

## Agriculture And Poverty Reduction A Critical Assessment

**This book examines the role of agriculture in the economic transformation of developing low- and middle-income countries and explores means for accelerating agricultural growth and poverty reduction. In this volume, Mellor measures by household class the employment impact of alternative agricultural growth rates and land tenure systems, and impact on cereal consumption and food security. The book provides detailed analysis of each element of agricultural modernization, emphasizing the central role of government in accelerated growth in private sector dominated agriculture. The book differs from the bulk of current conventional wisdom in its placement of the non-poor small commercial farmer at the center of growth, and explains how growth translates into poverty reduction. This new book is a follow up to Mellor's classic, prize-winning text, *The Economics of Agricultural Development*.**

**In many places, growing population, in conjunction with efforts to increase food security, is escalating pressure to expand agriculture within wetlands. The environmental impact of wetland agriculture can have profound social and economic repercussions for people dependent on ecosystem services other than those provided directly by agriculture. If wetlands are not used sustainably, the functions which support agriculture, as well as other food security and ecosystem services, are undermined. This report synthesizes findings from multidisciplinary studies conducted into sustainable wetland agriculture by IWMI and partners in Africa and Asia. It highlights the value of wetland agriculture for poverty reduction as well as the need for more systematic planning that takes into account trade-offs in the multiple services that wetlands provide. The importance of agricultural growth to poverty reduction is well known, but the specific channels through which the poor can take advantage of growth require further research. This publication takes on this challenge, investigating four important channels: rural labor markets, farm incomes, food prices, and linkages to other economic sectors. Using six developing country cases (Chile, Mexico, India, Indonesia, Ghana, South Africa), this study elucidates the mechanisms linking agriculture growth to economic development and the wellbeing of the poor. The evidence shows that governments should view the sector's contribution in wider terms, recognizing both its interaction with other economic sectors, and that labor markets and trade policies can play a critical role in mediating agriculture's impact on poor households' incomes. To achieve effective rural poverty strategies the book calls for a broad economy-wide perspective on the role of agriculture in the overall growth process.--Publisher's description.**

**Economic Growth and Poverty Reduction in Sub-Saharan Africa**

**Agriculture, Economic Growth and Poverty Reduction**

**Analysis of alternative routes of public investment in agriculture and their impact on economic growth and rural poverty reduction in Nicaragua**

**Agricultural Growth and Poverty Reduction**

**The Future of Small Farms for Poverty Reduction and Growth**

**The Role of Agriculture in Economic Development and Poverty Reduction**

In recent years, development policy has responded to an increasing concern about natural resource degradation by setting up innovative payment for environmental services (PES) programs in developing countries. PES programs use market and institutional incentives in order to meet both environmental and poverty alleviation objectives. However, their optimal design, implications for the rural poor, and how these initiatives integrate into international treaties on global warming and biodiversity loss are still being discussed. This book addresses these issues by scrutinizing analytical tools, providing policy insights and stimulating debate on linkages between poverty alleviation and environmental protection. In particular, it turns attention towards the role of environmental services in agricultural landscapes as they provide a living for many poor in developing countries. It serves as a valuable reference for academics and students in various disciplines, as well as for policy makers and advisors. This book is a co-publication between Springer and the Food and Agriculture Organization of the United Nations.

The rural economy in Bangladesh has powerfully advanced economic growth and substantially reduced poverty, especially since 2000, but the remarkable transformation and unprecedented dynamism in rural Bangladesh remain an underexplored, underappreciated, and largely untold story. *Dynamics of Rural Growth in Bangladesh: Sustaining Poverty Reduction* tells that story and inquires what specific actions Bangladesh might take—given the residual poverty and persistent malnutrition—to accelerate and channel its rural dynamism to sustain the gains in eliminating poverty, achieving shared prosperity, and advancing national aspirations to achieve middle-income status. The central element of this study, undertaken with the Government of Bangladesh Planning Commission to address key questions elicited through extensive consultation, is an empirical analysis that illuminates the underlying dynamics of rural growth, particularly the role of agriculture and its relationship to the nonfarm economy. Using all sources of data available for the macro-, meso-, and microhousehold levels, the analysis provides new evidence on changes in the rural economy and the principal drivers of rural incomes. It also examines market performance for high-value agricultural products and agriculture—nutrition linkages, based on new surveys and analysis. The resulting evidence, examined in light of the rich knowledge of rural development in Bangladesh, is used to delineate the implications for policy and the strategic priorities for sustaining future rural development, poverty reduction, food security, and nutrition. The effects of policy reforms, changes in technology, and investments in infrastructure and human capital described here, along with the persistent enterprise of rural Bangladeshi households, offer a compelling case study of how mutually reinforcing actions can trigger the highly-sought-after virtuous cycle of rural development. The findings clearly demonstrate the pro-poor nature of agricultural growth and its catalytic role in stimulating the rural nonfarm economy. They show that households have no linear or predictable pathway out of poverty; instead, they wisely employ a combination of farm and nonfarm income strategies to climb out of, and then stay out of, poverty. The results represent a strong contribution to the global thinking

on rural transformation and on how agriculture in particular sustains the economic momentum that fosters poverty reduction and more widespread prosperity.

This book synthesizes the findings of a longer work which sets out a strategy for raising rural incomes.

Economic Importance of Agriculture for Poverty Reduction

Agricultural Policies for Poverty Reduction A Synthesis

Decent rural employment, productivity effects and poverty reduction in sub-Saharan Africa

Agricultural Growth and Investment Options for Poverty Reduction in Malawi

Impacts of agricultural investments on growth and poverty: A review of literature

Growth and Poverty Reduction

Down to Earth Agriculture and Poverty Reduction in Africa World Bank Publications

The role of agriculture in development remains much debated. This paper takes an empirical perspective and focuses on poverty, as opposed to growth alone. The contribution of a sector to poverty reduction is shown to depend on its own growth performance, its indirect impact on growth in other sectors, the extent to which poor people participate in the sector, and the size of the sector in the overall economy.

Bringing together these different effects using cross-country econometric evidence indicates that agriculture is significantly more effective than non-agriculture in reducing poverty among the poorest of the poor (as reflected in the \$1-day squared poverty gap). It is also up to 3.2 times better at reducing \$1-day headcount poverty in low-income and resource-rich countries (including those in sub-Saharan Africa), at least when societies are not fundamentally unequal. However, when it comes to the better-off poor (reflected in the \$2-day measure), non-agriculture has the edge. These results are driven by the much larger participation of poorer households in growth from agriculture and the lower poverty-reducing effect of non-agriculture in the presence of extractive industries. -- agriculture ; economic growth ; poverty ; sub-Saharan Africa

the group to understand the poverty implication of trade policy reforms."

Promoting Growth with Poverty Reduction

Down to Earth

Some Issues and Evidence

Wetlands, agriculture and poverty reduction

The Role of Agriculture : a DFID Policy Paper

This volume sets out a strategy for raising rural incomes which emphasises the creation of diversified rural economies with opportunities within and outside agriculture.

The nature and extent of poverty; How agricultural research can help the poor; On-farm productivity impacts; Impact on Inter-regional migration; Impact on the nonfarm economy; Impact on food prices and diet quality; Targeting agricultural research to benefit the poor; Strategies for pro-poor agricultural research; Research strategies for smallholder farmers, for landless laborers and for more nutritious foods; The role of public research and extension systems.

The world's demand for food is expected to double within the next 50 years, while the natural resources that sustain agriculture will become increasingly scarce, degraded, and vulnerable to the effects of climate change. In many poor countries, agriculture accounts for at least 40 percent of GDP and 80 percent of employment. At the same time, about 70 percent of the world's poor live in rural areas and most depend on agriculture for their livelihoods. 'World Development Report 2008' seeks to assess where, when, and how agriculture can be an effective instrument for economic development, especially development that favors the poor. It examines several broad questions: How has agriculture changed in developing countries in the past 20 years? What are the important new challenges and opportunities for agriculture? Which new sources of agricultural growth can be captured cost effectively in particular in poor countries with large agricultural sectors as in Africa? How can agricultural growth be made more effective for poverty reduction? How can governments facilitate the transition of large populations out of agriculture, without simply transferring the burden of rural poverty to urban areas? How can the natural resource endowment for agriculture be protected? How can agriculture's negative environmental effects be contained? This year's report marks the 30th year the World Bank has been publishing the 'World Development Report'.

Improving Farmers' Livelihoods in a Changing World

Dynamics of Rural Growth in Bangladesh

Agricultural Development and Economic Transformation

International Fund for Agricultural Development (IFAD) and the importance of agriculture development in sustainable global poverty reduction : hearing

Reducing Poverty Through Agricultural Sector Strategies in Eastern and Southern Africa

Agricultural Trade Reform and Poverty Reduction in Developing Countries

Of the estimated 1 billion people in the developing world who survive in conditions of extreme poverty, 70 percent live in Asia. The majority of these people live in rural areas and agriculture is their main occupation. Most of the rural poor are small and marginal farmers, landless agricultural workers, fisherfolk, artisans, female headed households, the aged and infirm, and children. The incidence of poverty is highest among female heads of households and children.

The seminar on "Poverty Alleviation through Agricultural Projects" provided thirty development practitioners with an opportunity to consider strategies, policies, and practices that help alleviate rural poverty. The seminar discussed four key issues of relevance to policy makers: (1) poverty cannot be measured by income alone; (2) poverty cannot be alleviated through a short-term, piecemeal approach; (3) agricultural projects constitute one of the many means

available to governments for alleviating rural poverty; and (4) the role of public sector in poverty alleviation needs to be reconsidered.

While Sub-Saharan Africa has undergone an important growth recovery, of more interest is the impact of this on the conditions of those living on the continent. This book reviews many of the issues, which are particularly important in making economic growth more effective in reducing poverty. These include the extent to which agriculture, especially small-scale agriculture, shares in this growth; the extent of employment creation associated with growth; the nature of industrialization accompanying growth; and the impact of globalization. The volume surveys the risks and opportunities in each of these areas, with a view to understanding how growth can be associated with a better record of poverty reduction.

This note is based on findings produced under the Harmonized Support for Agriculture Development project (HSAD) managed by the International Center for Agricultural Research in the Dry Areas (ICARDA); financed by the United States Agency for International Development (USAID); and implemented in partnership with the Iraqi Ministry of Agriculture, the Iraqi Kurdistan Region (IKR) Ministry of Agriculture and Water Resources, ICARDA, the International Food Policy Research Institute (IFPRI), and the University Consortium (UCON) of Texas A&M; University of California, Davis; University of Illinois at Urbana-Champaign; and University of Florida.

Report on a Seminar Held Jointly by the Asian Development Bank, the Centre on Integrated Rural Development for Asia and the Pacific, and the Economic Development Institute of the World Bank

Farming Systems and Poverty

Agriculture for Development

Structural change and poverty reduction in Ethiopia: Economy-wide analysis of the evolving role of agriculture

Unlocking the Potential ; a DFID Policy Paper

An Empirical and Conceptual Foundation

*This book examines the role of agriculture in the economic transformation of developing low- and middle-income countries and explores means for accelerating agricultural growth and poverty reduction. In this volume, Mellor measures by household class the employment impact of alternative agricultural growth rates and land tenure systems, and impact on cereal consumption and food security. The book provides detailed analysis of each element of agricultural modernization, emphasizing the central role of government in accelerated growth in private sector dominated agriculture. The book differs from the bulk of current conventional wisdom in its placement of the non-poor small commercial farmer at the center of growth, and explains how growth translates into poverty reduction. This new book is a follow up to Mellor's classic, prize-winning text, The Economics of Agricultural Development. Listed as a Best Books of 2017: Economics by Financial Times.*

*This paper explores these issues for Ethiopia utilizing an economy-wide computable general equilibrium (CGE) model based on a detailed social accounting matrix (SAM). We present the results of four alternative investment scenarios -- faster investment in i) cities; ii) crop agriculture; iii) the rural non-farm sector and agro-industry; and iv) livestock. The simulations suggest that investments in cities generate faster economic growth and structural transformation. However, given the large share of the population with incomes linked to agriculture and the rural economy, investments in the rural economy are likely to continue to be more pro-poor than urban public investments through the mid-2020s. After the mid-2020s, investments in cities become more pro-poor. In short, though rapid economic growth and structural transformation have diminished the relative importance of the agricultural sector in Ethiopia's economy, continued public investments in agriculture and the broader agri-food system remain crucial for equity and poverty alleviation in Ethiopia, as well as for reducing food import dependency.*

*In the face of the economic downturn that Nicaragua experienced in 2018 and the need for a recovery, the study provides a comparative analysis of how investments in productive infrastructure in different agri-food sectors would impact growth and poverty. The analysis is based on scenarios generated through an economy-wide model representing the Nicaraguan economy and its sectors. The model includes financing constraints and the study explores different financing options for the new investments.*

Payment for Environmental Services in Agricultural Landscapes

World Development Report 2008

Beyond Food Production

An Empirical Perspective

Agriculture and Poverty Reduction

Poverty Alleviation Through Agricultural Projects

*The importance of agricultural growth to poverty reduction is well known, but the specific channels through which the poor can take advantage of growth require further research. Bresciani and Valdés investigate four important channels: rural labour markets, farm incomes, food prices, and linkages to other economic sectors. Part 1 looks at the synthesis and theoretical background and part 2 is country case studies*

*The relative contribution of a sector to poverty reduction is shown to depend on its direct and indirect growth effects as well as its participation effect. The paper assesses how these effects compare between agriculture and non-agriculture by reviewing the literature and by analyzing cross-country national accounts and poverty data from household surveys.*

*Special attention is given to Sub-Saharan Africa. While the direct growth effect of agriculture on poverty reduction is likely to be smaller than that of non-agriculture (though not because of inherently inferior productivity growth), the indirect growth effect of agriculture (through its linkages with nonagriculture) appears substantial and at least as large as the reverse feedback effect. The poor participate much more in growth in the agricultural sector, especially in low-income countries, resulting in much larger poverty reduction impact. Together, these findings support the overall premise that enhancing agricultural productivity is the critical entry-point in designing effective poverty reduction strategies, including in Sub-Saharan Africa. Yet, to maximize the poverty reducing effects, the right agricultural technology and investments must be pursued, underscoring the need for much more country specific analysis of the structure and institutional organization of the rural economy in designing poverty reduction strategies.*

*This book provides a blueprint for the allocation of public expenditures "in" and "for" agriculture at the dis-aggregated*

state level and suggests a reorientation in favour of disadvantaged regions where the marginal returns on additional investments would be higher. It provides insights into the inter-linkages between public expenditures, private investment, rural poverty, and agriculture productivity from a regional perspective to reflect upon spatial differences in the welfare effects of various investments, subsidies, and policies. The book focuses on agricultural growth and rural poverty reduction through public and private investments, non-farm employment, and other pathways to the formulation of appropriate policies at the dis-aggregated state level. It presents new evidence based on advanced econometric tools for analysing and understanding the relationship between public and private investments in agriculture and input subsidies (fertilizer, power, irrigation, and credit) together with their impacts at the dis-aggregated state level. The book also deliberates on an income based direct support system for farmers as an alternative to the existing input price subsidy regime. Accordingly, the book offers valuable insights not only for researchers working on poverty alleviation, rural economy, and agricultural growth, but also for policymakers.

*Economic Policies and Poverty Reduction in Developing Countries*

*A Synthesis*

*Sustaining Poverty Reduction*

*Agricultural growth is good for poverty reduction and female-headed households in Iraq*

*Agricultural Progress and Poverty Reduction*

*Agricultural Research and Poverty Reduction*

Although Rwanda has made considerable progress in recovering politically and economically from the devastating effects of the genocide, the poverty rate is still higher and the gross domestic product lower than before the genocide. Poverty reduction and economic growth would receive much-needed support from increased agricultural growth. This study assesses alternative agricultural development strategies, identifying areas in which policy reforms, together with public and private investment, can best promote Rwandan agriculture. The authors evaluate the potential of several different agricultural subsectors—grains, root crops, livestock, and others—to contribute to national agricultural growth and poverty reduction. They conclude that growth in staple crops, particularly root crops such as cassava and potatoes, has the greatest potential to encourage economywide growth and poverty reduction. Promoting the necessary staple crop growth will require the allocation of public resources to the agricultural sector to increase significantly, reaching 10 percent of the total government budget. It will also require rethinking Rwanda's earlier emphasis on promoting export crop growth, which has proved inadequate in encouraging poverty reduction while also posing environmental problems. This study makes an important contribution to the debate over the most effective development strategies for Rwanda and other Sub-Saharan African nations. [Show More](#) [Show Less](#)

This book contributes to the debate about the role of agriculture in poverty reduction by addressing three sets of questions: investing in agriculture enhance/harm overall economic growth, and if so, under what conditions? Do poor people tend to participate more/less in growth in agriculture than in growth in other sectors, and if so, when? If a focus on agriculture would tend to yield participation by the poor, but slower overall growth, which strategy would tend to have the largest payoff in terms of poverty reduction, and under which conditions?

A joint FAO and World Bank study which shows how the farming systems approach can be used to identify priorities for the reduction of hunger and poverty in the main farming systems of the six major developing regions of the world.

*Targeting Investments and Input Subsidies*

*The (evolving) Role of Agriculture in Poverty Reduction*

*Agricultural Growth and Rural Poverty Reduction in India*

*Agriculture and Poverty Reduction in Africa*

*The Role of Agriculture in Poverty Reduction*

*Synthesis Report*

***Agricultural development is crucial in developing countries, and particularly in the poorest countries where it accounts for large shares of employment and income and whose poverty is due simply to having a large share of the workforce in low-productivity agriculture. Raising productivity in agriculture is critically important for development, as is smoothly moving workers out of agriculture into more productive employment in other sectors. Raising agricultural productivity helps both to raise incomes and to reduce poverty—both by raising the incomes of poor people working in agriculture and by lowering the prices of foods that make up a disproportionately large share of the expenditures of poor people. In small and open economies, the increase in profitability of agriculture following improvements in productivity might tend to retain or even attract workers into agriculture. By contrast, at a global level, or at national level when policy focusses on self-sufficiency, improvements in agricultural productivity will free up labor for employment in other sectors. Incomes are generally much higher in non-agricultural work in developing countries—more than double those in agriculture after careful adjustment for key differences. This raises the possibility of a double dividend from structural transformation as workers move into higher-productivity activities. A key question for development policy is whether it is enough to simply evaluate the gains from higher productivity within agriculture, or whether potential benefits from structural change be included as well. This paper examines the arguments on this question. It concludes that these dividends may be substantial—but whether they are or not depends on the source of the initial differences in productivity and on the direction of movement when agricultural productivity rises. If it results from policy barriers such as restrictions on the transfer of farmland or requirements for residence permits in urban areas, there are likely to be substantial welfare gains when labor moves out of agriculture. They may also be substantial if urban wages are artificially high and attract substantial numbers of job-waiters into unemployment. However, these gains may be illusory if the income gaps arise primarily from differences in skills or from reluctance to move created by asset fixity.***

***Promoting decent rural employment, by creating new jobs in rural areas and upgrading the existing ones, could be one of the most efficient pathways to reduce rural poverty. This paper systematically investigates the impact of decent rural employment on agricultural production efficiency in sub-Saharan African countries, taking Ethiopia and Tanzania as case countries. The analysis applies an output-oriented distance function approach with an estimation procedure that accounts for different technological, demographic, socio-economic, institutional and decent rural employment indicators. Data of the most recent round of Living Standards Measurement Study-Integrated Surveys on Agriculture (LSMS-ISA) for the two countries are used, and a set of indicators are derived to proxy core dimensions of decent rural***

**employment. The findings of our analysis show that decent rural employment contributes to agricultural production efficiency.**

**Current and Emerging Issues**

**Agricultural Growth and Investment Options for Poverty Reduction in Rwanda**

**Agricultural Policies for Poverty Reduction**