

THE OPENING OF THE 3RD INTERNATIONAL STEERING COMMITTEE ON THE ECONOMIC ADVANCEMENT OF RURAL WOMEN

PALACE OF THE GOLDEN HORSES, SG. BESI, KUALA LUMPUR, 22 OCTOBER 1998

May I take this opportunity to bid a warm welcome to all the delegates to Malaysia, and to extend my heartiest congratulations to the International Steering Committee (ISC) for convening its third meeting in Kuala Lumpur. It is gratifying to know that the objective of this Meeting is not only to review the activities for economic advancement of rural women and their families in line with the Geneva Declaration but also to discuss the functions and roles of the members as advocates on behalf of rural women. Commitment to the mandate is reflected in the expanding membership. Ever since your first meeting in Belgium in 1994, I understand that the original membership of 15 has been enlarged to include five members from each of the five regions of the world - Africa, the Americas, Asia and the Pacific, Europe, the Near East and North Africa.

2. The ISC has an important mandate. Promoting the implementation of the Geneva Declaration for Rural Women through the mobilisation of political will and public opinions is not only appropriate but highly strategic for women who hold positions as First Ladies. Your access to high level decision-makers facilitate the moulding and promotion of appropriate national policies and programmes for the economic advancement of women, rural and non-rural who are vital forces as change agents in development and poverty eradication. At no other time would this influence be more critical than now, when we are facing a severe economic contraction in all continents of the world, triggered by currency trading and irrational global capital flows. The creation and enjoyment of global wealth are very uneven and as developing countries continue to struggle with deteriorating terms of trade, debts and structural adjustments, the basic needs of the people are greatly compromised. In these circumstances more women are thrown into the pits of poverty and they remain the poorest of the poor. Poverty is particularly acute for rural women, female headed households, indigenous women, the urban poor and migratory workers. The recession may well be a catalyst for a social and political re-think of domestic and global economic strategy.

3. In every region of the world, a substantial proportion of the population in developing countries live in the rural areas and suburban slums at the margins of megacities. More than 60 percent are women who form the backbone of the agricultural labour force as farmers, petty traders, artisans, industrial home workers, micro producers and domestic servants. They produce 35-45 percent of the Gross Domestic Product as well as 50 percent of the developing world's food. Most still live in abject poverty, lacking access to resources and markets. Despite the deplorable conditions, these women, especially those from the poorest households, are still the prime movers of development, producing food and maintaining the well being of their families. If their contribution to the reproductive sector is taken into consideration, rural women with this burden, contribute an estimated USD11 trillion to rural and national economies.

4. Recognising their contribution, effective and appropriate policies and programmes are being developed to harness the vast untapped potential of talents, skills and knowledge of rural women into the development process in a sustainable manner. The aim is to improve the living standards, to increase productivity and ensure more equitable sharing of the national wealth. Several institutions such as the Grameen Bank, the Association for Social Advancement (ASA), Bangladesh Rural Advancement Committee, the Amanah Ikhtiar Malaysia and Departments of Rural Development have successfully reached out to thousands of poor rural women. Micro-financing, cooperatives, extensive social and health services as well as training, have been effective tools in poverty eradication and generating self reliance amongst thousands of poor women in the rural areas. In Malaysia we succeeded in reducing the poverty level from 49.3 percent in 1970 to 16.5 percent in 1990 and 8.9 percent in 1995. Much more can be done, especially by the private sector, the R&D institutions, international development agencies and national governments to invest in this important segment of human resource by incorporating them as target groups in the transfer of technology, in developing labour and time saving technology that will increase productivity and in the application of information and communication technology. Most important of all are the programmes that target humanitarian and gender sensitive values towards the development of harmonious families which tap the potentials of both male and female family members to become proactive, creative, knowledgeable and productive members of society.

5. The theme "Poverty Amongst Rural women, Their Families and Communities" rings a warning bell in this trying times. It seems timely that a meeting on poverty is held at a time when Asia and possibly the world are in the throes of economic turmoil. A financial crisis brought about by currency speculation and manipulation, which had its beginnings in Thailand in 1997, has now spread to other countries in Asia, resulting in a rapid increase in poverty. In one Asian country with a very big population the reduction in the number below poverty line has now been reversed. Where before only 20 percent were below the poverty line, now almost 50 percent have fallen below the poverty line. The currency devaluation and the subsequent economic recession has hit the rural poor most, in particular the women.

6. The situation is not helped much by self aggrandising pronouncements from speculators with sanctimonious attitudes who appear on international media networks making unjustifiable attacks on the stricken countries and urging investors to pull out their money to invest in more lucrative markets. Their callous call betrays a cruel blindness to the plight of millions of people who have been impoverished by the economic downturn and dehumanises the social costs borne by the countries. When businesses slow down or fold up, millions lose their jobs. People have less money for their food, shelter, health and education. Under-consumption worsens the business situation. People are reduced to a state where they are unable to participate actively in mainstream community life. Thus people are not only poor but are also socially deprived. Joblessness, inflation, food shortages, mental and physical anguish contribute to the social unrest with devastating riots, strikes, protests and political instability are

increasingly being reported in many countries.

7. The 1998 Human Development Report concludes that the financial crisis in East Asia in the past year has caused the biggest set-back to the huge economic and social strides in human development that have occurred over the last three decades. Impressive improvements in longevity, attainment of knowledge and a decent standard of living gained through the hard work of governments to provide better rural health services, safe water and sanitation, nutrition and rapid growth of primary schools, are being thwarted or even wiped away by the loss of Government revenue due to the collapse of the economy and the recession which has set in.

8. No one has been spared. From large corporations to the ordinary men and women in the street, the impact of the credit crunch and high interest rates has been paralysing. Rural women who are already poorer than others in their countries become acutely impoverished. Enhanced economic activities which is acknowledged as the way out of poverty for rural women becomes extremely difficult as such activities require credit to continue functioning.

9. Credit is to business like blood is to the human body. Flight of capital, like haemorrhage, bleeds the business to death. The first thing we should do is to stop the massive bleeding. In a situation where the credit dries up, or analogously when the patient becomes anaemic, we should provide the right supplements such as iron pills or even blood of the right group. If we deny these supplements by raising interests and prices to unaffordable levels we will surely kill the patient. If your business can only make 10 percent profit, a 15 percent interest rate would kill the business. Further if your business depends on imported products, you will want a stable currency so that you are not held hostage to an uncertain and deteriorating exchange rate. I understand that many of those who sell foodstuff such as curry puff depend on imported ingredients such as flour, potatoes, beef and so on. You cannot fix your price if the cost fluctuates with volatile exchange rates. As a small trader hedging against exchange rate changes is beyond you. Your business will fail and you will join the ranks of the poor and the hopeless.

10. The flow of capital from the rich countries to the poor countries should help enrich the poor through job creation and opportunities for businesses, including small businesses in the rural areas. In Malaysia we experienced this beneficial effect when we opened up our country to foreign capital. Our people were paid low wages and working conditions were not as good as in the developed countries. But it was better than being unemployed.

11. But then the capital was suddenly pulled out of the country to be invested elsewhere. The workers lost their jobs; the small traders lost their business. Rapidly poverty came back. The rural poor cannot understand what happened. Worse still they do not know how it happened and how they could prevent it from happening. All that they can do is to accept their sufferings.

12. Governments cannot abandon their responsibilities to the people who

elected them. We see for ourselves the immense misery inflicted on people -- men, women and children -- all over the developing world. International response must be strengthened beyond mobilising financial support. Focus must be on preventing such a crisis from ever happening again and to protect people from the consequences of economic collapse. The assistance of multilateral and bilateral lenders should aim at immediately overcoming the poverty of the already poor directly. Endless discussions on the so-called "new architecture" of the world financial system will not do much good for those who may die in the meantime.

13. At the same time the private sector and the people must also demonstrate their confidence and help the economy grow. At difficult times like this we need everybody to direct all their energies toward getting the economy going. No one is exempted. Each and every individual, men and women, must contribute to the country's recovery based on national interest, which is synonymous with our individual social and economic well being. We are the ones who hold the best chance of saving ourselves from this crisis. Showing desperation and losing confidence will not help anybody but will only make matters worse. We must put our heads together to come up with ways and means to ward off economic threats and instantaneous changes.

14. I have no doubts at all that in your deliberation on poverty amongst women you will give due thought on ways to overcome the additional problems women face that have been caused by the current financial crisis. I would also urge you to look at ways to prevent future ones.

15. With those words and in the name of Allah, the most Benevolent and Merciful, I declare the Third International Steering Committee for the Economic Advancement of Rural Women officially open.