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Francis Mwaura and Librata N. Muhata
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Key Development Policy Issues for the Bahamas

John F. Jones and Asfaw Kumssa
Global Planning: The Best-Laid Schemes
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### CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Author(s)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>iii</td>
<td>Peter M. Ngau</td>
<td>Editorial Introduction</td>
</tr>
<tr>
<td>1</td>
<td>Blessings Chinsinga</td>
<td>Integrating the Voices of the Local People in the Food Security Policy Debate in Malawi</td>
</tr>
<tr>
<td>21</td>
<td>Linet Misati</td>
<td>Social Capital and User-owned Microfinance Organizations: Savings, Loans, and Associational Life in RoSCAs and ASCAs</td>
</tr>
<tr>
<td>41</td>
<td>Rupananda Widanage</td>
<td>Characteristics and Nature of the Food Security Problem of Farming Households: Empirical Evidence from the Moneragala District, Sri Lanka</td>
</tr>
<tr>
<td>65</td>
<td>Francis Mwaura and Librata N. Muhata</td>
<td>The Use of Contingent Valuation to Assess the Community Willingness-to-Pay for the Conservation of Ondiri Swamp, Kikuyu, Kenya</td>
</tr>
<tr>
<td>81</td>
<td>Lekha S. Chakraborty</td>
<td>Fiscal Decentralization and Gender Responsive Budgeting in Mexico: An Empirical Analysis</td>
</tr>
<tr>
<td>105</td>
<td>Nikolaos Karagiannis and Bernard J. Nottage</td>
<td>Key Development Policy Issues for the Bahamas</td>
</tr>
</tbody>
</table>
John F. Jones and Asfaw Kumssa
Global Planning: The Best-Laid Schemes

Book Review

Asfaw Kumssa
Liberty to Live: Human Security and Development

List of Contributors
Editorial Introduction

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Welcome to the twelfth issue of Regional Development Studies (RDS), which also introduces a new cover design for the journal. This RDS issue contains seven articles dealing with two recurring themes in regional development. The first four articles explore local-level development perspectives, that most intimate space of the household economy over which local people strive to exert some degree of collective self-empowerment. Under this theme falls the first article on “integrating the voices of the local people”; followed by the second on “social capital and user-owned microfinance organizations”. The third article is on the “characteristics and nature of the food security problem of farming households,” while the fourth tackles “the use of contingent valuation to assess the community willingness-to-pay”. The second set of articles explores regional- and national-level development perspectives, where development is subordinated more broadly to the global system of market relations. The articles covering the two themes, individually and collectively, focus on a conflict that John Friedmann considers fundamental to human existence, that between life space and economic space.1

The first article, “Integrating the Voices of the Local People in the Food Security Policy Debate in Malawi,” is by Blessings Chinsinga, who explores the potential of what she refers to as the voices of the local people to mediate between competing food security perspectives in order to develop a viable food security framework for Malawi. The article is divided into four main parts. Part one establishes the context, with a brief background to the agricultural sector and food insecurity in Malawi from the mid-1980s, and the challenge for a viable food security policy framework. Part two provides the empirical setting of the study and research methodology. Social mapping and household card-sorting games were utilized to categorize the sampled households into three pre-defined food-security categories, namely: Food Secure (FS), Food Insecure (FI), and Extremely Food Insecure (EFI). The participants in the social mapping exercise were asked to categorize the main features of households in each category. Part three discusses the conceptual and theoretical context of the article in which the three competing food security perspectives are explored, mainly in terms of how they project the role of agriculture in fostering growth, poverty reduction, and food security. The three competing food security perspectives are: the self-sufficiency approach; liberalization of agricultural production and marketing; and strategic institutional building for agricultural development. In part four, the author presents findings on what the local people say about food insecurity. According to the author, the views of the local people about food insecurity offer some useful insights in the task of formulating a viable food security policy framework. While reflecting to varying degrees the main thrusts of the competing perspectives, they demonstrate that: (a) the competing perspectives of food security are not mutually exclusive; and (b) there are striking regional variations regarding how the notion of food security is perceived. This is due to the differences in economic, social, and livelihood structures, which lead to different communities emphasizing different strategies for attaining food security, but which overlap in many ways. This implies that a pragmatic food
security policy framework could be developed if efforts were made to draw from their various strengths in tandem with the local people’s perspectives.

The second article by Linet Misati, “Social Capital and User-owned Microfinance Organizations: Savings, Loans, and Associational Life in RoSCAs and ASCAs,” examines the socio-cultural context in which user-owned microfinance systems operate. The author’s central argument is that local cultures continue to give meaning to economic activity as well as to inspire participation in Rotating Savings and Credit Associations (RoSCAs) and Accumulating Savings and Credit Organizations (ASCAs). The article is organized into three broad sections: an introduction, the theoretical context, and research methodology.

According to the author, recent donor policy in microfinance has tended to promote group-based microfinance systems, but not in user-owned systems. Two key challenges that community-owned and managed financial groups face are that of default and fraud. Attempts to introduce high levels of accountability and transparency, for example through bookkeeping and training, may conflict with the socially and culturally accepted norms of behaviour and sanctions. On the other hand, well developed local systems of group work, cooperation, and reciprocity may enhance the effectiveness with which user-owned financial systems operate.

The author utilizes the concepts of institutions and social capital to explain coordinated actions within collectives, and in particular to understand which forms of social capital facilitates or constrains participation of members in user-owned microfinance organizations (MFOs), especially RoSCAs and ASCAs. In this regard, the social capital of the Luo community is briefly discussed. This includes aspects of culture, social rules and norms, kinship and kin relations, gender and gender relations, trust, reciprocity and reputation, marriage, and age, all of which are crucial in evaluating a member’s potential in terms of savings, loans, and other associational aspects of life in user-owned MFOs. The research design, sampling frame, and study area are described in the final section of part one, as is the research methodology.

Part two consists of two sub-sections; the first examines the socio-cultural institutions influencing savings and borrowing behaviour in the user-owned microfinance institutions, while the second examines the socio-cultural institutions influencing the associational life of members in these organizations. In the first section, the profile of RoSCAs and ASCAs in the Bondo district, Kenya, is presented. Three categories of user-owned MFOs are identified — the “pure” RoSCAs, “pure” ASCAs, and hybrid “RoSCA-cum-ASCA” groups. The majority of MFOs in Bondo belong to the hybrid group (RoSCA-cum-ASCA). In the second section, socio-cultural institutions are examined as to how they influence the associational life of members such as group meetings and group solidarity, and interdependency. The author concludes by pointing out that socio-cultural institutions play a critical role in MFOs. It is recommended that MFOs working with existing RoSCAs and ASCAs should encourage members of such organizations to increase their social capital, especially socio-cultural institutions that have a positive influence on savings, loans, and the associational life of members within their organizations.

The third article, by Rupananda Widanage, is titled, “Characteristics and Nature of the Food Security Problem of Farming Households: Empirical Evidence from the Moneragala District, Sri Lanka”. In this study, the author has used different indications of food security in order to properly understand the food security problem at the household or micro level in rural areas of the Moneragala district. The author argues that macro-level studies on food security often fail to adequately explain the causes of food insecurity at the regional or household level, which are significantly different from those at the national level. The article has three broad parts. Part one examines the concept of food security, and provides a brief profile to the Moneragala district and a methodology for the study. The study utilized a stratified random sampling method for data collection. The total sampling frame was di-
vided into four major strata — marginal farmers, semi-marginal farmers, moderately resource-rich farmers, and resource-rich farmers. Both the questionnaire method and focus group discussions were used to collect quantitative and qualitative data.

Part two of the article presents the major findings of the study on the nature and characteristics of the food security problem of farming households in the Moneragala district, Sri Lanka. Using the Engel coefficient, the authors demonstrate that income poverty is a major source of food insecurity as marginal and semi-marginal farmers spend a considerable amount of their total income on food (93 per cent and 57 per cent, respectively). Other than low incomes, the study shows that food insecurity in the Moneragala district is associated with a decline in the farm gate prices of food commodities, low level of home production, high level of consumption loans, and insufficient food subsidies. Transitory and chronic food insecurity are the two common problems that farming households experience in the district. Households experience transitory food insecurity due to heavy drought, heavy rain or crop destruction by wild animals and diseases, while chronic food insecurity is a result of the low income and poverty of marginal farming households.

Part three concludes by looking at the resulting policy implications of the study. The author recommends a mix of short- and long-term food security policies to address food security problems. The short-term measures include the provision of a safety net for poor farming households to help them avoid hunger and explore ways of acquiring more productive resources that would eventually improve food security. The long-term food security strategy should be associated with an increase in the level of household income or poverty reduction, stabilization of farm gate prices of agricultural commodities, introduction of a minimum wage rate policy for the agricultural sector, and the re-distribution of income and productive assets.

The fourth article is by Francis Mwaura and Librata N. Muhata titled, “The Use of Contingent Valuation to Assess the Community Willingness-to-pay (WTP) for the Conservation of Ondiri Swamp, Kikuyu, Kenya”. The authors aim to establish the prevailing monetary level of the community’s WTP for the conservation of Ondiri Swamp, which is a common property resource providing a variety range of goods and services such as water, pasture, recreation, and a wide range of environmental services to the local people. The article has three main parts: Part one provides the introduction and methodology. The importance of wetlands is highlighted in the introduction. It is observed that wetlands are largely misunderstood or unappreciated by both communities and policymakers, hence their widespread reclamation and conversion. The authors discuss the approaches for economic valuation of environments and the choice of the contingent valuation method (CVM). A brief description of the study area, research design, and methods of data analysis are also presented. Part two presents a discussion of the results of the study. The main consumptive direct uses of the swamp identified in the study were water, substrate, and livestock forage. The main non-consumptive uses of the swamp were identified as recreation and important venue for communal meetings. The authors report on the results of the regression analysis that identified income and gender as significant factors accounting for the local people’s preferences in relation to the swamp environment, although the overall interpretative value of the regression analysis do not give credence to the choice of explanatory variables and the overall estimation model. In conclusion, the article makes recommendations towards greater environmental education and awareness campaigns to enhance the level of public understanding about the value of the wetland. The authors also recommend additional application of CVM to facilitate effective comparative analysis. The article underscores the challenges of realizing environmental conservation under conditions of poverty, as is the case in the immediate surroundings of Ondiri Swamp.
The fifth article, by Lekha S. Chakraborty, “Fiscal Decentralization and Gender Responsive Budgeting in Mexico: An Empirical Analysis,” aims at analysing the scope and limitations of gender responsive budgeting within the overall framework of fiscal decentralization in Mexico. The article is divided into six parts. Part one provides a brief background to Mexico, which has a relatively high per capita GDP and human development index (HDI) on one hand, and wide spatial and social inequalities on the other. Since the 1990s, the country has attempted to establish democracy and decentralization simultaneously. With the advent of fiscal decentralization, there is an impetus towards addressing the issues of growing gender inequalities through gender responsive budgeting at the national and local levels. The rationale for decentralized gender responsive budgeting, which is based on the principle of subsidiarity, is that local governments, which are closer to the citizens, have better information on the gender differentials of the needs and preferences of citizens, and are therefore more efficient in the provisioning of public services at the local level than at the higher levels of society.

Part two attempts to assess the progress made by Mexico in attaining the Millennium Development Goals (MDGs) against the targets and indicators it had defined. The analysis of MDGs disaggregated by regions and sub-groups reveal stark regional disparities in terms of education, infrastructure, poverty, illiteracy levels, and gender inequality. Part three provides a theoretical framework for discussing issues related to fiscal decentralization and gender. Underlying fiscal decentralization are fiscal transfers broadly divided into: (a) general purpose transfers; and (b) specific purpose transfers. The basic objective of fiscal transfers is to offset the fiscal disabilities of power jurisdictions so as to enable them to provide a comparable level of public services at comparable tax rates. Part four examines the fiscal decentralization process in Mexico through a gender lens. The article shows that Mexico is a highly centralized federation characterized by heavy subnational dependence on federal transfers of two main types, unconditional (Ramo 28) and conditional (Ramo 33). It is also observed that there is no evidence of incorporating gender in intergovernmental relations.

Part five analyses the Federal Government’s initiative on gender responsive budgeting in the health sector. The author describes in detail the initiative taken by Mexico on gender budgeting in the health sector. The process has two stages: (a) mainstreaming gender in health policy; and (b) reprioritizing budgetary allocation to reduce the gender gap. The final part of the article looks into Oaxaca’s experience of institutionalizing gender responsive budgeting through a legal fiat. The author observes that the case of Oaxaca demonstrates that legal changes are only necessary, but not sufficient, conditions for the successful integration of gender into local-level budgeting. The article concludes by drawing lessons for fiscal decentralization and gender responsive budgeting.

The sixth article by Nikolaos Karagiannis and Bernard J. Nottage, “Key Development Policy Issues for the Bahamas,” attempts to chart an alternative development approach for the technologically and structurally dependent Caribbean archipelago, which they refer to as a “Bahamian development state framework”. The article is organized into three main parts. Part one offers a critical evaluation of Bahamian economic development and trade during the last three decades, which characterizes the economy as highly dependent on the international market and highly dominated by foreign capital control, which stunts the growth of local enterprise and initiative and results in persistent economic imbalance. In part two, the authors propose the pursuit of developmental state strategies and policies. It is argued that this approach is necessary for building endogenous competency and raising overall competitiveness. It implies a combination of strategic planning and the market. The government has a lead role in providing the “national purpose” and a strong domestic platform, while the strategic planning provided by the technocrats must be democratic and participatory. In this regard, the authors envisage the growth of tourism, which provides an effective stimulus for local agriculture and agro-industrial production. A second require-
ment of the proposed developmental state strategy is that selective economic policies should provide the resources and stimulus to carry out the investments in both working and fixed capital. Under a national strategic planning system and well-conceived and vigorously executed development programmes, trade will serve a different function, rather than those of powerful interests and of the hegemonic centres and the dominant transnational corporations, as is currently the case.

Part three of the article identifies key strategic requirements and offers alternative policy recommendations, which the developmental-state view implies and suggests. Towards this end, the authors provide alternative policy recommendations to the neoliberal rhetoric for the openness of market. They propose a proactive fiscal policy that reorients government functions towards support for public and private investment, and other spending conducive to endogenous growth and competency; is targeted/designed to complement local production; guides investment in long-term projects versus short-term projects for short-run capital gains; and a mixture of inward and outward orientation in development, among others. While drawing considerably from the Asian development experience the authors need to further clearly spell out the balance between state (planning) and market, in particular the place of the market, which has not been adequately elaborated as it appears to substitute the dominance of the market with that of state intervention.

The last article in this volume is by John F. Jones and Asfaw Kumssa. Titled “Global Planning: The Best Laid Schemes,” the authors assess the challenges faced by the international community and developing countries such as Botswana in monitoring and attaining the MDGs. The article also addresses the role of international organizations in establishing development indicators to monitor and evaluate the achievements of development planning intended to prevent poverty and achieve sustainable development. The article is based on analyses of secondary data published by international organizations such as the United Nations and various nongovernmental organizations (NGOs) and relevant government institutions of developing countries.

The article is organized into four parts. Part one, the introduction, discusses the concept and logic behind planning. Part two traces the origins of the MDGs, gives the full list of the MDGs and targets, and reports on the findings of global assessments on the progress in goal achievement based on the annual reports of the MDG Gap Task Force between 2005 and 2008. According to the authors, the initial report (2005) showed that progress was slow and uneven, and that global commitment to the MDGs’ progress has not been adequate enough to ensure their attainment; and that Sub-Saharan Africa is largely off-track on all the goals. Part three focuses on planning and progress made in the case of Botswana. It provides a brief background to the history and structure of development planning in Botswana and presents it as a successful case in economic development since 1967. The country’s impressive economic record (economic growth averaged 9 per cent per annum from 1967 to 2005, and 5.5 per cent from 2003 to 2008) has been built on the foundation of wisely using revenue generated from diamond mining, prudent fiscal policies, and a system of national development planning which is linked to subnational development planning through district development planning and physical planning of settlements and urban areas.

The article presents the country’s progress based on the country MDG Annual Assessment Reports from 2004 to 2008. The reports showed progress in poverty reduction, but depicted challenges in other areas, particularly in taming the HIV/AIDS pandemic. The main difficulties faced by Botswana in the implementation of MDGs and targets include capacity constraints, especially in project implementation, and the low level of concern given to HIV/AIDS, a situation that has contributed to a decline in life expectancy. Later reports also suggest that the implementation timetable was rather unrealistic, but confirmed the government’s determination to stay on course. The article concludes by highlighting the difficulties the international community and the different countries such as Botswana face in meeting the
target date of 2015.

NOTE