Women and development

I am outraged after reading the article “Rural Development, Agriculture, and Food Security” (Finance & Development, December 1996) by Wendy Ayres and Alex McCalla. I am not an expert on agricultural development or food security issues, but this article gets low marks for not bringing out some of the major real issues in development, which are women, men, and gender relations.

The article elaborates on the challenge of improving health and nutrition, emphasizing that it is more a question of allocation of resources within the household than of total household income. I was expecting a reference to how women tend to invest relatively more of their resources than men (human and financial) in the welfare of the family, if they are free to make these kind of decisions. The World Bank itself emphasized these issues in its report to the Fourth World Conference on Women in Beijing. Not being allowed to control their own resources is a common feature of life for rural women in developing countries and, thus, a major challenge to be addressed. Also, malnutrition and poor health is not evenly distributed among men and women. On average, girls suffer more than boys and women suffer more than men.

The hungry are landless, live in poor nations in areas with low agricultural potential, and, first and foremost, are women. Meeting these challenges will require more than “renewed commitment by scientists, farmers, national policymakers, international donors, and the World Bank to increase agricultural productivity through research and technology development,” as Ayres and McCalla claim. By all statistics, no one group is worse off than households headed by women. Despite some redeeming sentences in the article on the importance of women in poverty reduction, I am puzzled and saddened by its lack of scope.

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Wendy Ayres and Alex McCalla respond:

We wholeheartedly agree that investing in women is essential for achieving household, national, and world food security. Investing in women’s education and health leads to better child nutrition, lower child mortality, and lower fertility. Furthermore, studies carried out in Kenya suggest that
if rural women were given the same access to education as rural men, yields of food crops could rise by 22 percent. This has critical implications for Africa, where agriculture is a large part of the economy and women are responsible for about 75 percent of food crop production. Improving access to land, financial resources, tools, and information is also critical to helping women improve their lives. Today, in many countries, women cannot own land and have much more limited access to financial resources and information than men. As a consequence, female-headed households with no adult males are much more likely to be poor and hungry than households headed by men. The benefits of investing in women are even more pronounced when women can control the allocation of resources within the household, since, as the article points out, women are more likely to invest resources in the family.

The World Bank is working in many ways to improve conditions for rural women. For example, in agricultural projects in India, the Bank is working with local women’s groups to improve women’s access to scarce land resources. In Uganda and Kenya, the Bank is supporting the development of improved techniques for growing vegetables near houses; simple, lightweight tools for weeding and harvesting; and improved village-level food processing techniques. In countries around the world the Bank is supporting initiatives to increase the access of the poor and vulnerable, including women, to financial resources. Women entrepreneurs are expected to be the primary beneficiaries of the Consultative Group to Assist the Poorest program. In Chad, the Social Investment Program has given 68 percent of its loans to women. The program makes loans of less than $1,000 and has benefited the country’s poorest women. And the Bank is deeply involved in providing education and health services—for boys and girls—in rural areas. In the future, the Bank will continue to help countries realize the large potential of women to make major contributions to food security, economic growth, and poverty reduction.

Determining creditworthiness

The article “Rating the Raters of Country Creditworthiness” (Finance & Development, March 1997) by Nadeem Ul Haque, Donald Mathieson, and Nelson Mark presents the point of view of a lending institution. While this perspective is surely appropriate for the IMF, a prospective direct investor can be expected to look at other considerations before putting up expensive nonmobile facilities. When I worked for a large oil company, I discovered that the company had four separate sets of country risk ratings, all for different purposes, as follows:

• The exploration and production group looked at the question of being able to negotiate a favorable deal.
• The foreign affairs department looked at whether a negotiated deal might lead to a successful outcome. Here, the United States does not come out well, as the head of Chevron International pointed out publicly in explaining his company’s big investment in Kazakhstan; Chevron invested $1.2 billion off Point Arguelo (near Santa Barbara, California) but production permits were later denied, a problem that the company faced nowhere else in the world. Some production has since been allowed.
• Corporate security looked at executive safety questions.
• The law department had its own rankings. I think they tried to blend the first two sets of ratings but I never really figured out their criteria.

My general point is that the content of a country risk assessment cannot be divorced from the intended use of that assessment. In this regard, I suggest that a survey of practices of direct foreign investors in a number of countries would make a fascinating study.

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Attacking air pollution

As a denizen of the most polluted city in the world, I found “Ten Principles of the New Environmentalism” (Finance & Development, December 1996) by Andrew Steer interesting, cogent, and stimulating. Thus far, the programs in Mexico City designed to deal with overwhelming air pollution have been inconsequential and ineffective. The lives of 20 million people—both very young and very old—are seriously affected by the rising levels of pollution and it can reduce a lifespan by up to 10 years. This has also affected the tourist industry.

While the situation is depressing, it is not impossible. The solution is to switch to ethanol, a fuel that already powers 4 million vehicles in Brazil. When used undiluted, there are significant reductions in carbon monoxide, carbon dioxide, hydrocarbon, and nitrogen oxide emissions, not to mention the positive effects with regard to the atmosphere and global warming. In Brazil, over a 20-year period, an investment of $11.7 billion to produce fuel alcohol resulted in a savings of 220,000 barrels of oil per day and a saving of $29 billion in imports. This net saving of $17 billion does not include the savings accruing to society in the form of reduced levels of pollution and better health.

I believe it is time to harvest Brazil’s knowledge and experience. In Mexico, a switch to ethanol would drastically reduce pollution, enhance the well-being and health of 20 million people, revitalize the agricultural sector, and provide an exciting new venture for Mexican workers, engineers, managers, financiers, and politicians. Making polluters pay is good policy, and a tax upon gasoline could provide some of the financing necessary for the switch to ethanol. It is time to transform the pledges, promises, high hopes, and proclamations of international treaties concerning the environment into a down-to-earth, workable, effective program in Mexico. If nothing significant is done now, the situation will deteriorate rapidly, not only environmentally but socially as well.

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