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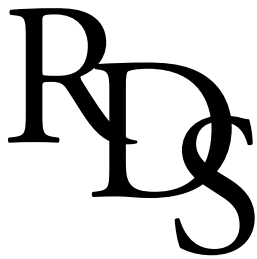
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and its Consequences for their Agricultural Sectors





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Editorial Introduction

Peter M. Ngau
University of Nairobi

Volume 13 of this issue of *Regional Development Studies (RDS)* presents eight selected articles covering diverse aspects of regional development in developing countries. Two articles explore socioeconomic relations at the local level; the first article examines the impacts of social capital on household consumption expenditure in rural Kenya, while the second looks at women's transnational labour migration and empowerment at the household level. The second section consists of three articles examining separate topics in regional development from a national perspective. The first article in this second section is on Japanese environmental aid allocation, while the second is on tourism and poverty reduction in Jamaica, and a third on decentralization in Ghana. The third section also consists of three articles, which present comparative regional perspectives. The first article in this section is on empowering rural administration at the lowest level in Bangladesh and India, while the second one is on regional economic integration in South Asia. The third article in this section is on economic growth and transition in Viet Nam and China and its consequences for their agricultural sectors. The three sets of articles adequately reflect the multiple concerns of local and regional development and present case studies from across the Asian, African, and Caribbean regions.

The first article, entitled "Impacts of Social Capital on Household Consumption Expenditure in Rural Kenya," is by Gabriel N. Kirori, Tabitha W. Kiriti Ng'ang'a, Jane W. K. Mariara, and Germano Mwabu. The article utilizes econometric analysis to examine the relationship between household consumption and social capital. Contrary to what is found in the literature, the authors find a negative effect of aggregate social capital on household expenditure. They explain this result by arguing that households with higher levels of social capital have less need for cash expenditure because they are able to better acquire non-cash consumption and to facilitate household savings. The article is organized into five parts. Part 1 is the introduction which gives the background, research objectives, and significance of the study. The authors observe that formulation of development policy in Kenya has often not taken into account key forms of national resources, particularly social capital. The study seeks to add to the understanding of social capital and survival strategies of the rural households in Kenya as well as contribute to the formulation of rural policy and programmes for combating poverty. Part 2 presents the literature review, covering issues related to the concept and uses of social capital, its role in rural livelihoods and public policy, and effects. Part 3 presents the theoretical framework and research methodology. The authors utilize a modification of Ellis's¹ rural livelihoods framework to derive a model of household expenditure (proxy) for livelihoods as a function of social capital and other covariates. The principal factor analysis is used to reduce the information from twenty-two questions on social capital into five main components, which are then used to carry out a regression analysis in the study. Part 4 presents the results and discussion. It starts with a discussion of the descriptive statistics of the variables used in the study. For example, the data show that membership into groups and networks of the households is high (70 per cent), and there are high levels of cooperation in matters such as solving water problems and contributing time and

money to such projects.

The results of the basic livelihoods model with aggregate social capital and five dimensions are then discussed. This is followed by a discussion of results when they carry out a regression analysis using the five components separately, which enable them to examine the implications of both the private goods and public goods perspectives of social capital. Part 5 gives the conclusion of the study and policy implications. The authors conclude that there is evidence from Nyeri district suggesting that social capital enables poor households to generate livelihood sources of basic needs that support non-monetary forms of transactions. However, the results for the various social capital dimensions differ. The findings of the article suggest the need to promote rural social networks as a strategy for raising standards of living of the poor. Policy initiatives for a possible role of social capital as a resource and a process in facilitating the improvement of livelihoods of rural households in Kenya are advanced.

The second article by Wasana Sampath Handapangoda, titled "Women's Transnational Labour Migration and Empowerment at the Household Level" examines the question as to whether labour migration is empowering for women migrants or not, using the case of Sri Lankan migrant housemaids. Women's migration studies reveal conflicting arguments on the empowerment potential of transnational economic migration to women migrants. According to the author, the question of the empowerment potential of migration to the women ex-migrants rested upon a complex interplay between their increased access to economic resources and some context-specific socio-cultural factors. For the women, labour migration was, therefore, economically empowering and socially disempowering at the same time. The article has six sections, which fall into three broad parts. Part 1 provides the introduction and methodology. Part 2 consisting of sections 3, 4, and 5 provides research findings, while Part 3 forms the conclusion and recommendations. The study was based on an ethnographic survey and the focus group was married Sri Lankan ex-migrant women who had migrated to the Gulf States as low-skilled housemaids. The study applied three indicators of empowerment measurement. In the analysis, the author begins with a brief description of the ex-migrants and the factors which triggered their migration. A comparison is made of their contribution to monthly household income with that of the spouse and other household income providers in the three stages of analysis: before, during, and after migration. Finally, the complex interplay of empowerment factors is analysed as follows: the reversal of social order and the consequent gender conflict at home; the transformation in gender identity and the consequent pressurization at home; internalized gender order and cultural ideologies; and type of family household — nuclear or extended. The author concludes that, in general, labour migration did not necessarily bring about household empowerment for the surveyed ex-migrants, nor was their experience of empowerment sustainable. The study proposes collective mobilization of their horizontal networks as a source of their collective and sustainable empowerment.

The third article, by Monika Figaj, titled "Who Gets Japanese Environmental Assistance?" utilizes econometric analysis to study what factors determine Japanese environmental aid. The article argues that Japanese environmental aid is more influenced by a wide array of factors such as environmental commitment, economic interest, and regional considerations, and not by political factors such as level of democracy, corruption or government effectiveness of the recipient countries. Faced with global environmental problems, there is rising criticism that the amount of environmental aid allocated by donors is substantially insufficient. The premise of this article is that one needs to explore the current environmental aid formulation and implementation process before increasing the amount in order to avoid repeating the same mistakes in the future. The article is organized into five parts. In Part 1, the introduction provides motivation for the study. The objective is to explore the determinants of Japan's global environmental aid distribution and reveal whether aid is distrib-

uted according to environmental, political or economic factors. Part 2 gives the methodology, including choice and categorization of variables and sampling frame. Both logit and linear regression are utilized in the study. Part 3 examines Japanese policy and types of environmental assistance. Part 4 discusses the results of regression analysis and provides answers to four key questions: (a) Is Japanese environmental assistance for the environment? (b) Is Japanese environmental assistance driven by the economy? (c) Is Japanese environmental aid political? and (d) Is Japanese environmental assistance for poor countries? Part 5 of the article concludes that Japanese environmental sustainability aid is allocated according to environmental and non-environmental categories. However, political variables such as corruption levels, government effectiveness, and level of democracy do not seem to matter when distributing funds. The author argues that if Japan remains focused on the environmental factors, funds to mitigate climate change can prove to be more effective and environmental aid efficiently allocated.

The fourth article, "Tourism and Poverty Reduction: The Case of Jamaica," by Christopher Hans Norman Smith utilizes a logit model to judge if the returns from the tourist sector (as far as poverty reduction is concerned) are commensurate with the relatively high level of emphasis and incentives extended to it. The author seeks to determine if the odds of being poor were different for a household in the tourism sector, compared with a household in any other sector. The article is organized into five main parts. Part 1 is the introduction, which serves mainly to provide the rationale for the study. According to the author, a justification very often put forward by the policymakers is that the tourism sector has a great potential, not only to earn foreign exchange but to also provide employment and assist significantly in poverty reduction. This article therefore seeks to determine if the most favoured status enjoyed by the tourism sector is justified as far as poverty reduction is concerned. In Part 2, the author covers literature on tourism in general and the case of Jamaica. The article provides key features of tourism in recent years, growth of the sector, and efforts made by successive Jamaican governments to provide incentives to the sector. At the same time, the article reveals the great strides Jamaica has made in reducing poverty over the past twenty years. Part 3 of the article gives the study methodology and results of data analysis. The author presents the results of a comparison of the consumption levels of households in the tourism sector and those which are not in the tourism sector. Other characteristics of the two categories of households are also presented. The study found that the relationship between poverty status and the sector variable at the household level was not statistically significant, although the household's odds of being poor decreased if it were in the tourism sector compared with a similar situation in another sector. Based on the findings, it is therefore recommended that the government refrain from providing special incentives to the sector, which ultimately is at the expense of other sectors. An option open to the government is to provide a level playing field instead of picking winners.

The fifth article, by Serdar Yilmaz, titled, "Decentralization in Ghana: Local Government Discretion and Accountability," employs what the author calls diagnostic framework to analyse local government discretion and accountability in political, administrative, and fiscal domains. Decentralization reforms entail granting local governments new powers and responsibilities in the three domains. However, ensuring use of such discretionary spaces requires introducing effective systems for upward accountability to higher levels of government, and downward accountability to citizens. The study examines how these approaches have been bridged and balanced and their consequences for Ghana. The article is organized into five main parts. Part 1 forms the introduction, which provides a brief overview of decentralization in Ghana, and the study theme. Part 2 provides a review of literature on decentralization practice in Africa and Ghana, the expected advantages of decentralization, and variations in the forms of decentralization. According to the author, the majority of countries in Africa opted for "controlled decentralization," a term which captures both the

reality of control and the inevitability of decentralization in Africa. The author quotes Crawford, who characterizes decentralization in Ghana “more by political control than by political commitment” and the politics of decentralization as being responsible for a design that is intended to limit the discretionary authority of the local government, and to maintain overall central government control. In Part 3, Ghana’s local government structure is examined, where a three-tier structure has been established and which consist of regional, district, and sub-district levels. According to the author, the effectiveness of regional coordinating councils (RCCs) is questioned as they rarely convene and make decisions with the authority conferred to them. According to the author, district assemblies (DAs) are the most decentralized governments in Ghana. The article elaborates on the three types of DAs, their membership, and committees. Part 4 of the article analyses the three domains of decentralization in local government in Ghana: political, administrative, and financial in terms of spaces for discretion and accountability. The article raises questions on how to deal with the trade-off between national unity and discretionary authority of local governments. Where (administrative, political, and finance) is the trade-off most serious and what can be done to reduce it? Ghana’s system of decentralization comes out as clearly comprehensive, and yet very little progress has been achieved, precisely due to the comprehensiveness of the proposals. In Part 5, the author observes that in Ghana, various governments in the past, after declaring their resolve and commitment to devolve power to local governments, did not follow up with effective and sustained action. The article provides recommendations on how to address shortcomings in the three dimensions of the country’s decentralization.

The sixth article, by Md. Taufiqul Islam, is titled, “Empowering Rural Administration at the Lowest Level: A Comparative Study of Bangladesh and India.” The article seeks to critically examine and compare rural administration in Bangladesh and India. It focuses on empowerment and the capacity of rural administration at the lowest level, and how it differs across the two countries. According to the author, in most South Asian countries, rural authorities are characterized by a weak institutional capacity to deliver public services and promote rural development. However, rural administration in India is relatively empowered compared to other South Asian countries. Therefore, the present study compares the roles and functions of *Union Parishad (UP)* in Bangladesh with *Gram Panchayat (GP)* in India. The article is organized into five parts. The introduction (Part 1) provides the background and motivation of the study. Local government administration in Bangladesh and India are, in many ways, similar due to historical factors, and yet different in their capacities and levels of empowerment for rural administration. According to the author, the functions and roles of rural administration in Bangladesh have remained limited from the time of its establishment, whereas rural administration in India is empowered relative to other South Asian countries. In examining and comparing the rural administration of *UP* and *GP*, the study considers administrative systems, and the roles and functions of staff and committees, and seeks to identify weaknesses and strengths. Part 2 of the article presents the methodological approach covering data collection and approach to the case studies. Part 3 examines the roles and functions of *UP* in Bangladesh. A case study of Machihata Union Prashad is presented to analyse the functions, organizational structure, and roles and remuneration of officials, and examine its income and budget. The author identifies several weaknesses, such as lack of manpower, insufficient budget, and low per capita budget. Part 4 similarly examines the roles and responsibilities of *GP* in India using a case study of Shorat Gram Panchayat in West Bengal. Results of the comparison are then presented and discussed. The main differences between Bangladesh and India arise from the nature of representation, the role of the village council in India, functions, revenue, empowerment of women, staffing, training, and lines of communication and accountability. In Part 5, the author concludes by emphasizing that the key factors that account for the successful implementation of development programmes in *GP* are level of empowerment and existence of effective village councils,

which make them more responsive and accountable to the ordinary villages. On the other hand, *UP* in Bangladesh lacks a clear mandate and has an inappropriate administrative structure.

The seventh article, by Golam Rasul, is titled, "Towards Regional Economic Integration in South Asia: Prospects and Problems." Despite the geographical proximity and similar cultural attributes among South Asian countries that make economic integration feasible, the level of economic integration in the region is low. The article attempts to explore the reasons for low integration in South Asia. The author observes that data from research show that the volume of formal intra-regional trade among South Asian Association for Regional Cooperation (SAARC) countries is very low, resulting in only 5 per cent of the total international trade. However, there is a huge amount of informal trade going on. The article is organized into five parts. Part 1, the introduction, provides the context and justification of the regional economic cooperation for the study. In Part 2, the article provides a conceptual framework. It begins by examining two diverging views for and against regional economic cooperation, which are the trade diversion argument versus the trade creation argument. The author provides the advantages of regional economic cooperation, especially for geographically contiguous countries. Concerning South Asia, the article also explores the current debate between arguments of low trade complementarity versus arguments of unfavourable physical and institutional environment. Part 3 of the article examines the status and potential of economic integration in South Asia. The article shows that despite commonalities and geographical proximities, the status of regional economic integration in the region is very low. At the same time, there is reported huge informal trade. Intra-regional trade is high for small economies, but very low for the two large economies in the region — India and Pakistan. According to the author, there is huge untapped potential for intra-regional trade in the region. Part 4 of the article examines the factors affecting intra-regional trade. It examines physical barriers (poor rail and road connectivity), policy barriers (tariff, non-tariff, and para-tariff), and administrative barriers (rules, regulations, and procedures). In Part 5 (the conclusion), the author argues that for deeper economic integration to take place in the region, it is necessary for South Asia to create an enabling environment by removing physical, institutional, and policy as well as administrative barriers.

The last article in this issue is by Clement A. Tisdell, titled, "Economic Growth and Transition in Viet Nam and China and its Consequences for their Agricultural Sectors: Policy and Agricultural Adjustment Issues." It seeks to examine and compare the consequences for agriculture of economic growth and transition in Viet Nam and China. In both countries, economic reforms have led to rapid economic growth, falling poverty rates, and a significant rise in per capita income. The article examines how economic growth has altered the sectoral demand for labour, and how rising incomes have changed the composition of commodities demanded by consumers in the two countries. The article is organized into four main parts. Part 1, the introduction, provides justification for the study, which seeks to draw lessons by analysing similarities and differences in the two countries while exploring the reforms needed for sustained transformation of the two economies. Part 2 provides a background to market reforms in Viet Nam and China. According to the author, both China and Viet Nam rejected the "big-bang" approach to economic reforms and opted for a more gradual approach to institutional change. Part 3 provides a comparison of Viet Nam and China, paying particular attention to the attributes of their agricultural sector. Three aspects are examined and compared: inter-sectoral change and rural-to-urban migration; the restructuring of agriculture and the growing contribution of livestock production; and changes in the size of agricultural units, non-farm employment, and land rights. In the conclusion (Part 4), the author sums up the broad structural changes in the economies of China and Viet Nam as a result of their economic reforms and growth. Both countries have increased their degree of specialization in labour-intensive agriculture and reduced the same in land-

intensive agriculture. The relative size of Viet Nam's services sector is growing at rate lower than that predicted by theory. In this regard, the article provides good insight in recent agricultural and rural development in Viet Nam and China in comparison.

NOTE

- ¹ F. Ellis, *Rural Livelihoods and Diversity in Developing Countries* (Oxford, UK: Oxford University Press, 2000).