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**POVERTY AND
INEQUALITY IN ASIA:
A SURVEY
OF RECENT LITERATURE
AND RESEARCH AGENDA**

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SUMMARY

POVERTY AND INEQUALITY IN ASIA: A SURVEY OF RECENT LITERATURE AND RESEARCH AGENDA

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This is a two-part study on Poverty and Inequality in Asia. Part I is a survey of the recent empirical literature on this topic and a research agenda. Part II is an annotated bibliography of recent work on these topics.

The objective of this work is to highlight recent empirical work in Asia on inequality and income distribution issues. The study deals with seven dimensions of the inequality issue: (i) gender; (ii) regional; (iii) spatial (rural/urban); (iv) ethnic; (v) ecological; (vi) intra-household; (vii) demographic.

The study has not tried to provide a survey of the vast body of literature on Asia that deals with poverty issues alone. There is, however, an obvious overlap between the literature on poverty and inequality. The literature on poverty is therefore selectively referred to in this survey and bibliography, but by and large only when the reference covers both poverty and inequality issues.

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DISCUSSION PAPERS PRESENT RESULTS OF COUNTRY ANALYSIS UNDERTAKEN BY THE DEPARTMENT AS PART OF ITS NORMAL WORK PROGRAM. TO PRESENT THESE RESULTS WITH THE LEAST POSSIBLE DELAY, THE TYPESCRIPT OF THIS PAPER HAS NOT BEEN PREPARED IN ACCORDANCE WITH THE PROCEDURES APPROPRIATE FOR FORMAL PRINTED TEXTS, AND THE WORLD BANK ACCEPTS NO RESPONSIBILITY FOR ERRORS. SOME SOURCES CITED IN THIS PAPER MAY BE INFORMAL DOCUMENTS THAT ARE NOT READILY AVAILABLE. THE WORLD BANK DOES NOT GUARANTEE THE ACCURACY OF THE DATA INCLUDED IN THIS PUBLICATION AND ACCEPTS NO RESPONSIBILITY FOR ANY CONSEQUENCE OF THEIR USE.



Poverty and Inequality in Asia: A Survey of Recent Literature and Research Agenda

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After the World Bank devoted its 1990 *World Development Report* to the theme of poverty, research on the subject increased greatly. As a result, concepts of poverty and inequality and how to measure them have changed. This article discusses recent developments in research on poverty and inequality in Asia and surveys empirical studies undertaken in East Asia, Southeast Asia, South Asia and the Pacific countries (Papua New Guinea and the Islands).

INTRODUCTION

Asia is often described as a "Growth Basin," a term particularly applied to East and Southeast Asian countries (ESCAP 1993). Moreover, these countries, in what is hailed as "The Silent Revolution" (Johansen 1993), are now viewed as exemplars of poverty reduction. While there is some truth to this characterization, the empirical evidence has led some observers to different conclusions.

There are several reasons for this difference in views. For example, economists and sociologists have their own definitions of poverty and inequality and ways to measure them. Also, the use of aggregate macro-level measures in poverty studies is giving way to a disaggregate micro-level approach.

In many East and Southeast Asian countries, absolute poverty at the national level does appear to be declining rapidly. However, that is no cause for complacency. First of all, not all these countries are experiencing a rapid decline in the number of poor. Second, and more important, even where there has been an absolute decrease in poverty, the decline is not evenly spread across regions, economic and social classes, communities, and/or between the sexes. Not only may income inequalities be widening in countries where absolute poverty at a national level is declining, but there is

some evidence that absolute poverty per se is increasing within some regions and among distinct groups in those countries.

Much recent literature on poverty and inequality focuses on disaggregated micro-level statistics to interpret the real situation. We separate this literature into the following categories:

- Gender
- Regional
- Spatial (Rural/Urban)
- Ethnic
- Ecological
- Intra-Household
- Demographic

**POVERTY AND
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CONCEPTS.**

Poverty and inequality are not mutually exclusive concepts, and there is also considerable overlap among the seven categories listed above. For example, intra-household poverty and inequality will encompass, among other things, the gender and demographic aspects of poverty and inequality within a household. These categories are not based on any current economic or sociological theories, but they serve here as a convenient vehicle for exposition.

GENDER DIVISION OF POVERTY AND INEQUALITY

It is commonly observed that more women than men are in poverty. While some of the evidence is disputed, the percentage of poor women is significantly greater than the proportion of women in the overall population in most countries. In some instances, this percentage is increasing.

During the 1980s women in the United States, for example, were 50 percent more likely to be defined as living in poverty than men, irrespective of ethnicity or age. More alarmingly, the poverty gap between the genders had increased from 10 percent in 1950 to 50 percent in 1980 (McLanahan et al. 1989). Almost the entire increase, however, was due to a relative rather than an absolute decline in the position of women vis-à-vis men. A similar gender division of poverty was observed in other developed countries (Casper et al. 1993). In China, the incidence of poverty among women has increased in both absolute and relative terms (Summerfield and Aslanbeigui 1994). This may partly explain the rising incidence of female infanticide in China, particularly in rural areas.

ARE WOMEN POORER THAN MEN?

This section looks at the evidence on gender-differentiated poverty using the yardsticks of consumption, literacy, mortality, healthcare, morbidity and education.

Consumption. The evidence on gender differentiation in consumption in the Asian developing countries is not clearcut. Among empirical studies supporting the hypothesis that women consume less than men are Agarwal (1986) for India; Banerjee (1983) for India; Behrman (1988a and b) for India; Chen, Huq and De Souza (1981) for Bangladesh; Sen (1988) for India; Sen and Sengupta (1983) for India; and Taylor and Faruque (1983) for India. On the other hand, studies which refute it are Basu (1989 and 1993) for India; Behrman and Deolalikar (1990) for India; Dasgupta (1987) for India; and Harris (1990) for India. At least one study points to evidence that men, as measured by consumption, are poorer than women in Bangladesh (Pitt et al. 1990).

In East and Southeast Asian countries, however, according to studies by Haddad and Kanbur (1990) for the Philippines and Deaton (1989) for Thailand gender differentiation in consumption is virtually nonexistent.

Literacy. In regard to literacy rates, disparity against females is found in many Asian countries. This seems to be more evident in South Asian countries (except Sri Lanka) than in East and Southeast Asian countries (ESCAP 1993).

Mortality. Gender differentiation in mortality rates among children under 5 years old is also significantly higher against girls throughout Asia, especially in South Asian countries (Sen 1990 for India).

Health Care. In the provision of health care, evidence shows a gender bias against females in South Asia (Kynch and Sen 1983 for India; Alderman and Gertler 1988 for Pakistan), but no such evidence exists for East and Southeast Asian countries. In fact, in Indonesia the slight gender disparity that exists appears to be in favor of girls (Deolalikar 1991).

Morbidity. Morbidity rates again show gender disparity against women in South Asia but not in East and Southeast Asian countries (Chen, Huq and De Souza 1981 for Bangladesh; Deolalikar 1991 for Indonesia).

Education. Girls get less schooling than boys in all Asian countries. Again, this is evident to a greater extent in South Asia (except Sri Lanka) than in East and Southeast Asian countries (ESCAP 1993).

These six indicators are the most important measures of wellbeing, and they show clearly that gender discrimination in Asia is the norm, especially in South Asia. Low levels of consumption, literacy, health care and education, or the prevalence of morbidity and high infant mortality, are generally used as measures of poverty and inequality. Thus, sufficient empirical evidence shows that Asian women are more deprived than Asian men—that is, there are more poor Asian women than poor Asian men, especially in South Asia. The differences in the empirical evidence presented to support this thesis are largely due to the fact that different researchers use different methodologies to arrive at

their nearly identical conclusions and by no means contradict the general finding.

CAUSES OF GENDER DIVISION OF POVERTY AND INEQUALITY

Many of the causes of gender differentiation in poverty and inequality are due to intra-household distribution of resources. This could be due to economic and/or sociocultural factors. The economic rationale usually advanced in favor of pro-male discrimination is that boys provide greater returns to the family investment in them than girls (Quibria 1993), although there is hardly any empirical evidence to support this hypothesis. Gender differentiation within households is also due to noneconomic factors, such as traditional societal values and norms.

Women's access to food, education, health and nutrition within their households is circumscribed compared to that of men. This leaves them in a disadvantaged position in seeking wage employment outside the home. Even when women are successful in obtaining employment they may face wage discrimination. This discrimination may not be entirely due to gender, but could reflect women's relative lack of education and skills. The wage differential in the labor market is, in turn, used to justify less investment on girls within the household due to the differential in returns on investment (Quibria 1993 and 1995), thus perpetuating the vicious cycle of discrimination.

Ownership and control over property and other assets, especially land, is also very much restricted for women due to customary inheritance laws in many Asian countries (Agarwal 1994 a and b; Quibria 1995). In most agrarian societies in Asia, ownership of land generally determines whether or not one is poor. Thus, women's lack of ownership and control over productive assets in general, and land in particular, defines them as poorer than men.

Access to institutional credit is another factor which distinguishes poor and nonpoor status. Here again, women are disadvantaged. Because of their nonownership of land and other assets they lack collateral to qualify for loans. In addition, deficiencies in their literacy and educational attainments make it difficult for many of them to fill out application forms

and complete other administrative procedures necessary to obtain loans. In some instances, notably the Grameen Bank in Bangladesh, women, despite these handicaps, have been able to get credit for productive activities (see Heyzer 1994b, pp. 280-297 for more successful case studies in Asian countries). However, the objective and cultural constraints on their ability to obtain institutional credit have been among the factors that make women poorer than men in many Asian countries.

POLICIES TO ALLEVIATE GENDER DIVISION OF POVERTY AND INEQUALITY

Because gender is such a major factor in the incidence of poverty, a strong argument can be made that antipoverty policies should be gender-oriented on grounds of both equity and efficiency (Quibria 1993).

Since there is conclusive evidence of gender disparity among the poor, antipoverty policies should attempt to address and redress the anomaly. Gender-neutral poli-

cies usually do not benefit women due to the socioeconomic, cultural, and informational obstacles they face (Quibria 1993). Therefore, female-oriented antipoverty policies can be defended on grounds of equity.

Moreover, as noted earlier, gender disparity exists in such social indicators as health, education and nutrition. A strong case can be made that the social rate of return on investments directed specifically toward women in these areas is greater than for men. For example, upgrading the nutritional standards of women improves not only the mother's but also the child's health. Further, improved health facilities and educational attainments for women contribute to the reduction of birth rates and improved health and hygiene of the household in general. Thus, social investment in women has a multiplier effect. These overall improve-

THE WAGE DIFFERENTIAL IN THE LABOR MARKET IS USED TO JUSTIFY LESS INVESTMENT ON GIRLS WITHIN THE HOUSEHOLD DUE TO THE DIFFERENTIAL IN RETURNS ON INVESTMENT, THUS PERPETUATING THE VICIOUS CYCLE OF DISCRIMINATION.

ments, in turn, result in decreased public expenditure in the social sector over time. Hence, it is argued that social investment targeted towards women should be undertaken as a matter not only of equity but efficiency as well (Quibria 1993 and 1995, Agarwal 1994a).

The important point to note is that gender-oriented antipoverty policies make both social and economic sense. However, several studies have revealed that gender differentiation in poverty and inequality is due mainly to sociocultural factors that affect the intra-household distribution of resources. Government may be able to do very little to rectify that which is socioculturally based (Quibria 1995, p. 382). Legislation alone will not overcome gender-related poverty and inequality. It has to be supplemented by education and community action to eliminate those sociocultural factors that underlie the problem.

The conventional response to the gender-poverty question has been to provide access to wage employment for women. However, while many Asian developing countries have made great strides in opening the labor market to women, gender inequity stubbornly persists. This is largely due to gender wage discrimination, and the fact that women are concentrated in menial, clerical, and lower grade jobs. In addition, the health and safety conditions at work where women predominate tend to be substandard. These facts have been clearly demonstrated by Cho (1994) for Korea, a country experiencing high economic growth rates coupled with reasonably equitable distribution of income. Yet, even here, women's average working hours are longer, and their average wage is half that of males (Cho 1994, p. 102).

Due to the apparent failure of wage employment to achieve gender equity, some authorities now argue that women must own and control productive assets (especially land) as a prerequisite to alleviating gender-based poverty and inequality.

In an important study on the organic link between gender disparities and ownership and control of land in South Asia, Agarwal (1994a and b), after extensive field research throughout India, concluded that disparities in favor of males in property ownership are the most crucial determinant of gender inequity in the economic, social, and cultural spheres. He recommends

independent ownership of land by women on the principles of welfare, efficiency, equity, and empowerment.

The welfare argument holds that independent ownership and control of land by women would go a long way toward redressing gender imbalance in resource distribution within households. Many studies show that women in poor rural households spend resources under their control mostly on basic family needs, while men spend chiefly for personal consumption on tobacco, alcohol, etc. It has also been found that children's nutritional status is positively correlated with the mother's, rather than the father's, earnings. In rural areas of the Philippines, the income of a mother has a positive effect on the relative allocation of calories for herself and her children (Senauer et al. 1988).

With regard to efficiency, opponents maintain that granting independent land rights to women will result in smaller and less efficient landholdings, increase the fragmentation of land, and have an adverse effect on agricultural productivity. However, the evidence suggests that smaller holdings, as in Japan, do not necessarily have lower output, and that land fragmentation takes place under male as well as female inheritance. Therefore, independent land rights for women are urged on the ground of efficiency as well as equity.

Another argument for providing land ownership rights to women is that this is the only way for them to challenge male dominance within the household as well as in the wider society (Agarwal 1994a, p. 1464). Admittedly, this is a moral and social issue rather than an economic one.

Unfortunately, in many Asian countries gender-segregated data on poverty and inequality are unavailable. Hence, a thorough survey to capture the gender dimension of poverty and inequality in every Asian country is a prerequisite for formulating and implementing successful antipoverty strategies.

Gender-focused antipoverty strategies will have a greater impact on poverty alleviation than any other strategies simply because women comprise around fifty percent of the population. For the same reason, the single most important strategy for reducing income inequality within a country would be to correct gender imbalance in the distribution of income (and wealth) within households as well as in the wider society.

REGIONAL DIVISION OF POVERTY AND INEQUALITY

Although the total number of poor in a country may be decreasing, in some of its provinces or states there may be no change or even an increase. Therefore, national statistical data on poverty may be misleading. Additionally, although the number of the absolute poor may be decreasing in a particular region, income inequality (and/or other inequalities) vis-à-vis other regions may be increasing. It is very important to identify these regional disparities in poverty and inequality in order to design and implement appropriate antipoverty policies for the country concerned.

Concern about unbalanced economic development within many developing countries has been growing since the 1960s as a result of the political and social problems caused by lopsided growth during their post-independence development thrust. In response, regional economics has emerged as a subdiscipline of development economics and produced "growth pole" theories.

ARE SOME REGIONS POORER THAN THE OTHERS?

Regional disparity in development in general, and in poverty and inequality in particular, is a lively issue in almost all countries of the world. Regional inequities are found in developed as well as developing countries. These inequities pose especially difficult problems, political as well as economic, in territorially large countries composed of different ethnic and linguistic groups living in distinct geographical regions with varying natural resource endowments.

Regional inequities experienced by some large and diverse Asian developing countries are as follows:

Indonesia. At one time, regional inequity in Indonesia was simply the difference between more highly developed Java and the other provinces. Today, however, the western provinces have relatively high rates of development and growth of wealth while the eastern provinces lag behind, even though they are rich in natural resources (Bidani and Ravallion 1993, Azis 1995).

In 1993, the agricultural sector accounted for more than 50 percent of the Gross Regional Domestic Product

(GRDP) of the eastern provinces, and employed 70 percent of the labor force. By contrast, agriculture was only 18 percent of the GRDP and 22.4 percent of employment in the western provinces. Also in 1993, the eastern provinces, with 13.2 percent of the total population, accounted for 16.5 percent of Indonesia's poor (Azis 1995, p. 5).

In terms of human resource endowments, the eastern provinces are measurably poorer than the western provinces. Literacy rates, life expectancy, nutritional levels, and educational attainment are lower, and infant mortality rates are higher. While the comparison between eastern and western provinces is most striking, significant disparities in human resource endowments exist among the different provinces regardless of region (Azis 1995).

Inequality in fixed capital formation among regions is high, although inter-regional consumption expenditure is roughly the same (Akita and Lukman 1995, p. 73). This is an indication of unequal asset distribution among the provinces.

Household expenditure data for 1986 show that seven provinces (Jambi, Aceh, Central, South and East Kalimantan, North Sumatra, and Bali) have low poverty and low inequality, while seven others (Lampung, North and Southeast Sulawesi, East Nusatenggara, Maluku, East and Central Java) have high poverty and high inequality. Surprisingly, Jakarta, with one of the highest levels of inequality, has the lowest level of poverty (Islam and Khan 1986, pp. 91-96).

The incidence and severity of poverty among the islands of Indonesia are greater than among the states in India (Ravallion, 1993, p. 105).

China. Regional inequality in China is usually analyzed in terms of the prosperous eastern coastal provinces versus the mid-country and western provinces. The farther we move away from the eastern coastal provinces to the interior, the worse poverty and inequality become.

THE INCIDENCE AND SEVERITY OF POVERTY AMONG THE ISLANDS OF INDONESIA ARE GREATER THAN AMONG THE STATES IN INDIA.

Between 1978 and 1993 average annual economic growth among China's provinces ranged from 4.5 to 11.7 percent (Chen and Fleisher 1996, pp. 141-2). There are conflicting findings regarding the effect of economic reforms on regional inequality. Yang and Wei (1995) see increasing income inequality between coastal and interior provinces during the reform era, especially during the 1990s (cited by Chen and Fleisher 1996, p. 144). On the other hand, Oi (1993) finds rural-urban inequality, one of the principal sources of regional inequality in China, diminishing in the reform period (cited by Chen and Fleisher 1996, p. 144). Between these two extremes, Lyons (1991), Tsui (1991) and Sloan (1994) find that economic reforms have not measurably increased regional inequality (cited by Chen and Fleisher 1996, pp. 143-4); that is, the situation remains more or less as it was during the pre-reform era.

From his decomposition of regional inequalities into intra- and inter-provincial, rural-urban, intra-rural, and intra-urban inequities, Tsui (1993) concludes that the inequalities among the coastal, mid-country, and western provinces have contributed to overall inequality in China (p. 601; see also Howes and Lanjouw 1991). This study further notes that although China's social and human development record is good at the aggregate level, its achievements are not equitably distributed across regions (p. 601). Howes and Lanjouw (1991, p. 54) find modest intra-regional inequality in the eastern coastal provinces and wider intra-regional inequality in the interior provinces.

India. According to various studies, regional disparities in India are in many respects wider than in China. Variations in the mean consumption level among the Indian states contributed 11 percent to national poverty (Datt and Ravallion 1993, p. 104). There are significant variations in the incidence and severity of poverty among different states (Ravallion 1993, Table 7, p. 89). The incidence of poverty is greatest in Bihar, Orissa, West Bengal, and Tamilnadu, and lowest in Punjab, Jammu, Kashmir, Haryana, and Himachal Pradesh.

From the foregoing evidence there can be little doubt that widespread regional inequities exist in many Asian developing countries.

CAUSES OF REGIONAL DIVISION OF POVERTY AND INEQUALITY

There are a number of economic, social, and political reasons for regional variations in poverty and inequality.

Economic causes. Natural and physical resource endowments of different regions (provinces/states) vary, and so, therefore, do their relative welfare and wellbeing. Even when some provinces are well endowed with resources, they may not reap the benefit. A good example of this is Indonesia, where the bulk of the income from two oil-rich provinces, Riau and East Kalimantan, are transferred to other parts of the country by the central government (Azis 1995). As another example, in 1987 Irian Jaya had the sixth highest per capita GDP of all Indonesian provinces but also had the largest proportion of its rural population under the poverty line. The primary reason for this anomaly is that 55 percent of the provincial GDP was transferred to other parts of the archipelago (Booth 1992, p. 640). This is an issue not only in developing countries. For example, Scotland persistently complains about the transfer of North Sea oil revenues to England.

The eastern provinces of Indonesia, despite their rich natural resources, are further handicapped by their lack of infrastructure and skilled labor. Another factor hindering their growth is overwhelming bureaucratic red tape (Azis 1995, p. 5).

Also exacerbating regional inequities in Indonesia are tariff and nontariff barriers to inter-regional (inter-island) trade (Azis 1995, p. 14). This is a unique situation, since Indonesia is an archipelago of 13,000 islands extending over a vast area.

In many Latin American countries export-oriented economic strategies are held responsible for increasing inter-regional income inequality. This may be partly because most of Latin America's agricultural exports are produced on large estates. But in Asian countries most exported produce (palm, rubber, etc.) is grown on smallholdings. Therefore, export-oriented agriculture cannot in and of itself be said to cause greater regional poverty and inequality.

Efficient human resource endowments can be a cause, as well as an effect, of regional underdevelopment.

In some regions the people may have sociocultural attributes that contribute to their relatively greater poverty and inequality. Countries with primitive tribal populations frequently face this situation, Papua New Guinea being a classic example.

Political causes. In many countries, both developed and developing, political factors are among the crucial determinants of regional inequality. This is particularly true in large countries with different ethnic and linguistic groups. A particular national or ethnic group that monopolizes political power may discriminate against regions inhabited by others. Often the controlling group will reserve for itself the profits from extraction of natural resources in regions inhabited by other nationalities.

Military considerations may also contribute to regional disparities. Countries often locate their militarily important industries in regions distant from potential adversaries, and this tends to distort regional growth. India, for example, built most of its military heavy industries in the southern states to be far away from Pakistan and China. China, fearing attacks by the USA and the former USSR, built most of its military heavy industries in its southwestern region (Howes and Lanjouw 1991, p. 53).

A unique political factor contributing to regional variations in poverty and inequality in China is the strict government control exercised over inter-regional and intra-regional (rural-urban) migration (Nolan 1993, Tsui 1993). This has greatly inhibited factor equalization in the production process. However, restrictions on inter- and intra-regional migration have been relaxed to some extent in recent years (Debin 1994).

POLICIES TO ALLEVIATE REGIONAL DISPARITIES IN POVERTY AND INEQUALITY

In addressing regional poverty and inequality, no one policy will fit every country or, indeed, every situation in any one country. Before formulating policies each individual situation has to be thoroughly studied and correctly assessed.

One study on regional inequities in India concluded that the potential for national poverty alleviation merely through regional redistribution of resources is very limited unless such redistribution also significantly corrects qualitative intra-regional disparities. Quantitatively, redistribution by lump-sum transfers among different states and between rural and urban areas would increase aggregate mean consumption by only 1.5 percent (Datt and Ravallion 1993, pp. 109-110).

A quantitative decomposition of regional inequalities in China also concludes that a reduction in economic inequities among coastal, mid-country, and western provinces may not result in a substantial decrease in overall regional inequities if other intra-regional inequities are not redressed. Thus, the transfer of resources from the prosperous coastal provinces to the interior provinces may not, by itself, reduce overall regional inequality (Tsui 1993, p. 621).

For Indonesia, however, Ravallion (1993) calculates that unrestricted income redistribution among the provinces has the potential to increase the national mean consumption level by 3-4 percent (pp. 103-4).

Therefore, the effect of lump-sum income transfers from richer provinces and states to poorer ones is uncertain. The result of implementing such a transfer policy depends on the country's particular economic, social, and political environment. Even if feasible economically, in most cases such transfers would not be politically possible.

Another policy option for alleviating regional inequities in poverty and inequality that has gained wide currency in many countries (including developed countries) is decentralization of development. It is argued that decentralization of development administration,

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and of political and economic power, is required to alleviate intra- and inter-regional inequities. This should involve, among other things, the transfer of human and physical capital assets. (Azis 1995 articulates this argument for Indonesia). Further, the development of a sound fiscal federalism, particularly in a large and diverse country such as Indonesia, is necessary if a poor and politically weak region such as Irian Jaya is to stop the exploitation of its resources by wealthier parts of the country.

Lack of regional statistics makes policy planning in this area difficult for many Asian countries. China, for example, started publishing regional data only in the 1980s, and its availability has led to a considerable number of studies on intra- and inter-regional disparities which were previously impossible to undertake. Other countries, such as India, have a wealth of regional data. Indonesia also has much regional data available, but, unlike India, has no regional cost of living index, making thorough investigation of inter-regional inequities extremely difficult.

Further, even at a regional level there may be a significant difference between what the aggregate data

show and the real welfare situation of the population. In fact, the aggregate data may obscure intra-regional inequities and cannot be relied on as the only basis for evaluating regional development status.

Additionally, any antipoverty programs established for poor provinces or states should not have the effect of increasing poverty and/or inequality in nontargeted regions any more than is necessary to redress the existing imbalance. Moreover, policy planners should take care that the programs they establish to combat **inter-regional** inequity do not exacerbate **intra-regional** inequities or increase overall national poverty. Ideally, such programs should reduce both overall poverty and income inequality.

Finally, it should be remembered that regional economic disparity also has a political dimension. Not only is it possible that disfavored regions could revolt against the center, but that the currently dominant and favored regions would resist any attempts to introduce policies perceived as contrary to their economic, political, or cultural interests. This should be particularly taken into account in large countries like China, India, and Indonesia with diverse and distinct peoples and regions.

SPATIAL (RURAL/URBAN) DIVISION OF POVERTY AND INEQUALITY

In Asian developing countries about 75 percent of the population, and a majority of the poor, lives in rural areas. Unequal rural and urban development has been of concern to developmentalists since Michael Lipton first propounded the urban bias thesis in the late 1970s. (For a counter view, see Byres 1984).

ARE RURAL HOUSEHOLDS POORER THAN URBAN HOUSEHOLDS?

Most research shows that rural households are poorer than households in urban areas. There is, of course, urban poverty, but the vast majority of the poor live in rural areas, and rural-urban income inequality is widening in many Asian developing countries. This disparity is not only in income, expenditure, consumption, and savings, but in such social indicators as literacy, life expectancy, infant mortality, nutrition, and health (for example, see Chung and Oh 1992 for Korea; Dev et al. 1992 for India; Hossain and Sen 1992 for Bangladesh; Tjondronegoro et al. 1992 for Indonesia).

In India, the rural poor comprise 80 percent of the total poor (Dev, et al. 1992, p. 35). This is slightly greater than the proportion of the total population living in rural areas.

In Korea, about 88 percent of the landless in the rural areas are poor. Rural household income in Korea has always been lower than urban worker household income except from 1972-77, when a price support policy was in effect. However, the disparity is not large. In 1988, the average rural household income was 93 percent of the average urban worker household income (Chung and Oh 1992, p. 98).

The rural poor in the Philippines account for 70 percent of the nation's total poor. Almost two-thirds of agricultural households were considered poor in 1988 (Balisacan 1992c). Between 1971 and 1983 the percentage of rural poor increased in the Philippines while the percentage of urban poor remained more or less the same (Reyes 1987).

In Sri Lanka rural poverty is greater than urban poverty, and the incidence of rural poverty in 1986-87 was approximately 30 percent. However, Sri Lanka is exceptional in that there seems to be very little inequality, in terms of social measures, between rural and urban areas (Gunatilleke et al. 1992, pp. 164-169).

China has the widest rural-urban inequality in Asia. In other Asian countries the average urban household earns 1.5-2.0 times more than rural households, while in China urban households earn 2.42 times more than their rural counterparts (Liling 1993, p. 65). This is wider than China's intra-rural or intra-urban income gap. The rural-urban income disparity decreased between 1977 and 1984 from 1:2.36 to 1:1, and then increased between 1984 and 1991 (Chai and Chai 1994, pp. 679 and 680). However, this calculation is based on monetary income only and does not include subsidies, income-in-kind, etc. The typical Chinese urban household receives 39 percent of its disposable income in the form of subsidies, while rural households pay 2 percent of their income as net taxes (Khan 1995).

Not only are there rural-urban variations in poverty and inequality, but there are intra-rural and intra-urban variations as well (see Bramall and Jones 1993 for China, Liling 1993 for China, Aaberge 1992 for China, Firdausy and Tisdell 1992 for Indonesia). Bramall and Jones (1993) demonstrate large increases in income inequality in rural areas, both within and between villages, since the initiation of economic reform. Chai and Chai (1994) also find that the intra-rural Gini coefficient rose from 0.21 in 1978 to 0.31 in 1991. Income inequalities among households in urban areas in Sichuan and Liaoning provinces in 1990 (in terms of income, expenditure and savings) have been considerable, although lower than in many other developing countries. Inequality in expenditure was

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greater than in income (Aaberge 1992 and Liling 1993 for intra-rural and intra-urban inequality in China).

A case study of three neighboring villages in Nusa Penida, Bali in Indonesia reveals different levels of poverty among them (Firdausy and Tisdell 1992).

Some even argue that urban poverty is itself a spillover from rural poverty. For example, urban poverty in the Philippines partly results from peasants migrating to urban areas in search of employment and higher income (Balisacan 1992). This may also be the case for other Asian developing countries. Urban poverty in Malaysia, for example, is a relatively new phenomenon fueled by the New Economic Policy (NEP), which encouraged ethnic Malay participation in the urban modern sector (Yahaya 1991). This policy prompted large-scale migration from rural areas to urban centers, increasing urban poverty in the process.

The distribution of income between rural and urban areas has always been inequitable against the rural areas in almost all Asian developing countries, and in recent years the disparity has been increasing in most of them. However, at least one study on Indonesia points to a narrowing rural-urban gap between 1976 and 1987. The rate of increase in rural household expenditure has been greater than the rate of increase in urban household expenditure during this period. The decline in absolute poverty has been more pronounced in the rural areas (Tjondronegoro 1992, pp. 70-74; also see Huppi and Ravallion 1991, p. 672). According to a more recent study, in almost all provinces of Indonesia, income inequality in urban areas is greater than in the countryside (Naylor and Falcon 1995, p. 514).

While Oi (1993) contends that rural-urban inequalities in China have narrowed in the current economic reform era (cited by Chen and Fleisher 1996, p. 144), he is almost alone in this belief. Many other authors (Lyons 1991, Sloan 1994, Tsui 1991, Young and Wei 1995) take a directly opposite view.

According to cross-sectional, timeseries and case data evidence from thirty-four developing countries worldwide, the number of poor in rural areas will continue to exceed the number of poor in urban areas well into the next century (Naylor and Falcon 1995).

CAUSES OF RURAL BIAS IN POVERTY AND INEQUALITY

In Africa and Asia the vast majority of the population lives in rural areas, in contrast to Latin America and the developed countries. Therefore, it is to be expected that the majority of the Asian poor are rural dwellers. However, this is no justification for the stark economic and social inequality in Asia between city and countryside, much of which is a direct result of national government policy decisions.

The industry-led growth policy espoused by almost every Asian developing country in the post-colonial period is one of the main causes of rural-urban dichotomy. Investments in industry and associated infrastructure were concentrated in urban centers and suburbs, usually to the detriment of the rural areas from which the resources to support industrialization were drawn. A few countries did pursue rural industrialization strategies in attempts to narrow the poverty gap between the rural and urban areas and reduce poverty and inequality within the rural areas themselves, but with mixed results. In Taiwan and Korea such programs have narrowed rural and urban income inequality and reduced rural poverty (Chung and Oh 1992), but in China and the Philippines similar attempts have had opposite results.

In China, rural industrialization was a primary objective of post-Mao economic reform. In one sense the policy succeeded, since the share of industry in the rural economy rose from 12 percent in 1980 to 26 percent in 1991 (Bramall and Jones 1993). However, agriculture's share fell drastically from 68.7 percent in 1978 to 26.9 percent in 1993 while still employing 75.6 percent of rural labor (Soong 1995, pp. 42-43). The overall result has been an increase in rural-urban income inequality and more absolute poverty in the rural areas.

Similarly, a study of Bicol, one of the most impoverished regions in the Philippines, concluded that relocation of agricultural workers into the rural nonagricultural sector had the paradoxical result of reducing both agricultural productivity and rural incomes (Reyes 1987). However, Balisacan (1992) argues that nonagricultural earnings comprise a considerable part of total income even among the poorest

rural households in the Philippines, but that promotion of rural nonagricultural activities would decrease poverty and inequality only if accompanied by increased agricultural productivity. In Bicol, however, the rise in nonfarm income has been offset by lower agricultural productivity (Reyes 1987), although the cause of this decrease is not clear.

Review of the literature produces no convincing evidence that rural industrialization alleviates rural poverty or decreases rural-urban income inequality.

Many argue that the main cause of the rural-urban income inequality is low agricultural productivity. However, the evidence for this is inconclusive. In many Asian countries the Green Revolution tremendously increased overall agricultural productivity and rural income. But in many instances, especially in South Asia, the Green Revolution has helped only the big landholders who could afford to introduce high yield variety (HYV) crops, apply adequate fertilizer, invest in machinery, and irrigate. This has exacerbated rural income inequality. In some instances it has even increased rural absolute poverty (Soong 1995, p. 39 for China). On the other hand, a recent micro-level study in two villages in Bali, Indonesia, found no evidence of any increase in inequality or in the numbers of absolute poor due to technological change (Firdausy and Tisdell 1992).

Other frequently discussed causes of rural-urban income disparity are landlessness or economically nonviable smallholdings, lack of irrigation, etc., and low human resource development (education, skill, nutrition and health), in the rural areas (Dev et al. 1992 for India, Hossain and Sen 1992 for Bangladesh, Chung and Oh 1992 for Korea, Balisacan 1992c for the Philippines, Krongkaew et al 1992 for Thailand).

In China, as previously noted, one of the most important factors contributing to the rural-urban dichotomy is that rural households pay 2 percent of their income as taxes while urban households receive 39 percent of their income as subsidies (Liling 1993, Khan et al. 1995). Further, China's restrictions on rural-urban migration, while helping to minimize urban poverty, have in the process increased rural poverty (Nolan 1993).

POLICIES TO ALLEVIATE SPATIAL (RURAL/URBAN) DIVISION OF POVERTY AND INEQUALITY

There is no single cure for rural poverty and inequality, nor any universally applicable prescription for narrowing the poverty and inequality gap between rural and urban areas. Every country has unique conditions which must be taken into consideration before appropriate strategies can be devised and implemented.

One widely adopted strategy has been rural industrialization. As discussed in the foregoing section, this has not always been successful. In some countries (Taiwan and Korea) it has worked, and in some others (China and the Philippines) it has not. Using household survey data from a county in central Guangdong province in China, Hare (1994) finds that the distribution of income from nonagricultural activities is more unequal than the distribution of income from agricultural activities, something he attributes

primarily to rural industrialization policies (p. 59). Further, a decomposition of income inequality analysis reveals that nonagricultural activities are today the major source of income inequality in rural China (Hussain et al. 1991).

Another strategy adopted by many Asian developing countries is to accelerate rural agricultural development through the introduction of modern technologies—the Green Revolution. Here again, results have been mixed. What Indonesia seems to have attained has eluded India, for example.

Land grants to landless peasants and intensive human resource development programs for farmers have produced unambiguously positive results in raising agricultural productivity and narrowing the gap between rural and urban areas in Asian developing countries, including China, Korea, and Taiwan. Increased

THE INDUSTRY-LED GROWTH POLICY ESPOUSED BY ALMOST EVERY ASIAN DEVELOPING COUNTRY IN THE POST-COLONIAL PERIOD IS ONE OF THE MAIN CAUSES OF RURAL-URBAN DICHOTOMY.

marketization of the rural economy would also narrow the gap since rural household income is positively correlated with the development of rural markets (Liling 1993, Soong 1995, and Rozelle 1994, for China). However, land reform, human resource development, and marketization are not enough.

Adequate and equal access to irrigation in the rural areas has produced encouraging results in decreasing intra-rural and rural-urban inequities. From their micro-level study in a village in the Indian state of Maharashtra, Subramanian and Sadoulet (1990, p. 163) conclude that investments in irrigation have a greater multiplier effect on the village economy than income transfers from outside. Chitale (1994, pp. 383-385) believes that while access to irrigation obviously assists poor farmers, irrigation alone will not alleviate poverty or reduce inequality. He argues that irrigation projects for small farmers should, therefore, take so-

cial as well as techno-economic criteria into account in their design.

To repeat, the causes of the rural-urban dichotomy are different in every country, and every country must take its unique conditions into consideration when designing strategies to combat this persistent problem.

Any antipoverty program designed to assist rural households should seek to achieve benefits that outweigh any losses incurred by urban dwellers as a result of the necessary shift in government antipoverty expenditures. That is, net benefits for rural dwellers should rise only enough to end the rural-urban imbalance and not result in reverse discrimination against the urban areas. Any such program should also alleviate intra-rural disparities.

ETHNIC DIVISION OF POVERTY AND INEQUALITY

Poverty and inequality within a country may affect certain ethnic, religious, or caste groups more than others. These could be national minorities (or even oppressed majorities such as Native Americans in some Latin American countries or blacks in South Africa under Apartheid), certain tribal people, minority religious groups, or certain castes, as in India. Ethnically related poverty is found in developed as well as developing countries.

Ethnically heterogeneous countries tend to have less equal distribution of wealth than ethnically homogeneous countries. For example, among Asian developing countries Thailand and Sri Lanka, both with significant minority populations, have higher levels of income inequality than do more ethnically homogeneous countries such as Korea (Oshima 1970, cited by Pang 1975, p. 25).

ARE SOME ETHNIC GROUPS POORER THAN OTHERS ?

Many studies in the developed countries, including the United Kingdom and the United States, show that proportionately more members of certain ethnic minorities live in poverty than do those in majority communities. The *Western Journal of Medicine* reports that "the lower life expectancies for many ethnic minority groups and subgroups stem largely from their disproportionately higher rates of poverty, malnutrition and poor health care" (cited by Shields 1995, p. 3).

In the United States, one in nine whites lives in poverty while the proportion for African-Americans and native Indians is one in three, and for Hispanics one in four. Further, the life expectancy of African-Americans is six years shorter than for whites, and the infant mortality rate for African-Americans was 23.6 per 1000 live births as compared to 12.3 for whites in 1977 (Shields 1995, p. 4).

Poverty in Guatemala increased from 63.5 percent in 1981 to 86.3 percent in 1985, affecting particularly the majority Mayan population. The poverty experienced by the Mayans is evidenced by high levels of mortal-

ity, illiteracy, inadequate housing, unemployment, and malnutrition (Manz 1995, pp. 105 and 115).

Although Brazil is proud of its racial tolerance, the descendants of African slaves in Brazil are poorer, less educated, and have lower life expectancy than whites (Hughes 1995, pp. 138-9). In northeast Brazil, black infant mortality is 62 percent as against 38 percent for whites (Hughes 1992).

In South Africa, according to one study, 82 black children die of hunger every day. Another source puts the daily toll at 136. Further, mortality rates for African and colored children are reportedly thirteen times higher than for white children (Seewat 1984, *The Economist*, 1984, Wisher 1989, all cited by Farisani 1995).

Distribution of the fruits of rapid economic growth in Singapore among the three major ethnic groups—Chinese, Malay and Indian—has not been equitable. There is a distinct ethnic division of occupational structure in Singapore. The majority Chinese (76 percent of the population) not only exercise political control, but dominate the manufacturing, commercial, and service sectors. Malays (15 percent of the population) are concentrated in low-level public sector employment and as unskilled workers in the transport and communication sectors. Indians and Pakistanis (6 percent of the population) are doctors, lawyers, shopkeepers and laborers (Pang 1975). However, the ethnic division of the occupational structure is gradually changing due to the arrival of many multinational companies which use educational rather than ethnic criteria for hiring.

The pattern of income distribution among Singapore's ethnic communities changed drastically in the 1960s and 1970s. The mean income of Indians in the labor force exceeded that of both Malays and Chinese in 1966. However, by 1973, the Indians were overtaken by the Chinese, while the Malays also narrowed the

"THE LOWER LIFE EXPECTANCIES FOR MANY ETHNIC MINORITY GROUPS AND SUBGROUPS STEM LARGELY FROM THEIR DISPROPORTIONATELY HIGHER RATES OF POVERTY, MALNUTRITION AND POOR HEALTH CARE."

gap (Pang 1975, p. 2). Singapore's rapid industrialization brought relatively fewer gains to the Indians, concentrated as they were in professional and trading occupations, than to the other two communities. This in itself was a positive development in the reduction of ethnic income disparity, since the Indians were the smallest of the three ethnic groups.

Malaysia is another Asian developing country in which ethnic disparity in poverty and inequality has been significant and widespread (Yahaya 1991). At the beginning of the New Economic Policy (NEP) in 1970, the Chinese were the industrial managers and skilled workers, while the majority Malays, despite their favored political and cultural position, were largely restricted to agriculture and unskilled labor. The Chinese were a majority in the west coast cities, while the Malays inhabited the rural areas of the east and central parts of the country. This regional dispersion also favored the Chinese during the early post-colonial period. For example, in 1970, when 60 percent of managerial positions in the corporate sector were held by foreigners, ethnic Chinese had 30 percent of such posts while Malays held only two percent. However, as a result of the NEP, the Malay share rose to around 22 percent by 1990 (Aznam and McDonald 1989, pp. 28-29).

Factor analysis of data from the 1980 census has reaffirmed the regional and ethnic polarization of poverty and inequality in Malaysia (Chin 1989) despite the NEP, although Ishak and Ragayah (1990) demonstrate narrowing inter-ethnic income inequality and incidence of poverty in the NEP period between 1970 and 1987. However, in rural areas Indians, especially workers in the rubber plantations, are the most neglected among the three major communities.

Even within ethnic groups poverty and inequality affect some more than others. Honig (1990) examines the experience of the Subei, a traditionally impoverished and backward quasi-ethnic group from northern Jiangsu, in Shanghai. The Subei, often refugees from famine or floods, have become an underclass in prosperous Shanghai, doing the least lucrative and most undesirable jobs. Thus, the popular stereotype of the people of Subei as poor and backward is perpetuated even after they emigrate from their native region.

CAUSES OF ETHNIC DIVISION OF POVERTY AND INEQUALITY

Ethnic differentiation in poverty and inequality can be attributed to a variety of reasons which vary from country to country. Sometimes the cause can be traced to the colonial government practice of favoring one ethnic group over another as part of a divide and rule policy. Or it may be the dominant ethnic group's deliberate neglect or exploitation of other ethnic groups. Ethnic disparity in poverty and inequality can be due to caste, religious, tribal, or other exogenous and endogenous factors. It can also be due to inadvertent marginalization of a particular group of people due to sociocultural factors.

POLICIES TO ALLEVIATE ETHNIC DIVISION OF POVERTY AND INEQUALITY

Almost every Asian country is experiencing some form of ethnic strife, ranging from passive protest to civil war. To a considerable extent, such strife can be traced to inequitable distribution of national income and assets. Therefore, antipoverty policies designed to rectify inequitable ethnic division of poverty and inequality make not only economic and social, but also political sense.

There is not a great deal of data on the ethnic division of poverty and inequality for most countries. There have been some isolated case studies of this phenomenon, usually by anthropologists. However, there have been no systematic national studies to analyze the ethnic inequality aspect of the problem.

Partly as a consequence of lack of data, few countries have implemented a comprehensive strategy to address the issue. One exception is Malaysia's NEP, adopted in 1970, which has an explicit racial bias. NEP was deliberately designed to promote the participation of the majority Malay population in all economic, social, and political spheres and eventually to establish Malay control of the national economy, which at the time was dominated by ethnic Chinese. With regard to poverty alleviation, the NEP had two basic objectives. One was the eradication of absolute poverty by guaranteeing the basic human needs of food, housing, and minimum education for all citizens, but particularly for Malays.

The second was narrowing of the income and wealth gap between Malays and non-Malays; that is, eliminating relative ethnic poverty (Seaward 1986, p. 80).

Although the NEP has been in effect for more than twenty years, there has been no systematic study of its impact on the Malay and non-Malay communities. One study undertaken on the basis of 1980 census data concludes that ethnic differences in poverty and inequality have persisted despite targeted NEP investments. The west coast, mostly inhabited by Chinese, continues to be the wealthiest region, and the northeast and northwest, where most Malays and Indians live, the poorest, although the central region and the east coast did show some improvement in economic and social well being (Chin 1989). Thirty-four percent of the Malay households in those regions are still poor, and the Indians were the poorest among the three major ethnic groups (Aznam and McDonald 1989, p. 32).

A later study demonstrated declining inter-ethnic income inequality and incidence of poverty in Malaysia between 1970 and 1987. Although non-Malay mean incomes persistently outstripped those of Malays, the rate of growth of mean incomes was favorable for

Malays during those years. This development has led to the narrowing of both intra- and inter-ethnic income inequality. The incidence of poverty among all ethnic groups also dropped significantly during the study period, accompanied by a narrowing of the rural-urban poverty gap, contributing greatly to both inter-ethnic and overall improvement in income (Ishak and Ragayah 1990, pp. 110-112).

Nevertheless, a slightly earlier study concluded that although overall poverty, rural-urban inequality, and inter-ethnic income inequality all declined between 1970 and 1979, overall income inequality in Malaysia persisted at the same level as in the pre-NEP period, or even increased (Ikemoto 1985, p. 360). The conflicting findings of these two studies point to the need for more rigorous analysis of Malaysia's pioneering experiment in social engineering.

To repeat, there are almost no reliable data on ethnic division of poverty and inequality in developing countries. Surveys to assess this phenomenon will greatly facilitate the design and implementation of appropriate antipoverty policies targeted at marginalized peoples.

ECOLOGICAL DIVISION OF POVERTY AND INEQUALITY

Physical environment—climate and topography—appears to be a critical factor in the incidence of poverty. Large areas of many Asian countries are uplands or mountains unsuited to intensive agriculture, while much of the lowlands are flood plains of rivers such as the Indus, Ganges, Mekong, and Yangtze. People in these inhospitable regions have a high incidence of poverty due, among other things, to lack of roads and transport facilities, and, hence, access to markets. Nepal and Afghanistan, where almost three-fourths of the country is mountainous, provide classic examples of environmentally related poverty. In Nepal, poverty is most severe and widespread among the 80 percent of its people living in the mountain areas (Blaikie and Cameron 1980). People living in deserts or arid zones are likewise frequently disadvantaged.

ARE ECOLOGICALLY FRAGILE AREAS POORER THAN OTHER AREAS?

More than half the territory of the Philippines is hilly and highly susceptible to soil erosion. Furthermore, the population density of 260 people per square kilometer in the steeply sloped uplands is greater than that of the country as a whole—200 people per square kilometer—and population growth in the uplands is greater than in the lowlands (Meyer 1993, p. 13).

Bhutan and Bangladesh also have topographical and climatic conditions that contribute to their abject poverty and deprivation. In China, the largest share of the nation's poor live in the semi-desert, mountainous western provinces, particularly Gansu, Guizhou, Ningxia, Qinghai, Shaanxi, Sichuan, and Tibet. Some studies indicate that poverty in China is increasingly concentrated in isolated, ecologically fragile regions (World Bank 1992).

These illustrations tend to support the intuitive general belief that people living in ecologically fragile areas are usually poorer than the general population. However, hardly any quantitative or qualitative systematic data exist, except in some micro-level anthro-

pological studies, to allow realistic assessment of the ecological aspects of poverty and inequality.

CAUSES OF ECOLOGICAL DIVISION OF POVERTY AND INEQUALITY

The major cause of poverty in these regions is that their geographic and climatic conditions make most productive activities difficult, if not impossible.

There may be other than natural causes as well. People in developing countries usually move from rural areas to cities in search of jobs and increased income. However, during the 1980s in the Philippines, the collapse of urban labor markets caused people to move from settled rural areas to create farms in mountainous regions (Meyer 1993). This sudden increase in population pressure on ecologically fragile lands not only was environmentally destructive, but also resulted in greater relative poverty and deprivation for the settlers.

In the dry uplands of the Kerinci district of Sumatra, farmers with insecure land titles resist using the environmentally appropriate but capital-intensive traditional bench terracing soil conservation method. Despite the fact that the government underwrites the costs, the upland farmers, fearing eviction after investing in improvements, ignore conservation. This has led to declining productivity of the land, with resulting increased poverty among the farmers (Belsky 1994). In Java, soil erosion costs an estimated \$400 million a year in lost agricultural production plus the direct cost to the government of cleaning silt from irrigation canals, rivers, and damsites (Karaosmanoglu 1991, p. 36). While soil conservation seems an obvious way to alleviate poverty in ecologically fragile areas, population pressures and the unwillingness or inability of marginal farmers to adopt environmentally appropriate measures makes effective implementation of such a strategy extremely difficult.

There are also political and socioeconomic reasons for the neglect of ecologically vulnerable regions. In Malaysia, the operations of politically influential timber companies have threatened the livelihoods of several tribal rainforest communities in the Limbang district

of Sarawak, increasing poverty and degrading the environment (Heyzer 1992). Thus, ecological poverty and inequality can have other than natural causes.

POLICIES TO ALLEVIATE THE ECOLOGICAL DIVISION OF POVERTY AND INEQUALITY

No Asian developing country has a specific program to target ecologically related poverty and inequality.

Even with concerted political and financial efforts, natural ecological disadvantages are very difficult to overcome, as demonstrated by the Chinese experience in Dingxi District in Gansu Province (Delfs 1987). The human (political and socioeconomic) causes of poverty in environmentally inhospitable regions may be somewhat easier to overcome.

There is a dearth of statistical data on ecologically related poverty and inequality, and the importance of the phenomenon differs from country to country. However, most Asian developing countries are affected to some degree. Because most of the affected areas are remote from political centers, the poverty of the people living therein goes largely unnoticed. This political fact compounds the problem of developing policies to deal with the problem, making it important not only to assess the poverty and inequality of people living in inhospitable and fragile regions, but to publicize their plight.

INTRA-HOUSEHOLD DIVISION OF POVERTY AND INEQUALITY

Within individual households some members may experience more poverty and inequality than others. Income, for example, is often inequitably distributed on the basis of gender or such other characteristics as age, marital status, occupation, or physical or mental disability.

ARE SOME PEOPLE POORER THAN OTHERS WITHIN HOUSEHOLDS?

Intra-household poverty and inequality in Asia is especially pronounced among females. Evidence for this was presented in the discussion of gender division of poverty and inequality.

One case study in the Philippines demonstrates that intra-household income inequality first rises, then stabilizes, and then declines as household income rises. This phenomenon, known as the intra-household Kuznets curve inverted U hypothesis (Haddad and Kanbur 1990) is particularly evident in the poorest households.

CAUSES OF INTRA-HOUSEHOLD DIVISION OF POVERTY AND INEQUALITY

The causes of intra-household differentiation in poverty and inequality can be ascribed to economic as well as sociocultural factors. In addition, there is anecdotal

evidence that in South Asian households dark-skinned children (especially girls) are discriminated against in the provision of food and clothing and in other ways. This is particularly evident among the poorest households. Skin color is also a cause of female infanticide in rural India.

POLICIES TO ALLEVIATE INTRA-HOUSEHOLD DIVISION OF POVERTY AND INEQUALITY

Some policy issues pertaining to intra-household poverty alleviation have already been discussed. Failure to consider intra-household inequality can result in significant underestimation of the actual extent of a country's poverty and inequality. According to one study (Haddad and Kanbur 1989), this underestimation could be as much as 30 percent.

Standard practice in measuring poverty and inequality is to treat the household as the basic unit. Very rarely, if at all, do we find intra-household surveys which examine the situation of each individual family member. Clearly, such surveys would help developing countries to more accurately assess their poverty and inequality situations and greatly enhance the efficiency of antipoverty policies by allowing more precise targeting of programs. From a pragmatic policy research point of view, however, conducting intra-household surveys depends on both national priorities and the availability of resources, since such surveys are expensive to conduct.

DEMOGRAPHIC DIVISION OF POVERTY AND INEQUALITY

The demographic distribution of a population is a critical determinant of poverty and inequality. Demographic characteristics include age, marital status, occupation, parenthood, and physical or mental disability.

ARE SOME DEMOGRAPHIC GROUPS POORER THAN OTHERS?

Studies in developed countries have shown that the very old and the very young are the most vulnerable to poverty. Unmarried individuals, parents, the unemployed, and the disabled are more likely to be poor than childless married couples, employed people, and the able-bodied. Single parents, especially single mothers, are more likely to be poor than married couples (Townsend 1979, Casper et al. 1993, p. 2).

Such studies have rarely been conducted in developing countries. Therefore, it is very difficult to identify the most deprived demographic groups.

CAUSES OF DEMOGRAPHIC DIVISION OF POVERTY AND INEQUALITY

Unmarried adults living outside their parents' household tend to be poorer than married adults because they have no one to fall back on in times of hardship. Also, they may be unmarried simply because poverty makes them unacceptable marital candidates. Parents are often poorer than nonparents, in the sense of having less disposable income, due to the costs of childrearing. Single parents, especially single mothers, are even poorer, a consequence not only of the expense of child rearing and reduced opportunity to work, but the absence of spousal physical and emotional support. The unemployed, obviously, are usually poorer than the employed. The disabled experience more poverty than the able-bodied due both to their lesser employment capabilities and, in most developing countries, to the nonexistence of public programs to assist them (Casper et al. 1993).

POLICIES TO ALLEVIATE DEMOGRAPHIC DIVISION OF POVERTY AND INEQUALITY

Once again, scanty statistical data presents a problem. Surveys to assess the situation are a prerequisite for

any effort to establish programs to deal with demographic poverty and inequality.

Although most developed countries have means-tested welfare programs for alleviating poverty and inequality among different demographic groups, these may not be relevant for Asian developing countries, where few government programs exist but where the extended family system responds in some fashion to demographically related problems of poverty and inequality. This does not mean, of course, that there are no such problems. In fact, the extended family system helps to conceal the true nature of the situation. An additional consideration is that traditional family networks are breaking down as a result of social changes brought about by the globalization of the world economy.

CONCLUSION

At an aggregate level, poverty probably has decreased in recent years in many Asian developing countries, but there is, at the same time, evidence of an increasing incidence of poverty among some peoples, areas, and sectors. Moreover, income inequality in most of these countries has definitely not decreased. At best, inequality has remained more or less the same, and in most instances has increased.

Researchers on poverty and inequality have moved away from the traditional aggregate macro-level approach to disaggregate micro-level studies. As a result, poverty and inequality tend no longer to be measured exclusively in terms of purely economic criteria such as income, expenditure, consumption and savings. Increasingly, social criteria such as literacy rates, life expectancy, nutritional levels, access to water and sanitation, infant mortality rates, and morbidity rates are considered the critical factors.

Despite this, the governments of Asian developing countries typically use a macro-level approach in formulating their antipoverty policies and implement them from the top down. Review of the literature indicates that what is needed instead are multifaceted strategies designed for specific localities and population groups. In some instances, largely as a result of participation by local nongovernmental organizations,

this top-down approach has changed, but much more needs to be done.

One reason the national level approach prevails is the lack of reliable disaggregate micro-level statistics. Although there are usually some data available on gender, regional, and urban-rural aspects of the situation, there are almost none on the ethnic, ecological, intra-household, and demographic questions. Obtaining micro-level information will greatly facilitate the design and implementation of effective antipoverty policies and strategies. Identifying and locating the poor is more important for targeting and policy purposes than finding out the total number of poor. The division of poverty and inequality into seven different aspects in this paper (gender, regional, spatial, ethnic, ecological, intra-household and demographic) will facilitate more precise targeting and policymaking.

Moreover, household income surveys distort the situation by including only personal income but not undistributed corporate profits. This exclusion results in serious underestimation of income inequality. If there is to be an effective policy to reduce national income inequality, undistributed corporate profits must be included in household income surveys. In many developing countries assets and wealth are concentrated in the hands of a few, which itself contributes significantly to income inequality. Hence, noninclusion of assets and wealth causes serious underestimation of the extent of income concentration. Obviously, get-

ting this information through the survey method will be difficult, to say the least.

All seven aspects of poverty and inequality may not be equally important in every country. There is no question, of course, about the universal importance of gender, since in every country females comprise roughly fifty percent of the population. Other aspects differ in importance from country to country depending on physical size (regional), dispersion of population between rural and urban areas (spatial), ethnic homogeneity or heterogeneity (ethnic), diverse ecological regions (ecological), nuclear family or extended family (intra-household) setup, and demographic dispersion of the population.

Applying a multifaceted antipoverty approach demands that each country's unique conditions be taken into consideration. Thus, a prioritization or ranking of strategies on the basis of the impact each would have on poverty and income inequality is required in each country. Gender-focused strategies obviously would have the greatest impact, but even while targeting specific divisions it is important to note that there is considerable overlap in the seven aspects of poverty and inequality, which should be taken into consideration when formulating antipoverty policies and strategies.

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POVERTY AND INEQUALITY IN ASIA: A COMPENDIUM OF RECENT LITERATURE

Aaberge, Rolf et al. (1992), *The Structure of Economic Inequality Among Households Living in Urban Sichuan and Liaoning, 1990*, Discussion Paper No. 70, Central Bureau of Statistics, April 27, Oslo.

This article is a descriptive analysis of the structure of economic inequality among urban households (particularly among couples with one child under 18) in Sichuan and Liaoning provinces of China in 1990. Economic inequality is studied from income, expenditure, and savings data. Some significant findings of the study are: (1) the richest 30 percent of households accounted for about 50 percent of total savings; (2) about 16 percent of these households had negative savings rates; (3) the savings-income ratio was about 20 percent, with very little difference between rich and poor households. The authors conclude that there is a lower level of income inequality compared to many other developing countries.

Adelman, Irma and Peter Berck (1990), "Food Security Policy in a Stochastic World," *Journal of Development Economics*, Vol. 34, Nos. 1 & 2, November, pp. 25-55.

This paper employs a computable general equilibrium model, using Korea in 1968, to test the most appropriate policies to combat malnutrition. The authors posit three types of policies. The first is to decrease international food price instability and export instability. The second is to reduce food supply bottlenecks through, for example, food aid. The third is to combat malnutrition through poverty alleviation strategies. The authors conclude that poverty alleviation strategies are the most effective way of achieving food security and overcoming food deficit and malnutrition.

Agarwal, Bina (1994a), "Gender and Command over Property: A Critical Gap in Economic Analysis and Policy in South Asia," *World Development*, Vol. 22, No. 10, October, pp. 1455-1478.

This is a study of the link between gender disparities and ownership of land in South Asia. The author argues that bias in favor of males in property ownership is the most critical determinant of gender inequality. Women's land ownership is necessary on grounds of efficiency, equity and empowerment. Not only mere ownership but control over land is emphasized.

Agarwal, Bina (1994b), "Gender, Resistance and Land: Interlinked Struggles over Resources and Meanings in South Asia," *The Journal of Peasant Studies*, Vol. 22, No.1, October, pp. 81-125.

This paper traces women's resistance to gender disparities in resource distribution (especially land) in South Asia in the context of a general struggle against gender-oriented ideologies. In order to end gender disparity in productive asset holdings, the author calls for a change from the current covert resistance by individuals to overt collective resistance.

Ahmad, Ehtisham and Yan Wang (1991), *Inequality and Poverty in China: Institutional Change and Public Policy 1978-1988*, CP No. 14, Research Programme on the Chinese Economy, London School of Economics, July.

According to these authors the post-1978 experience in China confirms the trade-off between low incomes and income equality (pre-reform scenario) and high incomes and income inequality (post-reform scenario). The economic reforms increased incomes enormously and improved the material wellbeing of the people until the mid-1980s. Thereafter, due to dismantling of social welfare programs, aging of the population, and high inflation rates in the late 1980s, both income inequality and absolute poverty grew, while social indicators declined.

The authors recommend strengthening of social safety nets to cushion vulnerable regions and groups of people against the adverse effects of rapid growth.

Akita, Takahiro and Rizal Affandi Lukman (1995), "Interregional Inequities in Indonesia: A Sectoral Decomposition Analysis for 1975-92," *Bulletin of Indonesian Economic Studies*, Vol. 31, No. 2, August, pp. 61-81.

This is an investigation of inter-regional income inequalities in Indonesia between 1975 and 1992 using Williamson's weighted coefficient of variation measure. The authors use a sectoral decomposition analysis to estimate the contributions of different sectors of the economy to inter-regional inequalities. It concludes that the contribution of the primary sector to regional inequality remains more or less the same during the study period. The secondary sector's contribution has increased corresponding to its rising contribution to the GDP, and the contribution of the tertiary sector to regional inequality has declined, although it is still the largest contributor.

Alailima, P. J. (1994), "Gender and Poverty in Development Planning and Patterns of Economic Growth and Social Development in Sri Lanka," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, pp. 123-148, Kuala Lumpur.

This is a descriptive analysis of economic and social development in Sri Lanka, particularly with regard to women. The paper argues that despite high social development, women's development vis-à-vis men is lacking and much needs to be done. For example, the unemployment rate among women is double that of men, and women's contribution to household income is greater the poorer the household.

Andrew, Marjorie and Carolyn Turk (1994), "Trends in Socio-Economic Development and Centralized Social Planning," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, pp. 149-170, Kuala Lumpur.

This is a review of economic and social development in Papua New Guinea since independence (1975). It also reviews the workings of the National Planning Office, particularly in relation to social planning. It highlights the failure of the planning mechanisms to incorporate gender-oriented approaches and emphasizes the absence of reliable official data on poverty in general and gender-segregated data in particular.

Asian Development Bank (1994), *Escaping the Poverty Trap Lessons from Asia*, Manila.

This report presents an overview of the poverty situation in Asian developing countries, identifying those policies and strategies that have helped reduce it and also those that have increased it. The report also analyzes rural poverty with particular regard to land reform (which the Bank thinks has exacerbated poverty in many countries) and policies regarding population control (which, according to the Bank, has helped reduce poverty). Finally, the report investigates urban poverty with an emphasis on labor markets, social infrastructure, housing, and the environment and proposes some policies.

Azis, Iwan J. (1995), *Growth and Regional Distribution in Indonesia: Recent Trends, Future Path and Policy Issues*, paper presented at sessions commemorating the 50th anniversary of the Independence of the Republic of Indonesia, San Francisco, September.

This paper outlines regional inequities in Indonesia, looking particularly at the current regional disparity debate between eastern and western Indonesia using Gini coefficients and social accounting matrix measures to highlight both intra-regional and inter-regional inequities. The author also makes some macroeconomic forecasts. More importantly, the paper identifies the factors inhibiting economic growth and equitable income distribution in Indonesia's less-developed regions and suggests policy responses.

Balisacan, Arsenio M. (1992a), "Equivalence Scale and Poverty Assessment in a Poor Country," *Journal of Philippine Development*, Vol. 19, No.1, pp. 81-96.

Poverty studies in developing countries are based on household income or expenditure data. Usually, the size and composition of households or the scale economies in household production and consumption of goods and services are not taken into account. This is primarily due to unavailability of relevant data. This study employs equivalence scale to take account of these factors in the Philippines and shows that conventional poverty studies tend to exaggerate aggregate poverty. The author also contends that adjusting household aggregates by the size of the household reduces but does not eliminate the exaggeration. He concludes that poverty estimations can be greatly improved if adjustments are made for household size.

Balisacan, Arsenio M. (1992b), "Rural Growth Linkages, Poverty and Income Distribution," *Philippine Review of Economics and Business*, Vol. 29, No.1, June, pp. 62-85.

The author argues for promotion of nonagricultural activities in rural areas to alleviate poverty and reduce income inequality. He contends that nonagricultural rural income comprises a considerable part of income even among the poorest rural households. He argues that land reform alone will not alleviate poverty and inequality. It has to be complemented by nonagricultural activities which provide additional employment and income. He also discusses demand and supply constraints to rural growth in the Philippines.

Balisacan, Arsenio M. (1992c), "Rural Poverty in the Philippines: Incidence, Determinants and Policies," *Asian Development Review*, Vol. 10, No.1, pp. 125-163.

This paper reviews rural poverty in the Philippines and finds that the majority of the rural poor are engaged in agriculture and that, according to 1988 data, two-thirds of all agriculture-based households were considered poor, with landless peasants the poorest of the poor. The rural poor as a proportion of the total rural population decreased from 63 percent in 1985 to 55 percent in 1988. According to the author, urban poverty in the Philippines is partly a spillover from rural poverty as the rural poor migrate to urban areas. The author outlines a comprehensive strategy for alleviating rural poverty in the Philippines.

Balisacan, Arsenio M. (1995), "Anatomy of Poverty During Adjustment: The Case of the Philippines," *Economic Development and Cultural Change*, Vol. 44, No.1, October, pp. 33-62.

This is a study of poverty in the Philippines from 1988 through 1991, a period of structural adjustment. The objective is to assess the impact of national economic adjustment programs on the poverty situation using simulation analysis to assess the short-term effects of certain policy changes on household welfare. The author finds that per capita GDP growth declined dramatically from 3.8 percent in 1988 to minus 3.2 percent in 1991, with aggregate poverty increasing. He also detects large variations in the distribution of income among various regions and sectors. His findings match those of Blejer and Guerrero (1988), who also conclude that the 1980s structural adjustment programs in the Philippines adversely affected the poor.

Bamberger, Michael (1994), "Gender and Poverty in Socialist Economies: The World Bank Experience," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, pp. 334-351, Kuala Lumpur.

Bamberger compares the characteristics of poverty and its effects on women in market and socialist economies, using case studies in India and Bangladesh for the former and China and Eastern Europe for the latter.

Bautista, Romeo M. and Ian A. Coxhead (1990), *Poverty Alleviation, Economic Growth and Development Policy in East Asia*, Working Paper No. 90/5, National Centre for Development Studies, Australian National University, Canberra.

This paper evaluates the effects of long-term development policies for poverty alleviation and equity in East Asia. It provides an overview of economic growth rates, poverty incidence, and income distribution in the countries of the region, comparing their development performance with that of other developing countries. The authors evaluate the impact of different development policies on income distribution and the incidence of poverty, weighing the pros and cons of poverty alleviation through redistribution of income and assets. The paper concludes that, in general, industrialization strategies promote overall economic growth while complementary agricultural development strategies have resulted in poverty alleviation. It is important to note that this conclusion applies to East Asia as a whole.

Behrman, Jere R. (1990), *Macroeconomic Policies and Rural Poverty: Issues and Research Strategies*, Research Paper No. 145, Department of Economics, Williams College, Massachusetts, September, pp. 62-66.

Behrman contends that poverty in Indonesia declined during the structural adjustment period between 1984 and 1987. He reports a 33 percent decline in the number of poor households by the headcount measure, attributing the decline to increasing real consumption by rural agricultural labor and self-employed households. However, the author cautions that the combination of increasing short-term consumption and decreasing investment could result in decreased consumption in the medium and long term.

Belsky, Jill M. (1994), "Soil Conservation and Poverty: Lessons from Upland Indonesia," *Society and Natural Resources*, Vol. 7, No. 5, Sept-Oct, pp. 429-443.

Bench terracing is the traditional soil conservation method in Indonesia's upland areas. Using current and historical data from the Kerinci district of Sumatra, this paper tries to find out why upland farmers now reject this method despite the fact that the government subsidizes the costs. The author concludes that the main reason is the insecure land tenure system, which discourages farmers from making long-term investments.

Bidani, Benu and Martin Ravallion (1993), "A Regional Poverty Profile for Indonesia," *Bulletin of Indonesian Economic Studies*, Vol. 29, No. 3, December, pp. 37-68.

In this paper a regional profile of poverty in Indonesia for 1990 is constructed using regional poverty lines based on the cost of basic consumption needs. Having determined the regional poverty lines, poverty measures are estimated for each region by the headcount index, the poverty gap index, and the Foster-Greer-Thorbecke P2 measure.

Bilqees, Faiz and Moazam Mahmood (1994), "Poverty Alleviation Programmes for Women in Pakistan," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 247-279.

This is an evaluation of existing poverty alleviation programs in Pakistan and their impact on women. This study shows that poverty among women in Pakistan is greater than in many other low-income countries, even countries with lower per capita GDPs, and proposes ways to more effectively target women in poverty alleviation programs in Pakistan.

Bird, Richard M. et al. (1995), *Intergovernmental Fiscal Relations and Poverty Alleviation in Vietnam*, Policy Research Working Paper Series No. 1430, World Bank, March.

This policy paper is concerned with welfare safety net programs in Vietnam. Since national government welfare programs are underfunded, especially in the poorer regions and areas, the writer proposes local level, i.e., provincial and district, revenue mechanisms to raise adequate funds for poverty alleviation programs. This is expected to ensure that poverty alleviation programs are better targeted and funded according to the needs, priorities, and financial resources of different regions. The paper also argues for a mechanism for intergovernmental monetary resource transfers, a sort of fiscal federalism to supplement the proposed local revenue raising efforts.

Blackwood, D. L. and R. G. Lynch (1994), "The Measurement of Inequality and Poverty: A Policymaker's Guide to the Literature," *World Development*, Vol. 22, No. 4, April, pp. 567-578.

This paper discusses and critiques various definitions and measures of poverty and inequality. It concludes that measures of poverty and inequality are based on explicit or implicit value judgments, and that the measure used depends upon value judgments made by researchers or government officials.

Boediono (1990), "Growth and Equity in Indonesia," *The Singapore Economic Review*, Vol. 35, No.1, April, pp. 84-101.

This paper reviews the debate on the relationship between economic growth and equity. Drawing on evidence from Indonesia, the writer argues that growth and equity are not incompatible. Between 1980 and 1987 Indonesia experienced high economic growth and a declining incidence of income inequality and absolute poverty. Boediono analyzes Indonesia's growth and equity experience in terms of sectoral contributions to economic growth, spatial incidence of poverty and income distribution, sectoral distribution of the labor force and agricultural real wage trends. The analysis of growth, poverty, and income inequality is presented in both national and regional terms. Poverty reduction in terms of social criteria is also discussed.

Booth, Anne (1992), "The World Bank and Indonesian Poverty," *Journal of International Development*, Vol. 4, No. 6, pp. 633-642.

While acknowledging that poverty in Indonesia has declined in absolute numbers and as a proportion of the total population from 1984 to 1987, the author, after analyzing the different poverty lines used by Indonesia's Central Bureau of Statistics (CBS), Professor Sajogya, and the World Bank, expresses some reservations about their choice of poverty lines, their treatment of regional variations in the concentration of the poor, and the antipoverty policies they recommend. She points out what she considers to be serious flaws in the poverty lines used by these three sources, comparing them unfavorably with those used by neighboring Malaysia. The paper also faults Indonesia's lack of a provincial consumer price index, which hampers the establishment of appropriate regional poverty lines. Secondly, the author disputes the assertion of the World Bank and the CBS that the largest proportion of Indonesia's poor still live on Java. She predicts that, due to the falling incidence of poverty and declining rural population on Java and Bali, in the early years of the next century, about 75 percent of Indonesia's poor will, in fact, live outside of Java. In regard to policy, the author acknowledges the significant contribution of nonagricultural employment to poverty reduction in Java, but cautions that similar nonagricultural activities may not produce the same results in other provinces due to the fact that their earnings and resources, from mining, for example, are siphoned off to Jakarta and abroad. She cites the province of Irian Jaya as a typical example of this phenomenon. In 1987, it had the sixth highest per capita GDP of all the provinces but the largest proportion of the rural population under the poverty line. According to the author, the main reason for this was that about 55 percent of the provincial GDP went to other parts of the archipelago. Booth calls for a policy of fiscal federalism to alleviate regional poverty.

Booth, Anne (1993), "Counting the Poor in Indonesia," *Bulletin of Indonesian Economic Studies*, Vol. 29, No.1, April, pp. 53-83.

In this article Booth repeats her criticism of the measurement of poverty in Indonesia. She evaluates the different poverty measures and compares Indonesia's poverty lines with those of Thailand, the Philippines, Malaysia, and Singapore. She then puts forward some proposals to harmonize the different poverty measures in use.

Booth, Anne (1994), "Repelita VI and the Second Long-Term Development Plan," *Bulletin of Indonesian Economic Studies*, Vol. 30, No. 3, December, pp. 3-39.

This is a review of Indonesia's sixth five-year development plan (Repelita VI), published by the government in 1994. This is the first plan to have a separate chapter devoted to poverty alleviation. According to the document, in 1990 the absolute poor in Indonesia numbered 27.2 million, about 15 percent of the total population. The plan's objective is to reduce this to 12 million by 1999 and to completely eradicate absolute poverty by 2004. In order to attain these goals the government has launched targeted antipoverty projects such as InpresDesa Tertinggal (IDT), which began in April 1994.

Borooah, Vani K. (1991), "Problems in the Measurement of Inequality and Poverty: A Survey," *The Indian Economic Journal*, Vol. 38, No. 4, April-June, pp. 2-38.

This article describes the measures of poverty and inequality proposed by various experts. Those discussed are: Lorenz curves, relative inequality indices, generalized Lorenz curves, decomposition of inequality by population subgroups, decomposition of inequality by factor components, poverty gap and headcount ratio.

Bramall, Chris and Marion E. Jones (1993), "Rural Income Inequality in China since 1978," *The Journal of Peasant Studies*, Vol. 21, No.1, October, pp. 41-70.

Official Chinese data and some academic studies carried out outside China show only a modest increase in income inequality in rural areas since 1978 (post-reform period). However, this article, relying on different sources, demonstrates that there have been large increases in rural income inequality, both within villages and between different villages. However, according to these authors, the inequalities are modest by Latin American standards.

Casper, Lynne M. et al. (1993), *The Gender Poverty Gap: What Can We Learn from Other Countries?*, Working Paper No. 93-4, Office of Population Research, Princeton University, May.

This paper analyzes gender differentials in poverty in eight industrialized countries—the United States, the United Kingdom, Canada, Australia, Germany, Sweden, Italy, and the Netherlands. The author finds that the disparity is due to gender differences in human capital (age, employment, education, etc.) and family characteristics (marital status, parenthood, single parenthood, etc.). He notes that religion, culture and public policy could also be causes of gender differentiation in poverty, both within and across countries.

Chai, Joseph C. H. and Karin B. Chai (1994), "Economic Reforms and Inequality in China," *Rivista Internazionale di Scienze Economiche e Commerciali*, Vol. 41, No. 8, pp. 675-695.

The main objectives of this paper are to analyze income inequality trends during the reform period in China and to investigate the nexus between economic reforms and income inequality. The paper offers a statistical analysis of these trends between 1977 and 1991 and concludes that during the study period overall income inequality, as a product of intra-rural, intra-urban, and rural-urban inequalities, rose. The authors also propose some policy measures to correct rising income inequality. According to the authors, intra-rural inequality has consistently increased during the study period, with the Gini coefficient rising from 0.21 in 1978 to 0.31 in 1991. With regard to intra-urban inequality, the Gini coefficient decreased between 1977 and 1984 and then increased from 1984 to 1991. Rural-urban income disparity also decreased at first and then increased in the second half of the study period. However, these inequalities are based on monetary income only and do not include subsidies, income-in-kind, etc. For example, urban households received 39 percent of their disposable income as subsidies, while rural households paid a net 2 percent of their personal income as taxes. Accordingly, the real urban-rural monetary income gap in 1988 was 2.42:1 instead of 2.05:1. The authors identify the causes of rising income inequality during the study period as: (a) disparities in wage, property, and transfer incomes among households; (b) the relative share of wage, property, and transfer incomes in total household income; and (c) the correlation of these three types of per capita incomes among households. Some of these causes are due to growing marketization of the Chinese economy and some are due to government policies.

Chen, Jian and Belton M. Fleisher (1996), "Regional Income Inequality and Economic Growth in China," *Journal of Comparative Economics*, Vol. 22, No. 2, April, pp. 141-164.

This paper demonstrates that between 1978 and 1993 there was a convergence of per capita incomes among China's provinces. This convergence was conditional upon physical investment share, employment growth, human capital investment, foreign direct investment and coastal location. The paper predicts that in the near future overall income inequality among the provinces will decrease modestly but the coastal/noncoastal provinces' income inequality will increase. It weighs the pros and cons of alternative policies to reduce coastal/noncoastal inequities and concludes that investment by rural collectives will not suffice to correct the imbalance.

Chen, Shaohua et al. (1993), *Is Poverty Increasing in the Developing World?*, Policy Research Working Papers Series No. 1146, World Bank, June. This is a study of global absolute consumption poverty during 1981-1991 using distribution of household consumption or income per capita data for forty developing countries. Dominance tests are undertaken for the distributions after making adjustment for purchasing-power parity. The results show very little change in the incidence of aggregate poverty during the study period; that is, the number of absolute poor increased at the same rate as population growth, by 2 percent per by annum. Either South Asia or sub-Saharan Africa has the greatest aggregate poverty, depending on the poverty line used. Further, South and East Asia are the only regions with falling poverty measures.

Chin, Peggy Teo Cheok (1989), "The Spatial Surface of Poverty in Peninsular Malaysia," *Singapore Journal of Tropical Geography*, Vol. 10, No.1, June, pp. 55-73.

This paper traces the historical origins of the disequilibrium in the distribution of wealth among different ethnic groups in peninsular Malaysia. It maps the 1980 distribution of poverty and inequality and assesses the nature and extent of the problem ten years after institutionalization of the New Economic Policy (NEP) in 1970. The study shows that rural-urban and Malay-Chinese division of poverty persists. The spatial bias in the distribution of rural-urban and Malay-Chinese poverty which began during colonial rule persists despite targeted NEP investments. The west coast continues to be the wealthiest region and the north-east and northwest the poorest, although the central region and the east coast are showing improvements in economic and social well being.

Chitale, M. A. (1994), "Irrigation for Poverty Alleviation," *Water Resources Development*, Vol. 10, No 4, pp. 383-391.

The thesis of this article is that irrigated agriculture is more sustainable than rainfed agriculture and is important for alleviating rural poverty. Chitale cautions that irrigation projects alone will not alleviate poverty among small and marginal farmers and landless agricultural laborers. He argues that irrigation projects must take social as well as technical and economic criteria into account, and be designed so that small farmers and landless agricultural laborers can take full advantage of them.

Cho, Uhn (1994), "Economic Growth and Poverty in Korea: A Gender Perspective," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 101-122.

Cho describes Korea as a country experiencing strong economic growth and reasonably equal distribution of income. However, she points out that while income distribution seems equitable, land, savings, and financial assets are concentrated in the hands of the few. Moreover, the gender disparity is increasing. Average working hours for women are longer than for men and the average wage of females is half that of males. Female labor is concentrated in low-wage export-oriented industries. She cites a national survey showing that 31.1 percent of the urban poor and 30 percent of the rural poor live in female-headed households. More women than men

receive public assistance. The share of female wage labor in agriculture has increased from 17.5 percent in 1965 to 55.6 percent in 1985. The proportion of married female industrial workers has increased from about 8 percent in 1977 to 25 percent in 1987.

Chung, Ki-Whan and Nae-Won Oh (1992), "Rural Poverty in the Republic of Korea: Trends and Policy Issues," *Asian Development Review*, Vol. 10, No.1, pp. 91-124.

Although absolute rural poverty in Korea has declined, these authors say that relative poverty has increased. Their study attributes this to export-led industrialization which has concentrated resources and infrastructure in urban areas. Furthermore, capital and wealth are concentrated in the hands of entrepreneurs involved in the export industries and trading houses. The paper also discusses the various strategies adopted in Korea to combat poverty in general and rural poverty in particular.

Cox, Elizabeth (1994), "Gender Sensitive Approaches to the Identification and Alleviation of Poverty in Papua New Guinea," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 352-391.

This paper describes and analyzes Papua New Guinea's (PNG) development since independence. The author severely criticizes PNG's development planning for its neglect of relative poverty. The paper contends that the country's development programs have increased income inequality in a manner contrary to traditional Melanesian values. It uses an ethnographic case study of Lumi district, West Sepik province to show the impact of poverty on women and the failure of PNG's planning and implementation mechanisms to address their problems.

Datt, Gaurav and Martin Ravallion (1993), "Regional Disparities, Targeting, and Poverty in India," in Lipton, Michael and Jacques Van Der Gaag (eds.), *Including the Poor*, Proceedings of a Symposium organized by the World Bank and the International Food Policy Research Institute, Washington D.C., pp. 91-114.

This study of regional consumption inequalities in India argues that the potential for national poverty alleviation through regional redistribution is very limited unless such redistribution also significantly reduces intra-regional disparities.

Debin, Li (1994), "The Characteristics of and Reasons for the Floating Population in Contemporary China," *Social Sciences in China*, Vol. 15, No. 4, Winter, pp. 65-72.

Economic liberalization has resulted in the hitherto barred migration of rural dwellers into prosperous urban areas in search of better-paid jobs and prosperity. This paper is an illustration of this phenomenon, tracing its origin and causes and the rate of rapidly transforming rural-urban interface.

Demery, Lionel and David Demery (1991), "Poverty and Macroeconomic Policy in Malaysia, 1979-87," *World Development*, Vol. 19, No. 11, November, pp. 1615-1632.

This paper examines the impact of the early-1980s recession and the subsequent structural adjustment programs of the mid-1980s on the poor in Malaysia. An applied general equilibrium model is used to assess three different dummy policy packages against the government's chosen policy package. The results show that the government's package protected the poor more than any of the three dummy policy packages would have done. The authors conclude that the slow rate of poverty alleviation during the mid-1980s was due to the recession and not to the structural adjustment programs.

Dev, S. Mahendra, et al. (1992), "Rural Poverty in India: Incidence, Issues and Policies," *Asian Development Review*, Vol. 10, No.1, pp. 35-66.

This paper evaluates the qualitative and quantitative dimensions of poverty and income distribution in rural India and examines the interrelationship among poverty, land, and human resources. The authors contend that India's Integrated Rural Development Programs (IRDPs) have not been successful. To combat rural poverty they recommend subsidized investments in infrastructure, particularly irrigation and agricultural research, rather than reliance on input subsidies and output support prices, as in the current rural poverty policies. In the short run, the author proposes an employment guarantee scheme based on land improvements and infrastructure development rural work programs for the rural poor. In the medium and long term he argues for a growth-oriented strategy that could absorb surplus rural laborers into the nonagricultural sector.

Dowling, Malcom J. et al. (1985), "Income Distribution, Poverty and Economic—Growth in Developing Asian Countries," *The Singapore Economic Review*, Vol. 30, No. 1, April, pp. 1-13.

This is an empirical study of the relationship between economic growth and income inequality in twelve Asian developing countries over time and cross-section. The major conclusions are: (a) little evidence supports Kuznet's inverted U hypothesis regarding the interrelationship between economic growth and income inequality; (b) rapid economic growth is the most effective way to alleviate poverty; and (c) at times of slow economic growth, policies to reduce income inequality would have the greatest impact on poverty alleviation.

Duka, Marichu Fajardo, (1992), "Poverty Measurement and Decomposition of Aggregate Poverty Change in the Philippines," *Philippine Review of Economics and Business*, Vol. 29, No. 2, December, pp. 161-178.

This study of family income and expenditures in the Philippines from 1985 to 1988 uses the following poverty measures: headcount index, poverty-gap index, preferred measure, Watts' measure, and Clark's measure. Application of the different measures to the same data yielded different incidences of poverty. Using a decomposition method, Duka analyzes the factors causing these differences in incidence. Despite the differences there are common threads. One is that rural poverty is greater than urban poverty. Another is that there are significant regional variations. He also finds that between 1985 and 1988, as mean per capita consumption increased, there was a corresponding reduction in income inequality. His decomposition analysis shows, however, that while economic growth contributed significantly to the reduction in the incidence of poverty, it did little to reduce income inequality. Duka concludes that narrower income inequality would reduce poverty only under the poverty indices that satisfy the monotonicity and transfer axioms. Poverty would fall, corresponding to economic growth, more rapidly than the rise in mean consumption only if income distribution does not deteriorate.

ESCAP (1993a), "Agricultural Development and Poverty Alleviation," *Economic Bulletin for Asia and the Pacific*, Vol. 44, No. 2, December, pp. 1-11.

This paper contends that 20 to 60 percent of rural households in Asia live in poverty. In most countries the figure is more than 40 percent. The socialist countries (North Korea, Vietnam and China) have had the most success in reducing rural poverty despite their comparatively low rates of economic growth and low per capita income. Among the nonsocialist countries Indonesia, Malaysia, Pakistan and Thailand, all had high growth rates, and have also substantially reduced rural poverty. Other countries in the region have been only marginally successful, and in a few countries, notably the Philippines and Sri Lanka, rural poverty has increased.

ESCAP (1993b), "Improving Women's Production in the Informal Sector to Alleviate Poverty," *Economic Bulletin for Asia and the Pacific*, Vol. 44, No. 2, December, pp. 12-22.

This paper illustrates the problems researchers face in measuring the extent to which women participate in and contribute to output in the informal sector. It also probes the causes of discrimination against women in wages and working conditions in the informal sector, as well as identifying the factors impeding women from employ-

ment in the formal sector. The paper proposes policy measures to stimulate growth in the informal sector while improving economic and social conditions for women, the majority of workers in this sector.

ESCAP (1993c), "People's Participation in Poverty Alleviation: Target Group-Oriented Programmes," *Economic Bulletin For Asia and the Pacific*, Vol. 44, No. 2, December, pp. 3-31.

This paper examines five Asian target group-oriented poverty alleviation programs implemented at the microlevel with popular participation in the formulation and implementation of development strategies. These are: (a) India's Integrated Rural Development Program; (b) the Rural Employment Assistance Foundation in Bangladesh; (c) Local Self-Help Groups in Indonesia (the Bina Swadaya program); (d) Business for Social Progress in the Philippines; and (e) the Saptagram Women's Self-Reliance Movement in Bangladesh. It reviews target group identification, program objectives, and coordination between NGOs and governments.

ESCAP (1993d), "People's Participation in Poverty Alleviation: Role of Non-Governmental Organizations," *Economic Bulletin for Asia and the Pacific*, Vol. 44, No. 2, December, pp. 32-41.

This six-part paper identifies the numbers and percentages of the poor in Asian countries, stressing the rural/urban dichotomy and identifying those aspects of poverty which can be addressed by grassroots participatory interventions and which NGOs can undertake. Part Two traces the explosive growth of NGOs in the Asia Pacific region and the recent phenomenon of networking among them. Third, six case studies illustrate representative poverty reduction activities carried out by NGOs. Fourth, the paper analyzes the impact of NGOs on poverty alleviation by means of a qualitative analysis. Fifth, it discusses the interface between the NGOs and their respective governments. Finally, the paper sets forth seven proposals for improving coordination between governments and NGOs and among NGOs themselves.

ESCAP (1993e), "National Policy Approaches to Poverty Alleviation in Asia and the Pacific," *Economic Bulletin for Asia and the Pacific*, Vol. 44, No. 2, December, pp. 59-70.

This paper demonstrates a positive correlation between economic growth and poverty reduction in Asia and the Pacific. A cross-section regression of a sample of thirteen countries shows that, on average, a one percent increase in the annual rate of growth of GDP lifts about 0.9 percent of the poor out of poverty. It also argues that there is a strong correlation between poverty and high fertility rates. Further, the paper contends that environmental degradation is both a cause and an effect of poverty.

ESCAP (1993f), "The Poverty Situation in Asia and the Pacific," *Economic Bulletin for Asia and the Pacific*, Vol. 44, No. 2, December, pp. 71-85.

This paper reviews the incidence of poverty and its manifestations throughout the Asia Pacific region, discussing conceptual and measurement issues and analyzing poverty trends in the region using the income and expenditure methods of the World Bank's 1990 *World Development Report*. The characteristics of the poor are analyzed using income and expenditure methods, and the social indicators of poverty for various countries of the region are also analyzed. Finally, the paper proposes improvements in the quality of data in order to assess poverty more exactly.

ESCAP (1993g), "Strategies to Promote People's Participation in Poverty Alleviation: Community-Based Approaches," *Economic Bulletin for Asia and the Pacific*, Vol. 44, No. 2, December, pp. 86-100.

This paper recommends an alternative approach to development through popular participation in development activities. Twelve case studies from several Asian Pacific countries are used to illustrate how community-based approaches work. The paper concludes that community-based programs change the role of government from provider to facilitator.

Firdausy, Carunia and Clem Tisdell (1992), "Rural Poverty and Its Measurement: A Comparative Study of Villages in Nusa Penida, Bali," *Bulletin of Indonesian Economic Studies*, Vol. 28, No. 2, August, pp. 75-93.

This is a comparative study of the incidence of poverty in three neighboring villages in Bali. Two are seaweed-growing villages dependent on sale of their production in outside markets, and the other is a traditional cassava and corn-growing village. All measures of poverty used in the study show that the traditional village has a much higher incidence of poverty than the other two. This micro-level case study shows that technological change in agriculture does not necessarily increase income inequality, as Kuznets (1963) and other post-Green Revolution analysts suggested nor does it increase absolute poverty, as neo-Marxists argue. However, a similar study in the Maldives has shown that mechanization of tuna fishing has increased income inequality and poverty (Sathiendrakumar and Tisdell 1990). In Indonesia, seaweed growers owned their land, and the production process was labor intensive with few capital requirements. In contrast, in the Maldives case, mechanization was capital intensive and only a few could afford to invest in mechanized boats. Hence, the less well-off fishermen and women have become wage laborers for the mechanized boat owners, leading to increasing income inequality and poverty. Therefore, no generalization can be made about the relationship between technological change and the incidence of poverty and inequality.

Foster, Andrew D. (1992), "Poverty and Illness in Low-Income Rural Areas," *The American Economic Review*, Vol. 84, No. 2, May, pp. 216-220.

The nexus between the nutritional levels of farm workers and agricultural productivity has been widely discussed in development literature. This paper is a pioneering investigation of the link between illness and overall productivity in rural areas. The author finds that illness of a male head of household (breadwinner) reduces the caloric intake of children due to decline in household income. He also establishes that illness is significantly more prevalent among the poor.

Gunatilleke, Godfrey et al. (1992), "Rural Poverty in Sri Lanka: Priority Issues and Policy Measures," *Asian Development Review*, Vol. 10, No.1, pp. 164-198.

This study analyses the overall poverty situation in Sri Lanka, with particular emphasis on the incidence of rural poverty and inequality during the 1980s. The authors discuss various poverty measures employed to identify the poor in the rural sector and the characteristics of the rural poor. It also evaluates the various poverty alleviation programs implemented in Sri Lanka during the 1980s.

Haddad, Lawrence and Ravi Kanbur (1989), *How Serious is the Neglect of Intra-Household Inequality?*, Policy, Planning and Research Working Paper Series No. 296, World Bank, November.

This study concludes that neglect of intra-household inequality is likely to lead to underestimation of poverty and inequality by 30 percent or more. From a policy research point of view the desirability of intra-household surveys depends on the research objectives since these surveys are costly. For example, if the objective is to estimate the level of poverty, intra-household surveys are essential. However, if the objective is to identify poverty and inequality among different socioeconomic groups, then the costs and benefits of an intra-household survey have to be weighed.

Haddad, Lawrence and Ravi Kanbur (1990), *Is There an Intra-Household Kuznet's Curve? Some Evidence from the Philippines*, Discussion Paper No. 101, Development Economics Research Centre, University of Warwick, Coventry, April.

This is a case study of intra-household income inequality in the Philippines. It demonstrates that intra-household income inequality first rises, then stabilizes, and finally declines as the household income increases in

accordance with the inverted U hypothesis, i.e., Kuznet's curve. The authors find theoretical as well as tentative empirical support for the hypothesis from a data set on nutritional intake in the Philippines.

Haddad, Lawrence and Ravi Kanbur (1993), "The Value of Intra-Household Survey Data for Age-based Nutritional Targeting," *Annales D'Economie Et De Statistique*, No. 29, Jan-March, pp. 65-81.

This paper has three objectives. First, it develops an analytical framework for age-based intra-household nutritional targeting using data from the Philippines. Second, it provides a quantitative assessment of the value of such intra-household data for targeting. Third, the paper provides a quantitative assessment of the costs of such targeting.

Hare, Denise (1994), "Rural Nonagricultural Activities and Their Impact on the Distribution of Income: Evidence from Farm Households in Southern China," *China Economic Review*, Vol. 4, No.1, 1994, pp. 59-82.

Hare estimates the effect of nonagricultural income on income inequality using survey data from central Guangdong province. Among surveyed households the distribution of income from nonagricultural activities is more unequal than the distribution of income from agriculture. However, the distribution of wage income from nonagricultural activities is more equitable than that gained from nonagricultural self-employment. Recent evidence shows that rapid growth in rural China is accompanied by increasing income inequality among households within and across regions. This is primarily attributed to rural industrialization.

Harper, Caroline (1994), *An Assessment of Vulnerable Groups in Mongolia*, World Bank Discussion Paper No. 229, March.

This discussion paper defines present day economically vulnerable groups in Mongolia and examines their access to basic social services. It describes and critiques existing public policy measures for meeting the social needs of these groups as the nation moves toward a market economy. A set of proposals is outlined for appropriate targeting of vulnerable groups.

Heyzer, Noeleen (1992), "Rainforest Management and Indigenous Livelihoods: A Malaysian Case Study," *Development* (Journal of the Society for International Development), No. 4, pp. 14-17.

This article investigates the situation in the Limbang district of Sarawak in Malaysia where traditionally the Penans, who are hunters and gatherers, and the Kelabits, Muruts and Ibans, who are mainly shifting agriculturalists, have competed for their livelihoods in the rainforest. It describes the changes wrought by large-scale commercial logging and government policies vis-à-vis native land rights.

Heyzer, Noeleen (1994a), "Introduction: Market, State and Gender Equity," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 3-27.

This introductory paper in the volume provides an overview of the complex interplay of economies, governments and gender in various countries of the Asia Pacific region. For example, in Korea, despite high growth rates, gender inequities are widespread. In Sri Lanka, where growth rates are low, gender inequities have been reduced. At the same time, ethnic disputes over the sharing of limited resources have led to widespread violence. In Papua New Guinea, growth rates are low and so is the pace of social development. In Thailand, high growth rates have been accompanied by increasing inequality and poverty in certain geographical regions.

Heyzer, Noeleen (1994b), "Increasing Women's Access to Credit in Asia: Achievements and Limitations," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 280-297.

This article compares access to credit for Asian women in the formal financial sector with nonformal credit and savings programs in Bangladesh (Grameen Bank), India (Sewa Bank in Ahmedabad), Malaysia (Project Ikhtiar), Nepal (Production Credit for Rural Women) and Papua New Guinea (Credit Scheme for Low-Income Women). The author also assesses the achievements and limitations of these innovative programs for helping women obtain credit.

Honig, Emily (1990), "Invisible Inequalities: The Status of Subei People in Contemporary Shanghai," *China Quarterly*, No. 122, June, pp. 273-292.

This is a rare case study of inequality experienced by a group of people stigmatized on the basis of their place of origin rather than ethnicity or religion. The paper investigates the experiences of the Subei people, natives of northern Jiangsu, in Shanghai Province.

Hossain, Mahabub and Binayak Sen (1992), "Rural Poverty in Bangladesh: Trends and Determinants," *Asian Development Review*, Vol. 10, No.1, pp. 1-34.

The authors provide a profile of Bangladesh's rural poor, review the causes of rural poverty, and analyze the determinants of rural income. After discussing the policy implications of their findings, the authors advance proposals for alleviating rural poverty in Bangladesh.

Howes, Stephen and Peter Lanjouw (1991), *Regional Variations in Living Standards in Urban China*, CP No. 17, Research Programme on the Chinese Economy, London School of Economics, October.

This paper investigates regional disparities in living standards in urban China using a cross-sectional household income survey data set from 1986. The writers discuss the relationship between urban economic reform and inequality, the correlation between a province's welfare ranking and its mean income ranking, and disparities in urban welfare among provinces in eastern, central, and western China.

Huppi, Monika and Martin Ravallion (1991), "The Sectoral Structure of Poverty During an Adjustment Period: Evidence for Indonesia in the mid-1980s," *World Development*, Vol. 19, No. 12, December, pp. 1653-1678.

This paper attempts to describe Indonesian poverty profiles by principal sector of employment and the changes in these profiles from 1984 to 1987 and to show how these changes are related to the sectoral pattern of economic growth in Indonesia. The writers particularly look at changes in poverty profiles in the agricultural sector, which they identify as the sector that made the greatest contribution to poverty reduction. Finally, they test the empirical validity of the assumptions made for the use of a general equilibrium model to simulate the effects on a base period distribution of explicit external and policy changes. Employing several poverty measures and decomposition techniques, the authors conclude that poverty reduction in the rural sector has been significant, especially in Java, due to the increase in farm and nonfarm wages, crop diversification and growth in nonfarm employment.

Hussain, Athar et al. (1991), *Income Inequalities in China: Evidence from Household Survey Data*, CP No. 18, Research Programme on the Chinese Economy, London School of Economics, November.

This paper analyzes income inequality in China from household survey data collected in 1986 by the Institute of Economics of the Chinese Academy of Social Sciences. It concludes that income inequality in general is lower in China than in many other countries, including developed countries, and that income inequality in urban areas, contrary to the situation in India, is lower than in rural areas. Although there are wide disparities in average per capita income among the provinces, intra-provincial inequalities contribute more to aggregate income inequality than average per capita income disparities. Additionally, income inequalities in the provinces

most affected by recent economic reforms are not greater than in other provinces. The authors' decomposition of income inequality analysis reveals that nonagricultural activities are the major source of income inequality in the rural areas but that productivity bonuses are not a significant source of income inequality in urban areas.

Ikemoto, Yukio (1985), "Income Distribution in Malaysia: 1957-80," *The Developing Economies*, Vol. 23, No. 4, December, pp. 347-367.

This is an evaluation of the impact of Malaysia's New Economic Policy (NEP), instituted in 1970, on inter-ethnic income inequality. The paper presents the structure and trends in income distribution and the incidence of absolute poverty in 1957-58, 1970, and 1979 and then analyzes income distribution in terms of the ethnic division of the sectoral and occupational structure. The main findings of this study are that overall income inequality, particularly rural-urban inequality, increased between 1957 and 1970 but that inequalities among ethnic groups remained more or less the same. Ikemoto notes that between 1970 and 1979, even though overall income inequality did not change much, rural-urban inequality and inter-ethnic inequality decreased. In regard to absolute poverty, the incidence was essentially unchanged between 1957 and 1970, but the level of poverty in 1970 may have been worse than in 1957-58. However, the incidence of poverty decreased rapidly throughout the 1970s. Therefore, the author argues, the NEP was successful in reducing both the overall incidence of poverty and inter-ethnic income distribution between 1970 and 1979 despite the persistence of overall income inequality. The reason for the persistence of overall income inequality in 1979 at the same level as 1970, Ikemoto believes, is the exacerbation of intra-ethnic income inequalities. Therefore, he argues, policies to combat intra-ethnic income inequality are also needed.

Ishak, Shari and Ragayah Haji Mat Zin (1990), "The Patterns and Trends of Income Distribution in Malaysia, 1970-1987," *The Singapore Economic Review*, Vol. 35, No. 1, April, pp. 102-123.

This article evaluates Malaysia's New Economic Policy (NEP) with reference to income distribution and poverty alleviation over the period 1970-1987. Generally, most authorities agree that between the achievement of independence in 1958 and 1970, income inequality in Malaysia worsened, with ethnic Malays experiencing the greatest deterioration in their relative economic situation. This also applied in terms of assets and wealth distribution. The rural areas, where Malays predominated, also suffered disproportionately. Since Malaysia's different ethnic groups are concentrated in different states, these disparities resulted in increasing regional imbalances. Since the institution of the NEP in 1970, although non-Malay mean incomes continue to be larger than the mean incomes of Malays, the rate of Malay average income growth is greater than that of the non-Malays, narrowing inter-ethnic income inequality. Not only have inter-ethnic income inequalities decreased but so have intra-ethnic income inequalities, contributing to a decrease in overall income inequality between 1970 and 1987. The overall incidence of poverty also dropped significantly during the study period, a result accompanied by a narrowing of rural-urban poverty incidence. However, the authors caution that these positive trends may be cyclical (short-term) rather than secular (longterm). They point out that in Korea, although income inequality fell during the first phase of industrialization later large-scale capital-intensive industrialization led to renewed income inequality.

Islam, Iyanatul and Habibullah Khan (1986), "Spatial Patterns of Inequality and Poverty in Indonesia," *Bulletin of Indonesian Economic Studies*, Vol. 22, No. 2, August, pp. 80-102.

This paper analyses provincial poverty and inequality in Indonesia on the basis of the 1976 Household Expenditure Survey. Using data from the Survey, the authors measure provincial income inequalities in terms of Gini ratio, Atkinson index, Theil index, and Lorenz index. Provincial poverty indexes are constructed in terms of headcount ratio, poverty gap ratio, Sen index, Anand index, Theil p-index, and Atkinson p-index. This study of provincial variations in poverty deals only with income and expenditure but the methodology can be extended to incorporate social indicators.

Islam, Rizwanul (1990), "Rural Poverty, Growth and Macroeconomic Policies: The Asian Experience," *International Labour Review*, Vol. 129, No. 6, pp. 693-714.

This is a descriptive analysis of rural poverty in Asia using secondary data and sources. According to the author, China, Indonesia, Malaysia, and Thailand experienced substantial reductions in poverty during the 1960s, 1970s, and 1980s. India and Pakistan have arrested the growth of poverty, but have not reduced it to any considerable extent. Bangladesh, Nepal, and the Philippines have experienced increases in poverty. Islam evaluates various national development strategies to identify the causes of success or failure in rural poverty alleviation. He concludes that no strategy can be applied universally. A strategy that had worked in one country has failed in another.

Jayaweera, Swarna et al. (1994), "Women and Poverty: The Experience of the Accelerated Mahaweli Development Programme in Sri Lanka," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 206-246.

This is a case study of gender and poverty in the settlement schemes carried out under the Accelerated Mahaweli Development Scheme mega-irrigation project in Sri Lanka. It argues that while women have not been negatively affected, the settlement schemes have only marginally improved their wellbeing. This failure is primarily, but not exclusively, due to the fact that the project did not give land rights to women, the authors argue.

Johansen, Frida (1993), *Poverty Reduction in East Asia: The Silent Revolution*, World Bank Discussion Paper No. 203, July.

This paper describes the dramatic decrease in poverty in East Asian countries between 1970 and 1990. The analysis is based on a common poverty line for six countries showing a decrease in the incidence of absolute poverty from 33 percent of the population in 1970 to 20 percent in 1980, and 10 percent in 1990. In contrast, in South Asia about 50 percent of the population is in absolute poverty and in Latin America 25 percent. However, according to the author, much existing poverty is hidden, making it difficult to design or implement effective antipoverty programs. The paper also discusses the antipoverty policies adopted by various governments. It concludes that the two most populous countries in the region, China and Indonesia, have had the greatest success in poverty reduction.

Kanbur, Ravi S. M. (1986), *Inequality, Poverty and Development: With an Application to Fiji*, Seminar Paper No. 364, Institute for International Economic Studies, Stockholm, September,.

The main objective of this paper is to define the interrelationship among economic growth, income inequality, and poverty, particularly in regard to Fiji. Kanbur finds that the conventional wisdom that income inequality promotes economic growth because higher income groups have a greater marginal propensity to save than lower income groups does not hold true in Fiji, where he discovered only a negligible linkage between savings and income. He reports some quantitative measurements of the linkages among economic growth, income inequality, and poverty in Fiji as follows: (a) under the condition of 100 percent precise targeting, a policy of financing poverty alleviation by taxation of the top six deciles of the population would result in reduction of the average annual growth rate from 3.20 percent, the average over the past two decades to 3.09 percent per annum; (b) with 50 percent successful targeting, poverty eradication would result in reducing the growth rate to 2.97 percent. However, the author cautions that these conclusions are only preliminary and further research is required.

Krongkaew, Medhi, et al. (1992), "Rural Poverty in Thailand: Policy Issues and Responses," *Asian Development Review*, Vol. 10, No.1, pp. 199-225.

The authors argue that while Thailand may have reduced absolute poverty in its rural areas income inequality remains. In fact, national economic growth has increased income inequality. The authors also demonstrate, using an updated poverty line, that rural poverty is still at the level of twenty years ago. They also suggest that nongovernmental organizations have made positive contributions to poverty reduction in rural Thailand.

Kwon, Soonwon (1993), *Improvements in Anti-Poverty Programs: A Study of Poverty Alleviation and Government Initiatives in Korea*, Korea Development Institute, Seoul, December.

This is a study of the economic, social, and political aspects of poverty in Korea. Kwon analyzes the nexus between economic development and poverty alleviation in the context of Korean economic growth and modernization. After a comparative study of antipoverty programs in many countries the book proposes a future antipoverty strategy for Korea.

Lich, Hoang Thi (1994), "The Development of Household Economies and Market Systems in Improving the Gender and Poverty Situation in Vietnam," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 318-333.

This study shows that women's welfare requirements are not adequately met even in a socialist country. Women are a large part of the Vietnamese workforce, especially in the rural areas where their role in production is critical. However, peasant women, with their elementary level of education, are not prepared to use modern agricultural practices, and this has made their lives difficult.

Liling, Shao (1993), "Summary of the International Symposium on Income Distribution among Chinese Urban and Rural Residents," *Social Sciences in China*, Vol. 14, No. 4, Winter, pp. 61-70.

This paper summarizes the results of a survey on income distribution of 9,000 urban and 10,000 rural households in 28 provinces, autonomous regions, and municipalities of China. Among the factors affecting incomes of urban households were the inverted "U" relationship among age and income, education, and ownership of enterprises. Urban wage income was also found to be influenced by the sector in which household members were employed. Gender disparity in wage income is prevalent in urban households, but no ethnic disparity was observed. Incomes of rural households were affected by geographical location, with people living in coastal areas and in the suburban counties earning more than their counterparts in other places. The degree of marketization of the economy in a given rural area is also a factor. The greater the development of markets, the greater the household income. More specifically, skilled laborers contribute the greatest amount to rural household incomes. Surprisingly, the next highest contribution is made by common laborers. In descending order after these come workers in township enterprises, managers of private enterprises, and farmers. Nonproductive assets (no examples given) are said to yield greater income than productive fixed assets. Finally, rural households which use modern production techniques have larger incomes.

Lin, Tzong-Biau (1985), "Growth, Equity and Income Distribution Policies in Hong Kong," *The Developing Economies*, Vol. 23, No. 4, December, pp. 391-413.

The main objectives of this paper are to measure the trends in and current extent of income inequality in Hong Kong, and the effects of government income redistribution policies. The author finds that the pattern of income distribution in Hong Kong between 1950 and 1980 by and large conformed to the Kuznet's curve or inverted "U" hypothesis. From the 1950s to the early 1960s, Hong Kong experienced high economic growth rates and increasing income inequality. After a period of stability high growth rates resumed, this time accompanied by declining income inequality. Paradoxically, income inequality began to rise again in the late 1970s and early 1980s. After analyzing the causes of income inequality over the decades, the author provides a critique of

government policies on redistribution of income through taxation and expenditures. The paper discusses various direct and indirect taxes and government expenditures on housing, education, health services, and social welfare to assess their impact on income distribution.

Ling, Zhu and Jiang Zhongyi (1995), "'Yigong-daizhen' in China: A New Experience with Labour-Intensive Public Works in Poor Areas," *Development Policy Review*, Vol. 13, No. 4, December, pp. 349-370.

In pre-reform China, antipoverty strategies relied on direct income transfer relief to the poor. But today, food-for-work programs such as "Yigong-daizen" are central to the antipoverty effort. These programs are viewed as providing relief to the poor, economic growth, and overall social development.

Mathur, Om Prakash (1994), "Women, Urban Poverty and Economic Development," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 173-205.

This is a case study of the role of Indian women in the reduction of poverty in the city of Faridabad. In India, the urban poor constitute 18.5 percent of the total urban population. India has one of the lowest proportions of females to males in the world, with 93 females for every 100 males. The gender ratio in urban areas is only 88 females for every 100 males.

Meyer, Carrie (1993), "Migration Patterns Unravel the Population, Poverty, Environment Tangle," *Development* (Journal of the Society for International Development), No. 1, pp. 12-16.

This is a study of the interrelationship among population growth, poverty, migration, and environmental degradation in the Philippines and Costa Rica during the 1980s. In developing countries, people usually move from rural to urban areas in search of jobs and more income. However, during the 1980s in the Philippines and Costa Rica people moved from rural to ecologically fragile frontier areas and mountainous regions due to the collapse of urban labor markets. This unusual population shift has led to significant environmental degradation in both countries.

Naylor, Rosamond L. and Walter P. Falcon (1995), "Is the Locus of Poverty Changing?," *Food Policy*, Vol. 20, No. 6, pp. 501-518.

With rapid urbanization, will poverty in the developing world shift from rural to urban areas? According to this paper, the evidence from cross-sectional, timeseries, and case data from 34 developing countries comprising 80 percent of the population of the developing world, shows that the extent of poverty in urban areas is a function of income levels, rate of growth of income, and distribution of income. Using the same evidence, the authors conclude that the number of poor in rural areas will continue to exceed the number of poor in urban areas into the next century. The authors also analyze rural-urban poverty linkages.

Nolan, Peter (1993), "Economic Reform, Poverty and Migration in China," *Economic and Political Weekly*, Vol. 28, No. 26, June 26, pp. 1369-1377.

This article analyzes the new phenomenon in China of the exodus of poor peasants into prosperous urban centers. Nolan's analysis includes the effect of economic reforms on the dimensions and geographical location of poverty in China and in other countries. He argues that, in general, outmigration contributes to poverty reduction. However, he also points out some negative aspects of large-scale outmigration. Until now this migration in China has taken place only in relatively prosperous provinces, and the overall impact has not been widespread.

Pang, Eng Fong (1975), "Growth, Inequality, and Race in Singapore," *International Labour Review*, Vol. 3, January-June, pp. 15-28.

This paper discusses the relationship between Singapore's economic growth and income inequality during the early 1970s. According to the author, Singapore's experience does not prove or disprove the theory that in the early stages of growth income inequality increases. He outlines the ethnic division of the occupational structure in Singapore and investigates the causes of inter-ethnic income inequalities in the midst of rapid economic growth. He concludes that the distribution of the fruits of growth among the three main ethnic groups—Chinese, Malays, and Indians/Pakistanis—has not been equitable.

Perumal, Muniappan (1992), "New Budget Standard Poverty Lines for Malaysia," *Review of Income and Wealth*, Series 38, No. 3, September, pp. 341-353.

Perumal provides a critical comparison of the poverty lines used by the Malaysian government and by independent researchers and then derives a new set of budget standard poverty lines for various years between 1957 and 1981, incorporating household food and non-food budgets. Comparing his own budget standard poverty lines with official and independently derived poverty lines, he finds that the latter are generally higher and that they overestimate poverty in Malaysia by about 9 percent.

Quibria, M. G. (1993), *The Gender and Poverty Nexus: Issues and Policies*, Economics Staff Paper No. 51, Asian Development Bank, November, Manila.

This seminal paper argues for gender-oriented poverty alleviation strategies. It draws on evidence from secondary sources to prove that women are lagging far behind men in most economic and social criteria in Asian developing countries, especially in South Asia. The author discusses the pros and cons of direct income transfers to women as well as indirect transfers such as health, nutrition, and education.

Quibria, M. G. (1995), "Gender and Poverty: Issues and Policies with Special Reference to Asian Developing Countries," *Journal of Economic Surveys*, Vol. 9, No. 4, December, pp. 373-411.

This paper critically reviews the growing body of literature on the link between gender and poverty, particularly as it pertains to Asian developing countries, and evaluates public policies intended to redress inequality against women. Quibria argues that current policies are ineffective due to lack of reliable data or sound empirical studies on gender discrimination.

Rao, Bhanoji V.V. (1989), "Income Inequality and Poverty in East Asia: Trends and Implications," *The Indian Economic Journal*, Vol. 37, No. 2, Oct-Dec, pp. 57-64.

This is a review of trends in income distribution and poverty in eight East Asian countries—the newly industrializing countries (NICs), of Singapore, Hong Kong, Taiwan and Korea, and the middle income countries (MICs), of Indonesia, Malaysia, the Philippines and Thailand—between 1965 and 1985. The NICs, with the exception of Korea where there was a marginal increase, have managed to reduce (or even eliminate, in the cases of Hong Kong and Singapore) absolute poverty and income inequality. While the MICs have managed to reduce absolute poverty, although only marginally in the Philippines, income inequality in those countries has increased (Indonesia and Thailand) or remained almost static (Malaysia and the Philippines).

Ravallion, Martin (1992), "Does Undernutrition Respond to Incomes and Prices? Dominance Tests for Indonesia," *The World Bank Economic Review*, Vol. 6, No. 1, January, pp. 109-124.

An application of stochastic dominance tests to Indonesia in the mid-1980s reveals that among factors having an impact on regional distributions of food energy intakes and, consequently, undernutrition, are mean income

levels, intra-regional income inequalities, and regional prices of staple food grains. The results show that any increase in income inequality due to growth would need to outweigh the resulting decrease in undernutrition to make it less desirable. The tests also reveal that higher food grain prices result in increased undernutrition, even allowing for positive effects due to higher rural incomes. In Indonesia, growth in mean household incomes, coupled with static or decreasing income inequality and stable food grain prices, reduced undernutrition between 1984 and 1987. Ravallion concludes that growth in mean incomes and decreasing income inequality would undoubtedly reduce aggregate undernutrition.

Ravallion, Martin et al. (1991), *Quantifying the Magnitude and Severity of Absolute Poverty in the Developing World in the mid-1980s*, Policy, Planning and Research Working Paper Series No. 587, World Bank, February.

This paper outlines three approaches to defining an absolute poverty line. The authors compare poverty lines of thirty-three developing and developed countries and choose two for analysis, deriving poverty measures from available income distribution data. They outline a methodology for measuring poverty in countries where income distribution data are unavailable and estimate the incidence and severity of absolute poverty in developing countries during the mid-1980s.

Ravallion, Martin and Benu Bidani (1994), "How Robust is a Poverty Profile?" *World Bank Economic Review*, Vol. 8, No.1, January, pp. 75-102.

This theoretical paper critically evaluates various methods of constructing poverty profiles. The authors maintain that identifying and locating the poor are more important for targeting and policy purposes than finding out their total number. They discuss the merits and drawbacks of alternative methods of constructing poverty profiles and test the validity of the regional and sectoral poverty profiles derived for Indonesia in 1990. The results show that Indonesia's regional and sectoral poverty profiles are highly sensitive to some measures but not to others.

Ravallion, Martin and Monika Huppi (1989), *Poverty and Undernutrition in Indonesia During the 1980s*, Policy, Planning and Research Working Paper Series No. 286, World Bank, September.

This study, using household survey data, concludes that poverty declined in Indonesia during the 1984-1987 structural adjustment period. This result was confirmed when the data were examined using a variety of poverty measurements and poverty lines. The level of undernutrition also declined during this period, although there are data deficiencies on this count. According to the authors, the primary reason for these declines in poverty and undernutrition was that economic growth largely benefited rural households.

Ravallion, Martin and Monika Huppi (1991), "Measuring Changes in Poverty: A Methodological Case Study of Indonesia During an Adjustment Period," *The World Bank Economic Review*, Vol. 5, No. 1, January, pp. 57-82.

This theoretical paper proposes two techniques for measuring and comparing poverty levels before and after policy changes to evaluate their effects on the poor. The techniques are stochastic dominance conditions, which can facilitate robust poverty ranking of distributions of living standards and a decomposable poverty index which allows measured changes in aggregate poverty to be disaggregated into their various components, such as population sub-groups, growth, and redistributive components. These techniques are illustrated by using household survey data from Indonesia before and after the structural adjustment programs of 1984 to 1987. The authors conclude that positive initial conditions and a growth pattern that favored the poor enabled Indonesia to sustain poverty alleviation during the structural adjustment period.

Reyes, Edna Angeles (1987), "The Structure of Rural Household Income and Its Implications on Rural Poverty in Bicol, Philippines," *Journal of Philippine Development*, Vol. 14, No. 2, pp. 302-320.

This paper investigates rural poverty in Bicol, one of the most impoverished regions in the Philippines. The author concludes that rural poverty there could be alleviated through the promotion of nonagricultural employment only if agricultural productivity could be increased. Unlike the situation in Taiwan, where the shift of farm labor into nonagricultural activities not only increased rural nonagriculture income but also resulted in higher agricultural productivity, in the Philippines the shift has been marked by declining agricultural productivity (for an opposing view, see Balisacan 1992b, above).

Riskin, Carl (1994), "Chinese Rural Poverty: Marginalized or Dispersed?," *American Economic Review*, Vol. 84, No. 2, May, pp. 281-284.

There are two interpretations of the phenomenon of increasing poverty in rural China since the early 1980s. One, advanced by the Chinese government and the World Bank, is that since the economic reforms of 1978, rural poverty has been limited to remote upland areas where difficult terrain, poor soil, lack of rainfall or irrigation, underdeveloped transport facilities, and remoteness of markets make farming unprofitable. Prior to the reforms marginal and underdeveloped areas were supported by elaborate social security arrangements provided through the commune system. Simply put, these regions cannot thrive under the current market system, hence their inhabitants are growing poorer. The second, advanced by the author, is that with the privatization of agriculture in the early 1980s, the communes disappeared along with the associated social security networks which had cushioned the inhabitants against poverty. The institutions, values, and policies of collectivism gave way to the norms of individualism. It is this change, he says, which is responsible for the increase in rural poverty. Poverty itself is being individualized.

Rozelle, Scott (1994), "Rural Industrialization and Increasing Inequality: Emerging Patterns in China's Reforming Economy," *Journal of Comparative Economics*, Vol. 19, No. 3, December, pp. 362-391.

This study shows that income inequality among counties in an east coast province of China increased significantly between 1984 and 1989. Policies that promoted agricultural development narrowed income inequality, while policies that promoted rural industrialization widened it.

Sen, Gita (1994), "Poverty, Economic Growth and Gender Equity: The Asian and Pacific Experience," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Poverty*, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 28-64.

According to Sen, there are three general patterns of gender and poverty in the Asia Pacific region: (a) the incidence of both absolute and relative poverty is greater among female-headed households than male-headed households; (b) gender inequities in the distribution of resources and opportunities are reflected in income and command over income; and (c) for sociocultural reasons women are adversely affected in intra-household distribution of resources. Sen concludes that policymakers should de-emphasize gender-oriented projects and programs and concentrate on integrating gender issues into the entire planning process. There is also a need, she says, for continuing policies to empower women.

Shields, David L. L. (ed.) (1995), *The Color of Hunger: Race and Hunger in National and International Perspective*, Rowman & Littlefield, Lanham, Maryland, 1995.

This is a collection of papers on the nexus between ethnicity and poverty. Shields presents an international perspective on the color of hunger in the opening chapter. Other writers examine poverty and ethnicity in Guatemala, northeast Brazil, and South Africa.

Sopchokchai, Orapin and Twatchai Yongkittikul (1994), "The Basic Minimum Needs Approach to Poverty and Gender Issues in Thailand," in Heyzer, Noeleen and Gita Sen (eds.), *Gender, Economic Growth and Pov-*

erty, Kali for Women and International Books in collaboration with Asia and Pacific Development Centre, Kuala Lumpur, pp. 298-317.

The National Rural Development Program (NRDP), launched in 1987, is the Thai Government's premier rural development program and is based on basic minimum needs. It is aimed at the nation's most disadvantaged regions and the rural poor but is gender neutral. The study concludes that while NRDP has achieved considerable success in reducing rural poverty, women have barely benefited because of the absence of gender-specific projects.

Soong, Jenn-Jaw (1995), "Structural Changes and Problems in Mainland China's Rural Economic Development," *Issues and Studies* (A Journal of Chinese Studies and International Affairs), Vol. 31, No. 10, October, pp. 39-53.

This paper demonstrates that economic reforms have inspired conflict between rural industrial and rural agricultural sectors. Even within the agricultural sector itself, conflict has emerged between the traditional and modern farmers. Further, the paper argues that these conflicts have resulted in declining agricultural output and increasing rural poverty.

Subbarao, K. et al., *Selected Social Safety Net Programs in the Philippines: Targeting, Cost-Effectiveness and Options for Reform*, World Bank Discussion Paper No. 317, January.

This is a critical evaluation of three major social safety net programs—food subsidies, public employment programs, and credit-based livelihood—implemented by the Philippine government to cushion the adverse effects of structural adjustment on the poor. In regard to food subsidy, the paper contends that the poorest regions and income groups are not receiving their due share and that the little they do receive comes at too high a cost. The authors recommend alternative targeting mechanisms to make food subsidy programs more cost effective. They also criticize public employment programs for not adequately reaching target groups. However, they find that the credit-based livelihood programs by and large did help people in nonpoor and near-poor regions. The study notes substantial pilferage of public funds in the administration of the programs and makes proposals for making them more cost-effective and better targeted.

Subramanian, Shankar and Elisabeth Sadoulet (1990), "The Transmission of Production Fluctuations and Technical Change in a Village Economy: A Social Accounting Matrix Approach," *Economic Development and Cultural Change*, Vol. 39, No.1, October, pp. 131-167.

Using a social accounting matrix, the authors of this study evaluate the effects of technical change, output fluctuations, and government policy on income distribution and poverty in the cotton-producing village of Kanzara in Maharashtra, India. They conclude that investments in irrigation have a greater multiplier effect on the village economy than income transfers from outside. They also note that while investments in dairy cattle provide even greater overall returns than irrigation, these widen income inequality since landless households have little ability to invest in cattle. Hence, they recommend that government policy should encourage investments in dairy cattle by the landless in order to reduce inequality. However, since dairy output is affected by weather fluctuations, small farmers and the landless are at greatest risk. Women are more affected than men since women derive a greater percentage of their wage income from agriculture. Government policy should seek to cushion small farmers, the landless, and women against production shortfalls.

Summerfield, Gale and Nahid Aslanbeigui (1994), "Feminization of Poverty in China," *Development* (Journal of the Society for International Development), No. 4, pp. 57-61.

This article uses "entitlement theory" to assess the impact of economic reforms on women in China's rural and urban areas and concludes that there is a growing "feminization of poverty." The principle of "whatever a man can do, a woman can do" was dropped during the 1980s and gender bias increased due to economic liberalization and the one child policy. The male/female ratio has dropped from 94.2 percent in 1978 to 93.8 percent in 1990. Even more tellingly, female life expectancy has declined from 69 years in 1982 to 66 years in 1988, whereas male life expectancy rose from 65 to 69 years during the same time period. According to the 1987 sample survey, 65 percent of the unemployed are women. The main reason for women being discriminated against, say the authors, is that economic enterprises operating on free market principles consider welfare provisions for them too costly.

Sundaram K. and S. D. Tendulkar (1993), "Poverty in Asia and the Pacific: Conceptual Issues and National Approaches to Measurement," *Economic Bulletin for Asia and the Pacific*, Vol. 14, No. 2, December, pp. 42-58.

This theoretical paper discusses conceptual issues pertaining to the measurement of poverty and various national methods to measure poverty. Section 1 is devoted to the conceptualization of poverty in terms of absolute and relative measures. Section 2 deals with the conceptualization of various poverty lines. Section 3 considers the causes of poverty from a theoretical point of view. Section 4 discusses various measures of social deprivation (minimum living standards, physical quality of life index, and human development index). Section 5 compares various national methods to the measurement of poverty used in Asian countries. Section 6 discusses data requirements for establishing poverty lines, survey methods for income/expenditure surveys, and choice of samples in survey design.

Tambunan, T. (1995), "Poverty and Human Resource Development in Indonesia: A Brief Survey," *The Indonesian Quarterly*, Vol. 23, No. 2, second quarter, pages 159-174.

This article surveys economic development in Indonesia since 1970 with special attention to poverty and inequality and education. According to the author, income inequality in Indonesia declined as a result of high economic growth rates between 1970 and 1990. Average annual growth between 1971-1980 was 6 percent, while the Gini coefficient was 0.4. From 1981 to 1990 these figures were 5.4 percent and 0.3 respectively. Tambunan concludes that rapid economic growth with declining income inequality reduced absolute poverty during the study period. The paper also analyzes the rapid expansion of education in Indonesia between the 1970s and 1990s. Though this expansion is portrayed officially as one of the biggest in the developing world, he notes that growth has been concentrated in the primary and secondary levels and that at the tertiary level Indonesia lags far behind many other developing countries. Besides, even the primary and secondary level expansion has been accompanied by high dropout rates and low standards. The author contends that government strategy has concentrated on quantitative expansion of the system, to the neglect of quality. With regard to government successes in reducing income inequality and absolute poverty, the author cautions that aggregate national figures may conceal wide variations among different regions, areas, and classes of people.

Thorbecke, Erik (1991), "Adjustment, Growth and Income Distribution in Indonesia," *World Development*, Vol. 19, No. 11, November, pp. 1595-1614.

This paper investigates the impact of structural adjustment programs in Indonesia from 1982 to 1988. The author concludes that these adjustment programs were largely successful in maintaining internal and external stability. He also outlines a highly disaggregated computable general equilibrium model to investigate the short and long-run distributional effects of six alternative policies during the adjustment period. According to these simulations, these policies were largely successful in restoring stability and equalizing income distribution. While the paper notes that the results of the adjustment programs have been good so far, Thornebeck cautions that when their full impact is felt over time, some of the effects may not be positive.

Tjondronegoro, Sediono M. P. et al. (1992), "Rural Poverty in Indonesia: Trends, Issues and Policies," *Asian Development Review*, Vol. 10, No.1, pp. 67-90.

Relying on secondary data, the authors find that since 1976 the Gini coefficients have gradually decreased for both rural and urban populations. From 1976 to 1987 the Gini coefficient decreased from 0.36 to 0.32 in urban areas and from 0.31 to 0.26 in rural areas. The rural population under the poverty line decreased from 40.4 percent in 1976 to 16.4 percent in 1987, and the urban population under the poverty line declined from 38.8 percent in 1976 to 20.1 percent in 1987. The authors also analyze regional variations in rural poverty and discuss rural poverty in terms of social criteria.

Travers, Lee and Jun Ma (1994), "Agricultural Productivity and Rural Poverty in China," *China Economic Review*, Vol. 5, No. 1, Spring, pp. 141-159.

This paper evaluates the scope for productivity increases in agriculture and raising peasant incomes in China by public investments using a variable elasticity model of the aggregate agricultural production function. According to its findings, under present crop patterns, current technologies, land prices, investments in fertilizer and machinery offer some scope for improving peasant income. Investments in irrigation, however, would only improve peasant income if a third of the capital costs of such projects are met by government subsidies.

Tsui, Kai-Yuen (1993), "Decomposition of China's Regional Inequalities," *Journal of Comparative Economics*, Vol. 17, No. 3, September 1993, pp. 600-627.

This paper decomposes regional inequalities in China into intra- and inter-provincial, rural-urban, intra-rural and intra-urban inequities. Three major conclusions of this decomposition study are: (a) Heavy industrialization strategy and barriers to rural-urban migration—barriers now partially removed—have resulted in greater rural-urban inequity; (b) inequities between coastal, mid-country and western provinces have contributed to the overall inequities in China; (c) although China's basic needs attainments are duly applauded, these achievements are not equitably distributed. This conclusion is reached by investigating intra-provincial, inter-provincial, rural-urban, intra-rural, and intra-urban inequities in infant mortality and illiteracy rates across China. The writer argues that reducing inter-regional inequalities would not necessarily reduce overall regional inequities if intra-regional inequities are not redressed. Likewise, transfer of resources from the prosperous coastal provinces to the interior would not reduce overall regional inequalities if such transfers exacerbate existing intra-regional inequities.

Walker, Kathy Le Mons (1993), "Economic Growth, Peasant Marginalization, and the Sexual Division of Labour in Early Twentieth-Century China," *Modern China*, Vol. 19, No. 3, July, pp. 354-386.

This is a historical account of the gender division of labor in the cotton growing areas of Nantong county in early twentieth century China. The main contribution of this paper to current policymaking is that it draws attention to the re-emergence of a traditional pattern in the current economic reform period whereby women are relocated to agriculture and "home" while men go into the nonfarm sector.

Wardhana, Ali (1993), "Indonesia During the Economic Take-Off: Economic, Political and Social Challenges," *The Indonesian Quarterly*, Vol. 21, No. 4, pp. 451-460.

This paper warns that the location and character of poverty in Indonesia is due for drastic change. While the absolute number of rural poor has decreased substantially over the years, the rate of reduction in the number of urban poor during a period of rapid urbanization has been very slow. The author estimates that by the year 2000 over 40 percent of Indonesia's total population and around 50 percent of its total poor will live in urban areas. Hence, the urbanization of poverty should be taken into account in planning antipoverty policies. In order to

tackle urban poverty the author proposes provision of adequate housing with access to public transport facilities in urban centers. The paper also highlights disparities in the distribution of income among different regions and proposes measures to narrow regional income differentials without reducing economic growth and productivity.

World Bank, (1991), *Gender and Poverty in India*, A World Bank Country Study, August.

This report primarily studies the role of women in agriculture, the sector which employs 84 per cent of India's working women. Second, in looking at the sectoral and occupational distribution of women's work outside agriculture, the report concentrates on women in the informal sector, since only 6 percent of economically active women participate in the formal sector. Particular note is taken of the lower educational attainments of women and the nexus between educational attainments and labor productivity, health, and fertility. This part of the discussion focuses on women's health, noting the significant gender disparity in morbidity and mortality rates against women. Finally, Indian Government programs targeted toward women are reviewed. The participation of NGOs in attacking gender-based discrimination is also assessed.

World Bank, (1992), *China: Strategies for Reducing Poverty in the 1990s*, A World Bank Country Study, October.

This report analyzes the incidence of poverty in China during the 1978-1990 economic reform period. The Bank estimates that the absolute poor declined from 33 percent of the population in 1978 to less than 10 percent in 1985 and 9 percent in 1990. Surprisingly, China's poverty reduction performance during the second half of the 1980s was dismal. In fact, the poverty gap increased marginally from 1985 to 1990. The authors contend that by the early 1990s China's poverty was almost entirely concentrated in isolated hilly regions, a contention disputed by some other studies. After reviewing the macroeconomic policies that facilitated rapid reduction in poverty during the 1978-1985 period and the stagnation thereafter, the study proposes macroeconomic and sectoral strategies for further reducing the incidence and level of poverty during the rest of the 1990s.

Xing, Tong and Lin Mingang (1995), "A Study of Poverty Lines in Rural Areas," *Social Sciences in China*, Vol. 16, No. 2, Summer, pp. 81-87.

The authors derive poverty lines for rural areas under different criteria. Peasant households are classified under five different criteria: (a) abject poverty line (basic survival); (b) poverty line (having just sufficient food and clothing); (c) development line (eliminating poverty); (d) fairly well-off line; and, (e) prosperity line.

Yahaya, Nurizan (1991), "A Profile of the Urban Poor in Malaysia," *Journal of Contemporary Asia*, Vol. 21, No. 2, pp. 212-221.

This empirical study was carried out in squatter districts of Kuala Lumpur, Seremban, and Negeri Sembilan. It found that poverty in these areas was similar to that which prevailed in the rural areas. The majority of the poor were Malays, whereas during the 1970s it was the Chinese. The change was due to the immigration of large numbers of rural Malays into urban areas as a result of the NEP programs. The regression study also finds positive correlation between family size and poverty.

Yoneda, Kimimaru (1985), "A Note on Income Distribution in Indonesia," *The Developing Economies*, Vol. 23, No. 4, December, pp. 414-422.

The author argues that Indonesia's high growth rates were accompanied by widening income inequality during the study period, 1976-1978. He investigates income inequality in terms of regional and sectoral bases, with a case study of income distribution in the manufacturing sector. He concludes that import substitution policies, even while creating wider employment opportunities, have increased unequal personal income distribution.

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