterate adults are women

One study showed that women's education contributes to **43%** reduction in child malnutrition



SERVICES & MARKET

Agriculture extension services are accessible to only **5%** of women that make up the agriculture workforce in developing countries

Energy services in West Africa have:
- reduced women's daily work by **2-4** hours
- increased women's incomes
- improved education and school enrolment

EQUAL ACCESS TO RESOURCES AND POWER

for



FOOD SECURITY

AVAILABILITY | STABILITY | UTILIZATION | ACCESS

in the face of

CLIMATE CHANGE

ADAPTATION | MITIGATION



www.fao.org/climatechange/micca/gender
www.fao.org/gender

To conclude

Target women's multiple trade-offs in the allocation of their time

Reduce gender inequalities in human capital

Capitalize on public works programmes

Strengthen women's rights and voice through institutional change

Ensure that women are empowered and trained to exercise their rights and participate

Use technology and innovative delivery channels: Women's work burden is reduced by 20% through improved technologies, services and infrastructure

Water sources in villages can significantly reduce the time spent by women and girls fetching water, and water projects that meet multiple livelihood objectives and take gender issues properly into account are more likely to be sustainable.

Fuel-efficient stoves can reduce firewood requirements by 40–60 percent, in addition to reducing indoor pollution and the time required for cooking. Locally manufactured stoves can also provide income-earning opportunities for rural artisans. Woodlots, agroforestry and improved fallows can further reduce the time spent in collecting firewood by bringing the sources of firewood closer to the home.

Further information

<http://www.fao.org/trade/en/>
<http://www.fao.org/gender/en/>



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