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**INTERACTIVE EXPERT PANEL**

**The empowerment of rural women and their role in poverty and  
hunger eradication, development and current challenges**

**Focus: Economic Empowerment of Rural Women**

**PROMOTING RURAL WOMEN'S ACCESS TO INCOME-  
GENERATING OPPORTUNITIES AND SOCIAL  
PROTECTION**

**by**

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## Introduction

Rural areas are heterogeneous in terms of income generating activities. While agriculture remains the main source of livelihood for the majority of rural population in developing countries, a large proportion of rural households modify their economic activities in a variety of ways under different conditions. Farm households may intensify, extensify or diversify their agricultural production or expand their activities outside agriculture. Rural income diversification is nowadays rather a norm than an exception: among 25 studies conducted on rural income sources in Sub-Saharan Africa, the proportion of non-farm income was on the average 45 per cent of the household's total income.<sup>1</sup>

It is clear also among the OECD countries that farm households derive a significant share of income from non-farm sources. There are several causes pushing or pulling farm households to income diversification, such as risk management, a need to respond to income shocks or invest household resources in expectation of better returns. An OECD study<sup>2</sup> concludes that at the farm household level the diversification patterns are determined by:

1. **Human capital characteristics**, including age, experience, education, training and personal qualities such as the attitude to risk, intelligence, and motivation.
2. **The nature of the farm and farm business**, including its capital base and access to credits, the size of farm, its profitability, land type and related enterprise pattern.
3. **The external environment** in which the farm is situated, which includes proximity of potential demand for diversified output and ease of access to these markets, off-farm employment opportunities, formal and informal local networks, good infrastructure in the form of transport and ICT facilities.

Many of the above diversification determinants apply also to developing countries where the rural households' asset stocks - **human, financial, social, physical and natural capitals** - have been found to shape households' income generating strategies. Household's and its members' initial endowments and access to assets and resources is modified by prevailing social relations, such as gender, institutions and organizations, and influenced also by trends and natural and economic shocks.<sup>3</sup> Rural women's engagement in highly remunerative income sources is often constrained by unequal ownership or restricted access to physical and financial assets, e.g., land and credits.

### **Rural women and income generation and diversification**

The capacity and potential for income generation and diversification differ between men and women. Women, who are usually responsible for day-to-day household duties, often combine income generating activities with these tasks. Beer brewing, oil pressing, small trading activities, pottery making and selling food, which normally require only a little

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<sup>1</sup> Reardon, T. 1997. Using Evidence of of Household Income Diversification to Inform Study of the Rural Nonfarm Labor Market in Africa. *World Development*, 25(5): 735-747.

<sup>2</sup> OECD 2009. *The Role of Agriculture and Farm Household Diversification in the Rural Economy: Evidence and Initial Policy Implications*. TAD/CA/APM/WP(2009)1/FINAL

<sup>3</sup> Ellis, F. 2000. *Rural Livelihoods in Developing Countries*. Oxford University Press.

start-up capital, are typical income earning activities of rural women in Sub-Saharan Africa.<sup>4</sup> Entry barriers, including the need for initial investments, may prevent women from participating and seizing the opportunities offered by the more dynamic segments of the rural non-farm sector.<sup>5</sup> Girls and women in rural areas often have more limited access to education than boys and men, which combined with their household responsibilities means that they are more involved in informal than formal employment. Lack of basic skills, such as literacy, numeracy and negotiating power, and vocational education prevent rural women from speaking for themselves and accessing decent employment in agriculture or outside agriculture.

A rural income diversification study in Eastern Zambia<sup>6</sup> revealed that 30 per cent of the agricultural households' income originated from non-farm activities. This income increased households' expenditure on food and thus had a direct impact on food security. The same study revealed that a binding constraint for income generation was the shortage of labor, which was particularly clear among the households headed by women. These households were unable to expand the size of cultivated land and seize new economic opportunities due to labor constraints. The high prevalence of illnesses in the family, including HIV/AIDS further increased women's domestic workloads and reduced their possibilities to participate in income generating activities. Time poverty is a significant concern for women and girls.

Non-farm activities may, however, be particularly important for women, because involvement in the rural non-farm economy and related additional income may strengthen their decision-making power within the family, help control the family size and improve child nutrition and education<sup>7</sup>.

Because of different employment and income profiles between rural men and women, they are not only affected by the same economic risks differently, but may also face different types of risks.<sup>8</sup> As shocks may have differential impact on men's and women's income, men and women may also respond differently to shocks, using a variety of coping mechanisms. Among the most vulnerable people, income diversification can often be interpreted as a coping mechanism rather than a deliberate choice.

### **Differences prevail also in the OECD countries**

Differences between female and male members of the farm household in terms of the sectors, in which non-farm employment takes place, exist also among the OECD countries.

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<sup>4</sup> Haggblade, S., Hazell, P. & Reardon, T. 2002. Strategies for Stimulating Poverty-Alleviating Growth in the Rural Nonfarm Economy in Developing Countries. EPTD Discussion Paper no.92. IFPRI. Washington D.C.

<sup>5</sup> FAO 2007. Rural Income Generating Activities in Developing Countries: Re-Assessing the Evidence. *electronic Journal of Agricultural and Development Economics*. Vol. 4, No. 1, 2007, pp. 146-193

<sup>6</sup> Karttunen, K. 2009. Rural Income Generation and Diversification. A Case Study in Eastern Zambia. Department of Economics and Management. Publications No. 47. University of Helsinki.

<sup>7</sup> Islam, N. 1997. The Nonfarm Sector and Rural Development. Review of Issues and Evidence. Food, Agriculture, and the Environment Discussion Paper 22. IFPRI. Washington D.C.

<sup>8</sup> Holmes, R. & Jones, N. 2010. Rethinking Social Protection Using a Gender Lens. Synthesis Paper. ODI Working paper 320.

The country reviews<sup>9</sup> revealed that farm women work mainly in professional or managerial occupations in the education, health and community services industries. These occupations are attractive because they are often available on a part-time basis or with timing that is compatible with having responsibility for school-age children and other household chores. Men are more likely to work as laborers and tradespersons, on other farms or in the forestry or fishing industries.

A common feature across the OECD countries is the role of farm household women in the development of alternative income-generating activities. In Germany direct marketing and work related to agri-tourism were important activities of farm women, while an increasing number of women took up off-farm work in order to contribute to farm household income. In contrast to the core farming operation, women had a high involvement in non-farm enterprises in New Zealand, in many cases as the major operator or as a joint operator with their male partner. In Canada, there was a relatively higher level of participation in value-added activities in farms where the person responsible for the farm operation was a woman. A study on rural employment in EU countries reported that it was often the female who initiated and engaged in alternative activities<sup>10</sup>.

With transformation of agriculture and structural changes in the Finnish society during the past decades, the role of agriculture as rural women's employer has declined. Today nearly 90 per cent of Finland's rural women earn their income either from wage work or self-employment outside agriculture. Paid work is often found in educational institutions, health and other social services, public administration, public catering, factories and retailing. Commuting is a common phenomenon in Finland as wage employment is not necessarily available in the neighborhood. An increasing share of rural women runs their own businesses that are typically small in size and represent various fields, such as rural tourism, ICT, child and elderly care services, trading, handicrafts, catering and food processing.<sup>11</sup> Rural women's employment has been supported through entrepreneurial training and targeted credits.

### **In developing countries agriculture plays a major role**

Despite the diversification of rural income sources, agriculture continues to be the most important source of employment for women in rural areas in most developing regions, but this varies widely by region. Almost 70 per cent of employed women in Southern Asia and more than 60 per cent in sub-Saharan Africa work in agriculture. The major exception is Latin America, where agriculture provides a relatively small source of female employment.<sup>12</sup> These figures comprise women as farmers on their own account, as unpaid

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<sup>9</sup> OECD 2009. The Role of Agriculture and Farm Household Diversification in the Rural Economy: Evidence and Initial Policy Implications. TAD/CA/APM/WP(2009)1/FINAL

<sup>10</sup> Ibid.

<sup>11</sup> MMM 2007. Manner-Suomen maaseudun kehittämissuunnitelma 2007-2013 (Rural Development Program for Mainland Finland 2007-2013)

<sup>12</sup> FAO 2011. The State of Food and Agriculture 2010-2011. Women in Agriculture. Closing the Gender Gap for Development. Rome.

workers on family farms, and as paid or unpaid laborers on other farms or agricultural enterprises.

In many regions women's responsibilities in agricultural production have increased as men have migrated to urban areas or abroad in search of better opportunities. The Eastern Zambia case study<sup>13</sup> revealed that woman-headed households that constituted nearly 30 per cent of all agricultural households earned only 66 per cent of man-headed households' income. Women's households cultivated smaller areas, used fewer agricultural inputs and had fewer livestock and other household assets than male-headed households, which affected their capacities to escape from poverty. The significantly lower educational level and higher age of female household heads may also have contributed to the same effect.

The poorest, often woman-headed households in Eastern Zambia supplemented their income by working on part time basis on other people's farms and collecting and selling non-wood forest products as a means of survival. The possibility of women, for example, to migrate outside the home village to look for wage employment was constrained by social norms and women's household responsibilities. Male-headed households had a much higher chance than female-headed households to access cotton growing contracts that were highly appreciated as income sources in Eastern Zambia. This is in compliance with several other studies pointing out that high-value chains usually exclude asset-poor farmers.<sup>14</sup>

Due to its informal nature, both paid and unpaid agricultural work is largely uncovered by labor standards and social protection. New forms of export-oriented crop supply chains have, however, opened better paying employment opportunities for women. In these chains wages are typically higher and working conditions better than in traditional agricultural employment. FAO claims that the incorporation of women in the packing stage of non-traditional agro-export production may be one of the most important developments for rural female employment over the past few decades.<sup>15</sup> This is most prominent in Latin America, and increasingly in Sub-Saharan Africa.

### **Rural women's decent employment and social protection**

Women's and men's jobs differ greatly across sectors, industries, occupations, types of jobs and types of firms. Rural women all over the world appear to be concentrated in low-productivity jobs, e.g. working on small farms, running small enterprises and being overrepresented among unpaid family workers and in the informal sector.<sup>16</sup> There are several causes for women's disadvantaged position in accessing decent income generating opportunities: the role of social institutions; the burden of domestic work and time poverty; unequal access to assets, including land; gender differences in education and training; lack of advocacy power and voice, and differing female preferences that often are ignored in

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<sup>13</sup> Karttunen, K. 2009. Rural Income Generation and Diversification. A Case Study in Eastern Zambia. Department of Economics and Management. Publications No. 47. University of Helsinki.

<sup>14</sup> World Bank 2007. World Development Report 2008. Agriculture for Development. World Bank. Washington DC.

<sup>15</sup> FAO, IFAD and ILO 2010. Gender Dimensions of Agricultural and Rural Employment. Differentiated Pathways Out of Poverty. Rome, 2010

<sup>16</sup> World Bank 2011. World Development Report 2012. Gender Equality and Development. World Bank. Washington DC.

poverty alleviation programs.<sup>17</sup> Addressing these issues requires measures, such as provision of infrastructure, social services and labor-saving technologies as well as legislative and institutional changes that are based on holistic understanding of the gender differentiated capacities and constraints.

Negative impacts of economic and natural shocks and crises are not shared equally between men and women, as gender is a key factor in determining vulnerability to production and food price variability and losses of jobs. Many developing countries are still lacking systems and resources to establish social safety nets to mitigate the impacts of such crises. In cases where employment schemes and insurances exist, they are likely to exclude rural women because they are underrepresented in formal sector employment. Extending such systems to informal workers would serve the interests of rural women.<sup>18</sup> Women working in agriculture are also in a weaker position to change their occupations as a response to economic or environmental changes. Their pathway through the crisis and out of poverty often requires public safety nets and transfers, including food distribution, cash transfers and public works.<sup>19</sup> These programs are essential to prevent rural women from losing all their assets and falling into a poverty trap.

### **More specific data and information needed**

A challenge concerning income analyses is that sex-disaggregated employment, income and time use data are rarely available. An additional constraint is the incomplete information about the value and extent of rural women's unpaid work and asset ownership. This reflects the invisibility of women's work despite its importance for household and community wellbeing. In cases where gender-disaggregated data exist, it is often difficult to deduct, if the data comprise all women or only rural women and further, if all rural women are included or only women in agricultural households.

In addition, the analyses seldom make a difference between the types of rural areas in terms of distance to markets, although geography strongly influences rural women's opportunities. Therefore it is necessary to be more specific: do we talk about women in remote rural areas, in the rural heartland areas, or in rural areas close urban centers? The employment opportunities vary also between countries in a stable political situation and countries in a conflict or post-conflict situation. Better evidence is needed to design policies and measures that will improve rural women's access to income generating opportunities.

For example, the highest rate of rural women's unemployment in Finland is found in remote, sparsely populated rural areas. With lack of opportunities, these areas suffer from

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<sup>17</sup> FAO, IFAD and ILO 2010. Gender Dimensions of Agricultural and Rural Employment. Differentiated Pathways Out of Poverty. Rome, 2010.

<sup>18</sup> Luttrell, C. & Moser, C. 2004. Gender and Social Protection. ODI. Available at: [www.odi.org.uk/resources/docs/1686.pdf](http://www.odi.org.uk/resources/docs/1686.pdf)

<sup>19</sup> FAO, IFAD and ILO 2010. Gender Dimensions of Agricultural and Rural Employment. Differentiated Pathways Out of Poverty. Rome, 2010.

depopulation, with a higher proportion of youth and women leaving creating an unbalanced gender structure. In the rural municipalities close to urban areas the level of wellbeing is higher and average income above the national average.<sup>20</sup> These areas offer good employment opportunities also for women. Experience has proved in Finland that different rural areas call for differentiated rural development measures.

We need also better, localized and gendered understanding of the functioning of the labor, land and credit markets and of the demand for goods and services produced in rural areas in order to realistically analyze constraints and opportunities for rural women's income generation.

### **Promoting rural women's economic empowerment and income generation**

Addressing rural women's economic empowerment efficiently calls for legislative and policy level changes, institutional reforms as well as concrete and small steps at the grassroots level. Closing the gender gap in agriculture and rural development increases agricultural production, improves food and nutrition security, promotes pro-poor growth and strengthens long-term national economic development.

First of all, the development measures should be based on better and context-specific understanding of rural women's income generating capacities, constraints and opportunities. This requires gender disaggregated data collection and analyses and information also on rural women's time use, asset ownership, unpaid and paid work and income as well as on their physical, institutional, social and economic environment.

As the economic disparity between urban and rural areas is increasing in many countries, there is a need for comprehensive, gender-sensitive rural development policies and programs that take the specificities of rural areas into account. In addition, it is necessary to integrate rural development and gender issues into sectoral policies and programs and also monitor the impact of sectoral policy measures on rural development, including their impact on rural women.

Addressing the prevailing gender inequalities in income generation requires institutional reforms that support women's access to education as well as to land, credits and other productive resources. It is also essential for the governments to ensure that laws guarantee equal rights for men and women to control assets and receive services. More equal sharing of the household duties, up-graded social services in rural areas and introduction of labor-saving technologies would free up women's time for more remunerative uses.

Ensuring women's access to decent work requires particular attention. Implementation of international labor standards at the national level through sound labor legislation, codes of

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<sup>20</sup> OECD 2008. Rural Policy Reviews: Finland.



conduct and ethical standards will establish the basis for decent employment.<sup>21</sup> In addition, rural women would benefit from awareness raising and education on labor conditions and employment rights. Tailor made social protection programs that target gender specific vulnerabilities can prevent the most vulnerable women from falling into ever deepening poverty.

The new information and communication technology makes a difference in rural development. In particular mobile phones appear to reduce the physical labor of travel to discover information and the transaction costs of money transfer, and increase the ability of women entrepreneurs to coordinate all their duties also in developing countries.<sup>22</sup> Ensuring that rural women have access to ICT may significantly contribute to their economic empowerment.

The participation of rural women in the preparation and implementation of rural policies and programs is a must. For example the Finnish Rural Development Policy has greatly benefitted from the work of the Women's Working Group for Rural Development that has introduced women's perspectives in a previously male dominated policy. In addition, rural women's active participation in the Local Action Groups has contributed to more gender-sensitive local level development.

Rural women's own organizations play an important role in women's social and economic empowerment. In Finland these organizations have mobilized rural women and established a platform for learning and sharing, raising women's self-esteem and giving them a voice throughout the past decades. Rural female entrepreneurs have also established new organizations, including cooperatives and resource centers, to support networking and collective action in marketing of products and services. Invaluable social capital has been built among rural women through these organizations.

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<sup>21</sup> FAO, IFAD and ILO 2010. Gender Dimensions of Agricultural and Rural Employment. Differentiated Pathways Out of Poverty. Rome, 2010.

<sup>22</sup> Jacobsen, J.2011. The role of technological change in increasing gender equity with a focus on information and communications technology. Background Paper. World Development Report 2012. Available at: <http://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1322671773271/jacobsen-final-draft-april23-2011.pdf>