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## I. INTRODUCTION

It is being increasingly recognized that the problem of poverty in the world has not diminished in recent years and that rapid economic growth and reliance on the trickle-down theory is not sufficient to alleviate it. Indeed, in some countries the situation may have been aggravated so that it is clear that poverty has to be attacked at its roots with specific policies and programmes. It is also being recognized that the problem has both efficiency and equity aspects. In other words, it may only be solved in many developing countries by a combination of growth in productivity and a redistribution of existing wealth and income.

Having concurred with this view, the World Conference on Agrarian Reform and Rural Development held in Rome in 1979 adopted a programme of action for agrarian reform and rural development for the alleviation of rural poverty. The programme, among other things, recommended the setting up of specific targets for the reduction of rural poverty within the framework of national development plans and programmes.

There is a fundamental difference between the concept of absolute poverty and relative poverty. The latter is related to inequality, which is conceived as being concerned with the size distribution of income in a country at a particular time, with the shares of income accruing to various groups of the population, and how those shares change over time. The distribution of income could become more unequal as growth proceeds yet the absolute position of the poorest could improve. On the other hand, a general decline in national income could, theoretically, leave inequality unchanged, yet the absolute position of the poorest would clearly have worsened. To claim that poverty had remained unchanged in such a situation would be untenable. Though the two concepts are related in practice they are distinct and each is concerned with a different issue. To confuse them is to do less than justice to the importance of each. Throughout this report we shall be referring to both inequality and absolute poverty, but the focus of attention will be on absolute poverty and its eradication.

It has been argued that eliminating absolute poverty may be the most efficient way of reducing inequalities in income distribution so that in practice it is possible for the two to go hand in hand. From the political point of view it would be reasonable to argue that governments are more likely to accept the need to eliminate absolute poverty and to ensure a minimum level of living for all their citizens than they are to accept the need for a change in the distribution of wealth for its own sake. Concern with eliminating absolute poverty may be expected universally to cut across political lines, whereas concern for inequalities as such is more likely to be aligned with particular political and social systems.

Research has shown that poverty is associated with a large number of factors. Although the magnitude of poverty across countries is negatively correlated at the macro level with the level of GNP per capita, the correlation is less than perfect and there are other intervening factors, such

as differences in the inequalities of the distribution of income and the amount and distribution of government expenditure on social services, that influence the magnitude of poverty. Poverty is also associated with unemployment, underemployment and, more importantly, for the rural sector, with very low productivity of labour, which in turn is related to low capital investment. There are also indications that the low level of productivity that contributes to poverty is the result of a similar low level of education, health and nutritional status of the poor.

Poverty is likely to be perpetuated in a society with a high degree of inequality. Firstly, inequality of income and wealth affects the structure of demand and the rate and pattern of capital accumulation, all of which tend to work to the disadvantage of the poor. Secondly, inequality affects the choice of technique in agriculture and other sectors of the economy in a manner which is biased often against the use of labour, the most important, and, in many cases, the only resource at the disposal of poor people. An unequal distribution of income and high incidence of poverty is also strongly associated with unequal distribution of land.

## II. GROWTH, INEQUALITY AND POVERTY

### 1. Trends in income inequality

It is well known that the work of Kuznets has led to the idea that the level of economic development in a country, as measured by the GNP per capita, is the main determinant of the extent of income inequality. The relationship has come to be known as the inverted-U hypothesis which indicates that relative income inequality increases in the early stages of growth, reaches a peak and then declines in the later stages of growth.

The multiple regression analysis of cross-sectional data by Chenery *et al* (1974), among others, confirms that there is a relationship between inequality and the level of GNP per head. However, this pattern is far from inevitable. A low proportion of the total variance was explained by income level alone. There were other factors which worked against the general tendency. These factors were related to structural differences between the countries. For example, improvement in literacy and lower rates of population growth, *ceteris paribus*, were associated with lower inequality. In addition, socialist countries had less inequalities than average. The conclusion to be drawn from this analysis is that the inverted-U is not an "iron law" of development but can be avoided by appropriate policy decisions.

There is, however, scattered evidence from a number of countries that the distribution of income within rural areas may have become more unequal, even in countries which have introduced agrarian reform policies. For example, in Egypt the share of the bottom 40 per cent of rural households remained fairly constant at about 17 per cent of total rural income from 1968/69-1974/75, while the share of the top 10 per cent of households increased from 28 to 31

per cent during the same period (El Ghonemy, 1984). The Gini coefficient for household expenditure consumption rose marginally from 0.37 in 1958 to 0.39 in 1977 (Radwan and Lee, 1979).

Closely related to the distribution of income is the distribution of productive assets. In general, and particularly in the case of land, these tend to be unequal, but lack of data makes it difficult to detect changes in the distribution of assets. Such evidence as exists, however, is not encouraging since few governments have active land redistribution programmes and, of those that have, few have in fact redistributed much land.

In Iraq and Syria land reforms in the late 1950s broke the power of the tribal chiefs and large landowners. By 1980 the land expropriated in Syria was roughly one quarter of the total recorded arable land and in Iraq about one half (FAO, 1984). Approximately 14 per cent of the total agricultural population is thought to have gained by the reforms in Syria and a significant proportion in Iraq also. However, in Iraq there were serious disruptions of output following the reforms and a considerable lag between expropriation and redistribution of land (King, 1977).

## 2. Trends in absolute poverty

The World Development Report of 1981 suggests that about 750 million people in the developing countries, excluding China, live in absolute poverty. The majority of these live in rural areas. There is also little doubt that the numbers have been increasing and are likely to increase, if only because of population growth. Although absolute poverty in the ESCWA region is not as widespread as in South-East Asia, it is, nevertheless, a serious problem particularly among the rural populations (FAO, 1984 and El-Ghonemy, 1984).

There are various aspects of the poverty problem, and each may be considered of importance in different contexts. Firstly, the real income of the poor population may fall over time. Secondly, the absolute numbers of people in this category may increase. Thirdly, the proportion of the total population living in poverty may increase. Fourthly, although the majority of the poor may benefit over time, there may be specific occupational groups or social classes whose standard of living falls. There is evidence for the deterioration in one or more of these particular aspects of rural poverty in the countries with which we are concerned. For example, in Egypt between 1958/59 and 1974/75 the number of people in rural areas who lived below the poverty line rose from 3.6 to 5.8 million, and the proportion of the rural population living in poverty rose from 22 to 28 per cent, having apparently dipped to 17 per cent in 1965 (Radwan and Lee, 1979).

To understand exactly who are the rural poor, and what has been happening to their standard of living over time, one needs more data than is usually available, and particularly data that differentiates among occupational groups. The fragmentary information that exists suggests that two groups, both a minority within the rural population, are most likely to have experienced a fall in real incomes. The first are those engaged in animal husbandry, especially nomadic and semi-nomadic people. The second group are

the landless agricultural workers. There are reasons to believe that in many countries the incidence of landlessness or near-landlessness is rising as small farmers and tenants get pushed off the land (FAO, 1982), and that a growing proportion of the rural population is turning to casual, rather than permanent, employment to earn a living. Moreover, the average days worked by each worker is falling, while the real daily wage rate of agricultural workers either remains constant or has declined.

Assuming that absolute impoverishment has in fact taken place in many countries or parts of countries, the question naturally arises whether this is a result of population growth, of slow aggregate or sectoral growth or on account of the nature of the growth process itself.

### 3. Economic growth and absolute poverty

While economists have recognized that relative inequality may well widen in the course of economic growth, the possibility that absolute poverty may also increase is more controversial and more disturbing. Cross-country analyses have been performed by a number of authors. Sen (1980) fitted simple linear and log-linear functions to data of 33 developing countries to obtain a negative relationship between the percentage of the total population in poverty and GNP per capita. Ahluwalia (1976) performed a number of tests on cross-sectional data, using multiple regression analysis which showed that the absolute incomes of the poor, taken variously as the poorest 20 per cent, 40 per cent and 60 per cent of the population, were in all cases positively related to the level of GNP per capita. However, even if the majority of the poor have benefited so that the average absolute income of the poverty groups has risen with growth it is clearly quite possible for particular sizeable groups of the population not to have benefited and, indeed, even for their incomes to have declined. Griffin (1977) provides evidence of persistent poverty for selected groups, in particular countries, even those with rapid economic growth.

If the benefits of growth were evenly distributed in an economy, everyone would benefit. What is required for rapid poverty alleviation is that the benefits of growth should flow primarily to the poor. In practice this has often not happened, and indeed, in many cases there is evidence of significant groups of the rural poor whose standard of living have deteriorated in the process of economic growth (ILO, 1977). The work done also by ILO for the 1976 World Employment Conference suggested that to meet the basic needs of all the population within one generation, without any redistribution of productive assets, it would be necessary to double the rate of economic growth achieved in recent years by most Asian countries. With more assets in the hands of the poor, growth would have to average something like 6 per cent a year that basic needs can be met. While the first target would seem beyond most countries' present capabilities, the second target represents a formidable task, particularly as it assumes at least a doubling in the income share of the poorest section of the population.

As pointed out earlier, it is important to recognize that the poor are not a homogeneous social class and consequently the impact upon the poor of any particular action is unlikely to be uniform, either in terms of magnitude or

even in direction of change. The rural and urban poor clearly differ from one another in terms of location and occupation and do not constitute a single analytical entity. Even within the rural areas the poor are heterogeneous. They are scattered over a large area and face a diversity of environmental conditions. Given this heterogeneity, developments which benefit certain groups of the poor may well leave others largely unaffected and may actually harm other groups.

A number of causal mechanisms which might link agricultural growth and increasing rural poverty have been enumerated by Bardhan (1984). They include: (i) labour displacing mechanisation; (ii) eviction of small tenants owing to increased profitability of self-cultivation by large landowners; (iii) increased dependence on purchased inputs, transforming small farmer cultivators, whose access to these resources and credit is limited by pervasive market imperfections, into hired labourers; and (iv) further crowding of the agricultural labour market by village artisans who are displaced as the demand pattern of the rural rich shifts to mass produced consumer goods and services.

If such effects were to override any beneficial effects of agricultural growth upon the poor one could speak of immiserising growth in a causal, as well as in a descriptive, sense. If the real incomes of the rural poor decline at the same time as those of the rural rich rise, this implies that agricultural growth has been insufficient to alleviate rural poverty. This could be interpreted to mean either that past growth strategies need to be pursued with greater vigour or that past growth strategies have failed to address the underlying constraints upon agricultural performance. If, on the other hand, agricultural growth itself has accentuated rural poverty, through one or more of the mechanisms enumerated above, then the inescapable conclusion is that fundamental changes in the agrarian structure, which governs the distribution of the benefits of growth, are essential if rural poverty is to be reduced. Growth alone cannot provide the answer: it should be accompanied with proper agrarian reforms.

### III. EFFECTS OF RECENT WORLD ECONOMIC DEVELOPMENTS ON GROWTH AND POVERTY

Historically high long term rates of growth of output, consumption and employment achieved by the advanced countries in 1950s and 1960s were accompanied by an enormous increase in world trade. As compared with this over the past decade (1973-83), the rate of expansion of global economic activity and global trade has halved or less than halved. The highly restrictive policies of monetary restraint followed by the advanced countries since 1979, might have been directly responsible for the recession in the last few years. Under the present global trading and financial system, even without creating any trade barriers such a system pushes other countries into deficit producing a serious deflationary trend.

In the present international trading and financial system, over the medium and longer-term, economic growth in the advanced countries effectively determines the growth prospects of developing countries. If the advanced countries decide to raise their rate of economic growth, the developing countries, in general, gain through exactly the same channels by which they are presently disadvantaged: that is, through increased commodity prices, increased export demands and, hopefully, through increased aid and capital flows.

Over the whole period of the 1960s and 1970s the rate of growth of real GDP for the ESCWA region as a whole was about 8 per cent. It is, perhaps, not surprising that the oil exporting countries in the region should have experienced fast economic growth in the 1970s; between 1973 and 1980 the export prices of the high-income oil exporting countries increased at an average rate of 25 per cent per annum. Their terms of trade over the same period increased by 12 per cent per annum. However, it is not so obvious why countries like Egypt, Syria and Jordan with diversified economies, for whom exports are not so important, should also have done so well in the 1970s. The main reason for this is the close economic linkages between the non-oil and oil producing countries of the region. The former benefit in a number of ways from the prosperity of the latter. The most important of these are workers' remittances, direct demand for exports and development assistance by the high income oil exporters to the other countries.

International migration to the Arab oil-producing countries over the last decade has been on a massive scale. Worker-migration of such magnitude has extremely important repercussions for the labour-exporting countries. The most significant effect arises from the workers' remittances which help relieve balance-of-payment problems; in the case of Egypt, for example, in 1980 remittances constituted over 60 per cent of exports.

The gains from migration from the point of view of the sending country must be assessed against the real costs, the most important of which are as follows: (i) domestic economic growth may be constrained by labour shortages; (ii) rural development may suffer from the neglect of domestic farming; and (iii) migration often leads to inflation and conspicuous consumption.

However, there is no inevitability in either the gains or the costs to the sending country. These will depend on the specific circumstances in each country and the pattern of economic behaviour of its migrants.

The diversified economies of the countries in West and South Asia have benefited from the oil boom in other ways: they have been able to greatly expand their exports to the oil-producing countries. The oil rich countries have also been generous donors of development assistance, both to Arab and non-Arab countries. Between 1975 and 1980 Saudi Arabia contributed more than 5 per cent of its GDP each year in the form of development assistance. The total amount of official development assistance from the Organization of Arab Petroleum Exporting Countries (OAPEC) increased from 5.6 billion dollars in 1975 to 9.5 billion dollars in 1980.



The chief ways through which the effects of the world economic recession on rural development and poverty in developing countries can be expected to operate are as follows: (i) reduced domestic economic growth; (ii) higher rates of inflation; and (iii) reduced government expenditure on agriculture and social welfare.

Since 1980 the economic fortunes of the countries of the ESCWA region have drastically changed. Between 1980 and 1983 the region as a whole registered a negative rate of growth of 6.4 per cent. Since oil accounts for a large part of the GDP of the oil exporting countries, and since oil production fell heavily, it is not surprising that oil economies have recorded a large contraction of GDP. While the overall GDP of oil-exporting countries contracted between 1980 and 1983, the non-oil GDP in these countries continued to expand, especially in the GCC countries (ECWA, 1985). Non-oil sectors of the economy in GCC countries expanded at the rate of 8.7 per cent over this period. It is highly significant that the overall economic performance of the least developed countries, that is, the two Yemens, as well as that of Egypt between 1980 and 1983, was not only considerably better than that of the oil countries but was also very good by international standards.

Even though the world economic recession has adversely affected the economic development in the ESCWA region as a whole, it is not at all clear whether it has yet had any affect on agricultural or rural development. The rate of growth of agricultural output over the period 1979-83 is little different from that over the period 1975-79. The available evidence suggests that changes in the agricultural performance in the region as a whole during the 1980s are more due to general government policies towards agriculture and to climatic factors than to the world economic recession.

The full consequences of the slowdown in economic growth of the oil exporting countries of the region have yet to be experienced by the non-oil countries. In the case of the oil-exporting countries with high per capita incomes, reduced overall economic growth need have no effect on poverty alleviation. However, in the poorer countries slowdown in economic growth is likely to have adverse effects on poverty alleviation, largely because there would be a reduction in government revenue as a consequence of reduced growth.

#### IV. CASE STUDIES OF AGRARIAN CHANGE

##### A. EGYPT

###### 1. Agriculture

Over the period 1960-82 growth in GNP per capita was, on average, 3.6 per annum. Overall GDP growth was 4.3 per cent per annum in the 1960s, rising to 8.4 per cent per annum in the period 1970-82. However, the growth of agricultural GDP was considerably lower, being 2.9 per cent and 3 per cent in the two periods respectively. Thus, the growth of agricultural output only marginally exceeded the growth of population over the whole period which was 2.5 per cent per annum. The share of agriculture in total GDP has declined from 30 per cent in 1960 to about 20 per cent in 1982. During the 1970s the volume of agricultural exports declined by nearly 50 per cent, and agriculture's share of exports declined from 80 per cent in 1970 to about 16 per cent in 1980.

Self-sufficiency ratios in the major agricultural commodities have declined drastically over the last 20 years. The resulting trade deficit on current account has been financed by concessional aid from abroad and from the massive increase in remittances from Egyptian workers abroad.

Despite the high migration of agricultural workers to other sectors and to other countries the total labour force in agriculture remained more or less constant during the 1970s at about 4 million people.

###### 2. Agrarian system and rural development

The Agrarian Reform Act of 1952 obliged all land reform beneficiaries to become members of a co-operative and today co-operatives cover nearly all of rural Egypt. Through the co-operatives the government is able to control crop rotation schedules, water distribution and the organization of farming operations. As well as providing the bulk of key inputs such as fertilizers, insecticides, seeds and credit, the co-operatives constitute the outlet for the marketing of major crops for which there are quotas for direct procurement by the government.

Farm sizes have declined steadily due to land ceilings, inheritance laws, a relatively fixed total land area, and a rapidly growing rural population. The distinction must be made, however, between owned and farmed areas, since probably at least one third of the farm area is rented. Most rentals are for cash. Sharecropping is not common in Egypt, although there are suggestions that it is increasingly being used as a means of evading tenancy regulations under the agrarian reform legislation. Tenants are protected in several ways. Rents are restricted to seven times the land tax and leases must last a minimum of three years. Eviction of tenants is difficult.

The labour market is highly fragmented so that there is a problem of matching supply and demand for particular skills. Thus, open unemployment, underemployment, vacancies and overstaffing can exist side by side. There are now widespread shortages, not only of skilled labour, but in many areas also of unskilled labour, with surplus labour concentrated in the public sector, in certain types of small-scale agriculture, possibly in certain parts of the urban informal sector and amongst an increasing number of educated unemployed youth.

There are several indications that the agricultural labour market has become increasingly tight and labour shortages are being increasingly reported. Real wages, which over long periods have remained relatively constant, have increased rapidly during the last decade. Plausible explanations for this trend are increased migration, both to urban centres and abroad; increased education in rural areas; alternative employment opportunities, especially animal husbandry for small farmers, permitting them to reduce their participation in the hired labour market; a low elasticity of supply in response to the wage rate; and various imperfections and segmentation of the agricultural labour market (Richards and Martin, 1983). Such rapid increases in the real wage have probably been one reason for the spread of mechanisation of Egyptian agriculture. Another factor is probably the cheap credit provided for the purchase of tractors.

Crop yields in Egypt are amongst the highest in countries of the third world. However, there is agreement that significant increases could still be obtained if adequate drainage was introduced. The proportion of the cereal area planted with high yielding varieties has gradually increased but the impact on total yields has been limited. Over the period 1970-80 the yields of wheat and rice have not shown a significant change. The yield of cotton has, however, increased significantly over this period.

### 3. Dimensions of rural poverty

There is no official poverty line in Egypt. The proportion of rural families below the poverty line has been estimated at 35 per cent in 1958/59 falling to 27 per cent in 1964/65, rising steeply to 44 per cent in 1974/75. The latter figure represented about 5.8 million people. Hansen and Radwan (1982) give a poverty line of Egyptian pounds 67 per head per year. Though there is no more recent information on the magnitude of poverty it can be inferred from the rise in real wages already noted, that the proportion of rural people living in poverty may have declined since the mid 1970s.

However, the increases in real wages over the last few years may mean that wage earners are no longer the poorest of the poor. The impression of the ILO mission to Egypt (Hansen and Radwan, 1982) was that the poorest rural households are those who have little or no diversity of income, that is, those on very small farms without a family member abroad in the Gulf states, or those who are working in the low productivity tertiary sector in villages.

The 1977 ILO survey showed that the very poor, that is the bottom 10 per cent of households in the survey, had all the symptoms of chronic poverty: high dependence on transfer payments, including remittances, a high proportion of disabled people and a high proportion of single member households, often consisting of one elderly person. The alleviation of poverty in such a group of people clearly requires special welfare policies. Above this hardcore poverty group, income levels are broadly related to the pattern of household economic activity. Families engaged primarily in agricultural labour form the next 20 per cent of households; beyond these groups, rising incomes are associated with access to land reflected in the rising share of income from family farms and access to income earning opportunities outside the village.

The ILO survey indicated a substantial correlation between the various manifestations of rural poverty. Households with incomes below the poverty line also suffered a shortfall in their calorie intake while their access to such basic needs as education and housing fell short of minimum requirements. About 20 per cent of the poor appeared to have an acute malnutrition problem, suffering from a calorie deficit of some 35-60 per cent of their requirements. Moreover, amongst the poor households only 16 per cent had drinking water, 12 per cent had electricity and 30 per cent adequate sewage facilities.

The disparity in the distribution of land and other productive assets had serious implications for income distribution. The Gini coefficient for the size and distribution of assets in the survey was as high as 0.72. The ILO survey, which observed purchases and sales of land according to farm size, indicated that loss of land has been concentrated amongst small farmers and had, therefore, contributed to a worsening of the inequalities in the distribution of land.

The government's crop rotation and consolidation system has also had an adverse effect on small farms. Their small plots inevitably fall within a single block and they are then obliged to grow a single crop. Larger farmers have an advantageous position in this respect as their holdings may be large enough to enable them to diversify their production and have a surplus to sell. Radwan and Lee (1979) also show that the terms of trade for larger farmers has increased over the period 1960-75, whereas that of small farmers has remained approximately constant.

#### 4. Policies and programmes for rural poverty alleviation

Agricultural policy in Egypt has basically two goals: the first being to provide adequate food to all groups of the population, including those with low incomes; the second goal is to become fully self-sufficient in as many food commodities as possible. The instruments used for these purposes have included investment in land reclamation and irrigation, control of input supplies, area allotment, procurement of food supplies, direct and indirect price controls for agricultural commodities and input pricing and allotment.

A study by de Janvry *et al* (1981) was addressed to the question of whether forced deliveries were needed to ensure adequate market supplies of the major foodstuffs. Their empirical study on wheat and rice concluded that forced deliveries are irrelevant to food security in Egypt. Voluntary sales would

increase more than proportionately if compulsory deliveries were halted. A side effect of the present arrangement is that prices are increased on the free market which reduces the welfare of those rural households that do not have full access to subsidised food and those that produce less than their subsistence requirements.

The complex set of market interventions and price regulations not only cause domestic prices and price ratios of agricultural products to diverge from border prices, but also cause differences in prices between domestic markets for the same commodity. Such price distortions affect the allocation of resources, production and consumption patterns and foreign trade.

Several inputs used by agriculture are subsidized, for example, fertiliser, pesticides for cotton, and feeding stuffs; moreover, farmers benefit from indirect subsidies such as low fuel prices, free irrigation water and other infrastructural services. These subsidies to some extent balance the negative income effect resulting from depressed product prices. However, Waterbury (1979) believes that the result of irrigation water being supplied free of charge is increased amounts of water-logging and soil salinity.

A number of studies have shown, that, at least in the 1970s the various distortions have led to effective transfer out of agriculture to the rest of the economy. Richards and Martin (1983) argue that they not only transfer income from agricultural producers to urban consumers who are, on average, better off, but they also tax small farmers more heavily than large farmers. The latter can often avoid government-imposed crop rotations and plant whatever crops they wish.

An important factor that must be taken account of in formulating future policies is the likelihood of a reverse flow of unskilled labour from the Gulf states; with the rapidly increasing population and labour supply in Egypt the tight labour market which has prevailed in recent years may in the future be faced instead with a labour surplus.

The complicated set of area and price controls for agriculture, as suggested earlier, has reduced the profitability of crop activities and raised that of livestock products. Wherever livestock is utilised for the production of meat and milk, female and child labour usually are involved. In contrast, livestock used as draught power in agricultural production usually serves as a complementary input to male labour, for example, in ploughing and threshing, thus releasing female labour for other farm activities. Extensive diversion of livestock to milk and meat, along with the distortion of the price ratio between food and animal fodder, have resulted in a spread of mechanisation in an economy with a considerable amount of unemployment, only partially relieved by migration abroad. Consequently, female and child labour have replaced male labour to some extent. There are disturbing indications of declining elementary school attendance and increasing drop-out rates in rural areas. Such a situation is the unexpected result of partial price controls. Thus, there is a crucial need for an integrated long-run policy package in Egypt. A removal of price distortions all along the line, including those of inputs, is required to restore the balance between crops, livestock and human resources.

## B. IRAQ

### 1. Agriculture

Total GDP at factor cost and at constant prices grew by 6.1 per cent in the 1960s and at the phenomenal rate of 10.5 per cent in the period 1970-78 (World Bank, 1983). Taken in conjunction with the population growth of 3.2 per cent and 3.5 per cent respectively in the two periods, the rate of growth of GDP per head were thus 2.9 per cent per annum and 7 per cent per annum respectively.

In the 1960s agricultural GDP grew at a slightly slower rate than total GDP, namely at 5.7 per cent per annum. However, over the period 1970-78 World Bank (1983) gives a figure of -1.8 per cent, while a figure of 3.4 per cent over the period 1970-80 is given in Alwan (1985). Over 1980-84 total agricultural production (gross) grew at 0.5 per cent (FAO).

Another indication of the poor performance of agriculture in the 1970s is the index of food production per head. This is given as 87 in 1980/82, compared with the base of 100 for the period 1969-71. Agriculture at one time was the dominant sector of the Iraqi economy, but its poor performance and the phenomenal growth of the oil sector in recent years has depressed its share in national income. In 1960 agriculture provided approximately 17 per cent of total GDP (World Bank, 1984); according to Alwan (1985) the share had dropped to about 15 per cent by 1980.

Employment in agriculture was about 53 per cent of the total labour force in 1960, but this had fallen to 42 per cent by 1980. Due to the rapidly increasing population and the poor performance of food and agricultural production, there has been a substantial rise in food imports in recent years. According to Alwan, Iraq in 1978 had the highest food import bill on a per head basis amongst developing countries. The self-sufficiency ratio for wheat declined from approximately 67 per cent in 1974 to 40 per cent in 1981. However, due to the massive increase in oil exports Iraq has been able to maintain a positive balance of trade.

### 2. Agrarian system and rural development

Before the implementation of the first Agrarian Reform Law of 1958, there was a very high degree of concentration of land ownership. Probably about two-thirds of agricultural land was owned by only 2 per cent of the total number of landholders. Farmers with less than 25 hectares constituted about 86 per cent of the total number, but the area held by them was only about 10 per cent.

The first Agrarian Reform Law provided for the following: the imposition of land ceilings and the expropriation of all privately held land in excess of these ceilings; the distribution of the expropriated land to landless peasants and others on smallholdings of 7.5-15 hectares in irrigated areas and 15-30

hectares in rainfed areas; the formation of co-operative institutions with compulsory membership for all land reform beneficiaries; and the regulation of tenancy relations between landowners and tenants. Eviction of tenants was prohibited and the proportions in which produce was to be shared were regulated.

The first agrarian reform were a political success in that the power of the large landowners was ended and the poorest class of the rural population, the fellaheen, were given some stake in the land and a more secure social status. However, from the economic standpoint the reform was not so successful: data on agricultural output indicated that there was a decline in crop production in the years after the land reform. Grain production fell by 17 per cent, rice by 20 per cent and cotton in the region of 16 per cent. However, some of the decline in production may have been due to the continuous drought in the period 1959-61. There were also problems in the distribution of the expropriated land. A high proportion of this land was leased by the Ministry of Agrarian Reform on temporary contracts; this created a feeling of insecurity amongst these tenants. Apparently, the government was uncertain as to whether it was desirable to distribute all the expropriated land to new owners or whether to introduce a collective farming system on this land. After several amendments to the first Agrarian Reform Law it was replaced by the second law in 1970. This provided for the introduction of collective farming, the expansion of state farms, and the continuation of co-operative organizations of smallholdings in the agrarian reform areas. In addition, ceilings on land ownership were reduced, compensation for requisitioned land was abolished, and the distribution of land was not limited to Iraqi citizens but any Arab citizen was allowed to benefit if certain qualifications were met. At present about 85 per cent of cultivated land is under the state farms or co-operatives. The remaining 15 per cent is composed of private farms outside the agrarian reform areas.

The activities of the agricultural co-operatives include provision of credit by the Agricultural Cooperative Bank, marketing, provision of agricultural inputs, machinery services, land reclamation and orchard establishment, and the development of animal production. Collective farms have decreased in number because they have not been a success; they have suffered from poor management and inadequacy of supplies of credit and farming inputs.

The performance of state farms has also not been satisfactory. In 1976 about a quarter of a million hectares were in state farms. In spite of their poor performance the government is still pressing ahead with the development of state farms and attempting to remove the constraints which have troubled them in the past. In 1983 it was decided that these farms should concentrate mainly on the production of crops such as cotton, sugar beets, sugar cane and oil seeds. Some of the state farms have been abolished and together with some newly reclaimed land, areas have been leased on a short- or long-term basis to individuals or companies. An ESCWA consultant's report on state farms recommended that more importance be given to economic principles of farm management, and to decentralisation of decision-making. More participation of employees in farm-level decision-making was also recommended.

Investment in agriculture as a proportion of total investment in the national development plans was about 19 per cent in the early 1970s, falling to about 14 per cent in the second half of the 1970s. However, as the total amount of investment in the national plan greatly increased over the whole period the absolute amount allocated to agriculture rose significantly. Domestic fixed capital formation in agriculture also rose significantly during the 1970s. In the period 1970-75 it averaged about 40 million Iraqi dinars, rising to about 240 million during the period 1975-80 and 570 million Iraqi dinars in 1982. The major part of this capital formation was in infrastructural projects such as irrigation and land reclamation.

As we have seen the rapid growth in other sectors of the economy has encouraged migration from rural to urban areas. There are growing labour shortages in agriculture, particularly at peak seasons. There was apparently an absolute decrease in the economically active population in agriculture between 1975 and 1977. There has, however, been increased participation by women in gainful employment; unfortunately, there are no recent data on the changes in the employment of females in the economy. Due to overall labour shortages, foreign workers, particularly those from Egypt and other Arab countries, have been encouraged to move into the country. In addition, farming families have been brought from these countries to cultivate land in Iraq.

The foreign trade of grain is carried out by state monopoly. Farmers are encouraged to sell their grain production to the State. Purchase prices, which are fixed by the government, are announced at the beginning of the agricultural season. For other crops, such as dates, industrial crops and oil seeds, a minimum purchase price is announced before the season starts, and producers are free to sell to other agencies if they wish. As regards fruit and vegetables the minimum price as well as the consumer price is fixed by the pricing commission for the entire country. These prices are revised periodically.

### 3. Dimensions of rural poverty

In 1956 before the revolution Chenery *et al* (1974) placed Iraq amongst the high inequality countries. The lowest 40 per cent of the population were shown as having only 6.8 per cent of income, whereas the top 20 per cent of the population were receiving 68 per cent of total income. Iraq also had a very high concentration in the distribution of landholdings, probably the highest amongst the Middle Eastern countries. According to household surveys of 1971/72, 1976 and 1979, the situation is now radically different. The bottom 40 per cent of rural households account for about 28 per cent of total expenditure, and the top 20 per cent for about 30 per cent of expenditure.

There is no official poverty line in Iraq so it is not possible to estimate the incidence of poverty. However, it is considered that the following groups may fall into the poverty category: small owner-cultivators whose farm sizes are less than 2.5 hectares constituting about 23 per cent of



the total number of landholders; other small landowners who were beneficiaries of the agrarian reform; sharecroppers who work on land belonging to land owners whose farms are below the ceiling imposed by the agrarian reform laws; farm labourers working on state farms and on some private farms; and shepherds, fishermen, rural artisans and nomads.

A remarkable achievement of Iraq is in the field of education and elimination of illiteracy.

#### 4. Policies and programmes for poverty alleviation

Over the last three decades development programmes and policies in Iraq have undergone a number of changes in their content, objectives and comprehensiveness. The idea of development planning as an integrated set of objectives, social needs and institutional reforms was conceived only after 1959. These were agrarian reform, education and health service development, laws regulating work conditions and social security, and expansion of co-operative organizations and slum clearance and housing projects. After 1968 comprehensive development planning was stressed to maximize economic growth rates and ensure equitable distribution of income amongst all citizens.

The 1976-80 National Development Plan continued to pursue such strategies. It also aimed at deepening socialist transformation of the economy. This included: (i) expansion of the state farms, collectives and co-operatives in agriculture; (ii) control of internal and external trade; (iii) consolidating the public sector industry and co-ordination with the private sector; and (iv) giving special consideration to service projects allocated to governorates and rural areas, such as housing, water supply and electricity projects to eliminate over time the disparity between urban and rural areas.

Several agricultural projects having elements of integrated rural development within them have been established in various parts of the country. The Greater Mussayib project was one of the original settlement projects; about 3,000 families each holding 14-16 hectares, are involved, most of them belonging to co-operatives. Another settlement project is the Al-Khalis project which involves reclamation of 125,000 hectares. The number of prospective beneficiaries is 9,500 families; the total area involved is 184,000 hectares. A criticism of these integrated rural development projects is that they suffer from fragmented organization and management and lack of coordination between and within the ministries concerned. They also suffer from lack of systematic monitoring and evaluation of performance.

At the national level programmes have been implemented for the provision of agricultural inputs and services to small farmers and co-operatives at subsidised prices. The amount of credit granted by the Agricultural Co-operative Bank reached 42 million Iraqi dinars in 1984.

## C. JORDAN

### 1. Agriculture

Over the period 1970-82 the annual growth in overall GDP was 9.3 per cent. However, population growth over this period was at the rate of 2.5 per cent per annum, so the GDP per capita grew at approximately 6.8 per cent per annum. The growth performance was largely due to expansion of the mining sector and to the boom in construction activity, fed by the inflow of migrant workers' remittances. Consumption was able to be greatly in excess of GDP because of the remittances from abroad and because of aid, particularly Arab aid. There has been a high rate of investment and over the period 1976-80 gross fixed investment was about one third of GDP. The growth of agricultural output, however, has been disappointing. Over the period 1970-82 agricultural GDP grew at the rate of only 0.2 per cent per annum. In relation to the 2.5 per cent growth of population this is clearly a negative rate of growth per capita. Thus agriculture, which formed about 14.6 per cent of GDP in 1972, only formed 7.7 per cent by 1980.

Domestic exports have grown over the period 1975-80 at an average rate of 22 per cent per annum. They are characterised by concentration of both products and destination. Phosphate accounts for 42 per cent of total exports, and the neighbouring Arab states receive 70 per cent of Jordanian exports. Imports still exceed exports and the large trade deficit remains a heavy burden. Imported food provides approximately 75 per cent of the population's calorie requirements. There is self-sufficiency only in grapes, citrus, olives, tomatoes, egg plants and eggs.

According to the 1984 World Development Report the share of agricultural labour force in the total labour force declined from about 44 per cent in 1960 to 20 per cent in 1980, and is still declining. According to the Manpower Survey in 1982/83 the proportion of the labour force in the age group 15-34 years was only about 2.9 per cent. Clearly, the agricultural labour force is one increasingly dominated by age groups of more advanced years. However, the figures for the labour force must be treated with caution. There are an unknown number of part-time farmers which are not included in the labour force figures: there are unpaid family workers, especially women, who may be underenumerated, and there are a number of farms worked by occasional workers, mostly non-Jordanians.

### 2. Agrarian system and rural development

There is no specialised institution for rural development in Jordan although several ministries are concerned with rural development. The Higher Agricultural Council formulates general agricultural policy and co-ordinates the different institutions. The Jordan Valley Authority is in charge of the development of the Jordan valley and the Southern Ghors, the Jordan Co-operative Association is responsible for the promotion of the co-operative movement; this movement has spread throughout the country.

The figures on the number and size of holdings are not wholly reliable. However, there appears to be a highly skewed distribution of farm-size. It appears that the top 25 per cent of holdings occupy about 75 per cent of the area. There is the problem of multiplication of holdings by successive division through inheritance. Owner operation is prevalent in rainfed areas, while either renting on a shared or fixed rental basis still dominates in the Jordan Valley. The relationship between landlords and tenants is not regulated and the terms of sharecropping agreements follow various patterns. In the traditional 50:50 system inputs and outputs are equally shared between landlord and tenant, labour costs being paid by the sharecropper. However, there are 60:40 and 67:33 shares also. In 1976 about 78 per cent of the cultivated land was privately owned.

In the Jordan Valley there has been redistribution of land following the completion of the irrigation works on the basis of expropriation with compensation. The 1977 Agrarian Reform Law provided for a minimum of 40 dunums and a maximum of 200 dunums.

The labour force is characterised by a high level of education in general. Only about 19 per cent of the male labour force and about 11 per cent of the female labour force were illiterate as per the Manpower Survey of 1982/3. However, in agriculture 62 per cent of the males and 82 per cent of the females were illiterate. There is a shortage of both skilled and unskilled workers in the labour market because of the high rate of out-migration to the oil producing states. This has attracted a large number of foreign workers into Jordan. According to ILO (1983) about 130,000 foreign workers were working in Jordan whilst about 305,000 Jordanians were working abroad.

### 3. Dimensions of rural poverty

According to FAO (1984) about 17 per cent of the rural population live in absolute poverty while the WCAARD Follow-up Mission, FAO (1981) concluded that about 25 per cent of the rural population live in poverty.

Given the structure of rural employment, there is evidence that the majority of the poor are found in services rather than in agriculture. It is estimated that in the Jordan valley 30 per cent of the farm workers and 25 per cent of the tenants and 15 per cent of the landowning farmers had incomes below the poverty line in 1978, assuming an average family size of 5.2 persons.

It appears that factors associated with rural poverty are: insufficient access to land and credit, a high incidence of illiteracy and large family size. As far as health is concerned, various studies report a high incidence of intestinal diseases, associated with inadequacy of clean drinking water. Other basic services are also lacking in many small villages.

Illiteracy has been vigorously tackled over the last 20 years and has almost been eliminated amongst the younger age groups and the gap between urban and rural areas has been gradually narrowed.

The development of irrigated agriculture in the Jordan Valley and the expansion of Amman with its large increase in employment opportunities and demand for food has led to increasing disparities in regional development. In the Jordan Valley, very high returns per hectare can be obtained. In the rainfed areas population pressure has led to successive divisions of holdings. Many small farmers have sold their land to large farmers and become landless labourers. Within rural areas, a study by ECWA (1983) indicates the large disparities in income distribution with the income of households in the top decile being about 10 times that of the lowest decile. The lowest 40 per cent of rural households accounted for only 18 per cent of expenditure, while the top 20 per cent accounted for 45 per cent of total expenditure. Much of this unequal distribution in agriculture arises from the unequal distribution of holdings. Another contributing factor is access to water through private ownership of wells and water rights. The system of share cropping does not ensure an equal distribution of the output.

#### 4. Policies, programmes and projects for rural poverty alleviation

Over the last two decades investment policies have concentrated on the irrigated rather than the rainfed sector leading to widening disparities between the two. The 1981-85 Development Plan recognizes these problems and calls for the reduction of disparities amongst the various segments of the population to achieve a more equitable distribution of income. In agricultural and rural sectors, the objectives include increases in agricultural output in both the rainfed and irrigated areas; adopting regional and local planning; projects in the rural areas to provide appropriate training for low income groups; and emphasizing peoples' participation, especially for women.

Agriculture and related activities have been exempted from all income tax since the Income Tax Law of 1982. Agricultural inputs and machinery are exempt from import duties and taxes on land transfers have been abolished to facilitate land consolidation. There is a subsidy on water charges and on fuel, and loans are provided through institutional credit at low rates of interest. Prices are controlled through the Ministry of Supply which intervenes in the market through direct imports of wheat and meat, as it possesses a monopoly position for procurement and distribution. Fruit and vegetable farm gate prices and marketing margins are also controlled.

Land redistribution has already been carried out in the northern Jordan Valley. It is to be carried out in the Southern Ghors after the completion of the new irrigation works.

An agricultural research programme is planned to develop irrigated agriculture with an emphasis on the elimination of pests and disease, rainfed agriculture with an emphasis on the adaptation of high-yielding and drought-resistant varieties and the livestock sub-sector, with emphasis on animal productivity through breeding and improved nutrition. Co-operatives are given a central role in the development of the rainfed areas, with responsibility for agricultural machinery and rangeland projects.

It is intended to extend the number of primary health care units in rural areas and to adapt educational curricula to labour market requirements through development of vocational education in the secondary schools.

#### D. SYRIA

##### 1. Agriculture

Total GDP growth over the period 1977-82 was 8.8 per cent per annum. Population growth over the same period was 3.5 per cent per annum so that growth in GDP per capita was approximately 5.3 per cent per annum. GNP per capita growth over the period 1960-82 was 4 per cent per annum.

The World Development Report of 1984 has no data on growth in agricultural GDP; however, according to El-Zoobi (1984) average annual growth of agricultural GDP over the period 1970-78 was 7.2 per cent. In 1981 agriculture provided approximately 19 per cent of total GDP. According to the World Development Report the index of food production per capita in 1982/83 was 168 with a base of 100 for 1969-71. The statement by El-Zoobi that food supplies per head have increased by 4 per cent per year in 1970-77 is approximately consistent with the World Bank figures.

Agricultural exports, chiefly cotton, are important foreign exchange earners for Syria. These were about 24 per cent of total export value. Other agricultural exports include tobacco, fruits, vegetables, wool and hides.

The size of the agricultural labour force is increasing in absolute numbers. The World Development Report shows agriculture as having 54 per cent of the total labour force in 1960, falling to 33 per cent in 1980. However, the latter figure is inconsistent with that of 54 per cent for 1979-80 given in El-Zoobi (1984).

##### 2. Agrarian system and rural development

There have been a series of Agrarian Reform Laws since 1958, involving expropriation, compensation and redistribution. Ceilings on land ownership have been progressively lowered. It was compulsory for beneficiaries of the Agrarian Reform to become members of some sort of co-operative. There are a small number of state farms but about 58 per cent of irrigated land and 77 per cent of the rainfed land is still privately owned.

The size of the farm allocated from the expropriated lands and also from state domain lands is about 9 to 11 hectares per family. The reform probably reduced the proportion of large holdings, i.e. of more than 100 hectares, from about 50 per cent of the land area to about 18 per cent in 1970. About 64 per cent of all small holdings, according to the 1970 Agricultural Census, were less than 6 hectares. In addition, there is a severe problem of fragmentation, even of small holdings.

Minimum wage rates are set for agricultural workers for each farming operation and for each governorate. Wage rates in agriculture are much lower than those in urban areas and, no doubt, contribute to the high migration rates from rural to urban areas.

The Agricultural Cooperative Bank is an official agency responsible for providing credit to agriculture. There are also a number of institutions and agencies established to generate and diffuse new technology in agriculture. These include the seed improvement programme, experimental farms, extension services, the Peasants Union, and the tractor plants. Imports continue to be the major source for most modern inputs, such as tractors and other machinery and fertilizer.

The Five Year Development Plan 1976-80 allocated about 21 per cent of investment to agriculture. By far the largest amount was for the dam on the Euphrates. In the Five Year Development Plan 1981-85 about 17 per cent was allocated to agriculture.

There is a two-tier pricing system in Syria. One is a system of fixed prices. While the other is a semi-free market largely for vegetable and dairy products. The government purchases the major crops at the prices established by the Higher Agricultural Council, the body responsible for overall planning and price fixing in agriculture. Consumer prices are controlled and there are ration cards for sugar, rice and cotton seed oil; bread and flour are sold at subsidised prices. The aim is to effect a gradual substitution of co-operative marketing and marketing by specialized government agencies for private traders.

### 3. Dimensions of rural poverty

There is no official definition of a poverty line in Syria. El-Zoobi (1984), however, gives a figure of 54 per cent for rural poverty incidence. It is thought that the following are likely to live in poverty: smallowner-operators, agrarian reform beneficiaries, landless workers, tenants on temporarily leased state land, sharecroppers, fishermen, shepherds and nomads.

### 4. Policies, programmes and projects for rural poverty alleviation

The objectives for poverty alleviation include the following components: agricultural production growth; income redistribution in favour of the rural poor, including agrarian reform; improvement of marketing and pricing systems in favour of producers; decentralization of government; rural peoples' participation in the process of development; expansion of employment opportunities and improving the quality of life in rural areas in respect of nutrition and social infrastructure.

Multipurpose agricultural co-operatives have been established for the land reform beneficiaries, which provide their members with production requisites and credit and assist them in marketing.

Despite the dramatic increases in rates of enrolment in primary and secondary schools over the last decade, illiteracy, especially among women, is still a major problem. There are still high proportions of villages without schools of any kind. Similar problems are encountered with regard to the distribution of hospitals and primary health centres in rural areas.

## E. PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

### 1. Agriculture

Population growth over the period 1970-82 was approximately 2.2 per cent per annum. GNP through the period 1960-82 grew rapidly, so that per capita growth over that period was 6.4 per cent per annum. However, agriculture has not participated in that growth. Agricultural production has stagnated. With the 1969-71 base as 100, food production per head in 1980-82 was only 92. In 1982 agriculture's contribution had fallen to 12 per cent of total GDP.

The labour force in agriculture, though increasing in absolute numbers, formed only 45 per cent of the labour force in 1980, compared to approximately 70 per cent in 1960. The country, therefore, continues to rely heavily on imported foods which are approximately one third of the value of GDP.

### 2. Agrarian system and rural development

The cooperatives occupy the bulk of the cropped land; about 23 per cent of the cropped land is under state farms; and only about 12 per cent is under single-owner occupation. There are, two types of agricultural co-operatives. The first is the production service co-operative in which members collectively cultivate the land and share costs and returns. The second type is the service co-operative in which each member farms his own land and cultivates individually, while the co-operative provides him with inputs and services. A network of machine renting stations has been established for use by co-operatives, state farms and individuals farmers on a hire basis. There have been problems of maintenance due to lack of spare parts and lack of qualified personnel, although rental charges are well below economic cost. The provision of fertilizers, pesticides, imported seeds, etc. is the responsibility of the Public Corporation for Agricultural Services. Credit is provided solely by the National Bank of Yemen. The Bank has a conservative lending policy, lending only to those who are considered sound. A large number of co-operatives have not been considered credit-worthy in the past.

Improved seed and plant propagation programmes have been adopted for potatoes, wheat, tomatoes and cotton. Animal production takes place in the settled agricultural areas and on state dairy farms and in the nomadic areas.

Prices are largely controlled by the government. In the past prices for many agricultural commodities have been fixed too low. Together with taxation, estimated to be as high as 25 per cent by Beshai (1984), this has not encouraged production and has depressed the incomes of poor farmers.

### 3. Dimensions of rural poverty

There is no official poverty line and no data on the extent of poverty although it accepted that it is a major problem in the country. A figure of 20 per cent incidence of rural poverty is given by FAO (1984).

#### 4. Policies, programmes and projects for rural poverty alleviation

Agrarian reform and the elimination of insecurity of tenure has constituted the spearhead of efforts to reduce rural poverty. The dispersal of rural people over large areas has made it difficult to provide basic social services to the rural population. Free compulsory education for the first 8 years is a declared policy of the government. The overall literacy rate in 1981 was 40 per cent; a great improvement from the time of independence when the rate was about 5 per cent. There are serious health problems and much of the population is affected by parasitic diseases and undernutrition. The aim is to expand health care facilities, especially in the remote rural areas.

Public water supply systems are provided to only about half of the rural population. The rest live in scattered places that are not large enough to warrant the installation of a public water supply.

Apart from the investment in irrigation a number of projects are planned for 1985. These include wadi developments, agricultural service projects, research and extension, rural roads and the bedouin development programme.

### V. CONCLUSIONS AND RECOMMENDATIONS

This report has tried to look at the agrarian systems as a whole and to determine how these could be geared towards the alleviation of rural poverty. In this regard our approach has been pragmatic rather than doctrinaire. Our purpose has been to specify the whole range of measures from the most radical ones to the most modest, leaving it to individual countries to select their own policy-programme packages in the context of their economic and political feasibility. These measures may be logically arranged, in accordance with their importance and their impact on rural poverty alleviation, as follows:

- (a) Land redistribution and land settlement;
- (b) Legislative action (tenancy security, wage legislation, etc.);
- (c) Employment programmes;
- (d) Productivity increase in agriculture;
- (e) Institutional support to agriculture:
  - credit
  - marketing
  - price policy
  - subsidies
  - extension
  - research
  - crop insurance, etc;



- (f) Education and elimination of illiteracy;
- (g) Local government/people's participation;
- (h) Co-operative organizations and labour unions;
- (i) National macro-policies;
- (j) Special programmes for disadvantaged groups.

The issue of agrarian systems and the alleviation of rural poverty was discussed in depth at a joint FAO/ESCWA Expert Consultation on Agrarian Systems and Socio-Economic Implications of Fragmented Holdings in the Near East, which was held at the ESCWA headquarters in Baghdad, from 14 to 16 December 1985.

The conclusions and recommendations of this expert consultation were as follows:

1. The phenomenon of poverty in rural communities is associated with a number of economic and social factors which include the following: the level of per capita income, inequality in the distribution of income, availability of public services, levels of employment, productivity of labour and levels of nutrition. These factors are, in turn, related to investments in the rural areas. Therefore, it was recommended that emphasis be directed towards improving techniques and approaches for definition and measurement of rural poverty, in order to help countries to develop plans and programmes aimed at eliminating poverty in these communities.
2. Despite the importance of economic growth, the effective elimination of poverty in both the short-run and the long-run requires securing an equitable share of the fruits of growth for the rural poor. Empirical evidence has shown that the stronger the rate of economic growth in the economy, the better the chance of it filtering down to the poor groups in the society, including the rural poor. From this stems the particular importance of the concerned institutional structures of the society, in particular the systems of land-use. Thus, the importance attached to agrarian reform was emphasized within the framework of any strategy aimed at eliminating poverty in rural communities.
3. Raising the level of agricultural productivity is a major factor in alleviating rural poverty. According lesser importance to the agricultural sector, the main source of employment and income in rural communities, would lead to open and disguised unemployment and consequently to the spread of the phenomenon of poverty and malnutrition. Therefore, governments of the countries in the region need to increase the resources allocated to agricultural development and to the use of appropriate technologies through an integrated mix of production packages.
4. To overcome the problems of both disguised and open unemployment especially in countries subject to population pressure, other sectors of the economy should be developed enough to absorb the surplus rural labour.

5. Since the poor do not represent a homogeneous social group, it is not expected that the effects of the governmental programmes directed towards them will be uniform. Therefore the concerned member States should develop programmes especially designed for the development of specific social groups such as nomads and semi-nomads, small fishermen and artisans in rural areas.
6. Inter-country migration within the region has played an important role in alleviating poverty in the rural areas of the labour-exporting countries. Yet some aspects of this phenomenon require concrete actions. These aspects include:
  - (a) Lack of adequate and well-conceived opportunities for absorbing the savings of migrating labour in their countries. The governments of labour exporting countries should design viable investment programmes to attract these funds;
  - (b) In view of the expected decline in the job opportunities in the host countries, special programmes for the absorption of the returning national labour should be developed;
  - (c) The existence of a regional labour policy is important for minimizing the adverse effects of migration on both the sending and receiving countries. FAO, ESCWA and other international and regional organizations should take the initiative in this respect.
7. The phenomenon of rural poverty is a complex and multidimensional one. Normally planning aimed at overcoming this problem is usually carried out at a central level without the actual participation of rural organizations. Therefore, it is important that integrated planning be based on effective participation of the rural organizations, in particular the local governments, in all the phases of planning, to secure efficiency of implementation.
8. Land redistribution programmes cannot be considered as the only solutions to rural poverty at all times and under all circumstances. Experience has shown that land redistribution is a necessary but not sufficient condition for integrated development and that it should be complemented by other measures, such as the provision of production tools and services such as agricultural extension, credit, and marketing and other agri-support services.
9. Co-operatives offer the most important means of agricultural development and a basic way for coping with the limitations associated with small and fragmented holdings. However, for the co-operatives to be effective, they should be based on voluntary participation of co-operative members and supported with special programmes for their training.
10. It has been noticed that the traditional tenure systems, especially in nomadic areas, have their own advantages and problems. Therefore, it was recommended that FAO, ESCWA and other international and regional organizations should undertake research related to the development of these systems in such a way that social, economic, and political conditions prevailing in these areas are taken into consideration.

11. It was recommended that the countries of the region adopt integrated policies concerning prices, taxation, subsidies and marketing aimed at promoting agricultural development, the benefits of which should also accrue to small farmers, workers and artisans in the rural areas.

12. Due attention should be given to the rural sector, especially in rainfed areas and rangelands, while designing national development plans.

13. Women play an important role in rural development. Therefore, their activities should be fully supported through integrated programmes especially designed for their guidance and training.