

INSIGHT

ICT Offers New Hope for Poor Farmers



Advances in ICT offer economic opportunities for rural populations and can play a significant role in poverty reduction.

Introduction

Information and communication technology (ICT) offers promising solutions for strengthening development in farming communities. The internet, in particular, has the ability to empower farmers through an array of software services that facilitate access to agricultural information and provide a venue for small rural enterprises to market their produce.

The challenge, however, is in getting farmers and other rural enterprises to adopt new technology. Change is often avoided and resisted.

Promoting awareness and illustrating the benefits of ICT is therefore a central prerequisite to the successful adoption of new technology.

Analysis



A pilot study by the ADB showed that with access to technology, smallholder coffee traders can potentially become key players in the global marketplace. Photo credit: Gerhard Joren/ADB 2010.

Without support from governments and donors, rural businesses tend to shy away from new technologies such as using electronic platforms which they perceive as something beyond their capacities. To elicit such support and encourage ICT acceptance, the Asian Development Bank (ADB) carried out a pilot program and a comprehensive feasibility study to demonstrate the benefits of online electronic trade for small and medium enterprises.

The pilot program was implemented by members of an organization of smallholder coffee farmers in the Lao People's Democratic Republic (Lao PDR) that exports organic coffee to Europe. The study was conducted under the regional cooperation program on agriculture known as the Greater Mekong Subregion Core Agricultural Support Program, which includes six countries, namely Cambodia, the Lao PDR, the People's Republic of China, Myanmar, Thailand, and Viet Nam.

Learn more about the [Greater Mekong Subregion Core Agricultural Support Program](#).

The study confirmed two significant benefits of electronic trade for small businesses: improved efficiency and lower transaction costs, including financial costs of sending documents. Electronic trade promotes transparency of transactions, reduces losses from errors in documentation, streamlines operating procedures, saves on staff cost to travel to town to send hard copy of documents, and saves up to \$200 per consignment of document mailing costs. The study also showed that with proper training and access to technology, small-scale businesses can effectively participate and potentially become key players in the global marketplace.

Insights

ICT systems can play a significant role facilitating trade for smallholder farmers producing organic products, which are highly demanded in the global market. Regional cooperation on cross-border trade of "green" products can potentially hold the key for poverty reduction by protecting the environment and contributing to the health of consumers and producers.

In the Greater Mekong Subregion, the GMS Agriculture Information Network Service (AINS) has been set up as a knowledge sharing facility among the six countries.

Read more about information network [here](#).

GMS-AINS is focused on:

- enhancing coordination and communication among the GMS countries;
- facilitating cross-border agricultural trade and investment; and
- establishing AINS and agri-knowledge platforms.

Within this framework, GMS-AINS can take on the role to promote electronic trade and other ICT tools in agriculture development.

Capacity development in ICT is essential for creating opportunities that lead to rural growth and poverty reduction.

Resources

S. Setboonsarng and C. May. 2015. Paper-Free Trade for Smallholder Farmers: A Pilot Study of a Coffee Association in the Lao People's Democratic Republic. *ADB Southeast Asia Working Paper Series*. No. 10. Manila: Asian Development Bank.

United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNEXt)

Related links

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Meet the expert

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