LIVELIHOOD STRATEGIES IN RURAL AFRICAN VILLAGES

Authors

Mark Musumba

Department of Agricultural and Biological Engineering

Institute for Sustainable Food Systems

University of Florida

mmusumba@ufl.edu

Cheryl A. Palm

Department of Agricultural and Biological Engineering

Institute for Sustainable Food Systems

University of Florida

cpalm@ufl.edu

Adam M. Komarek

International Food Policy Research Institute

A.komarek@cgiar.org

Selected Poster prepared for presentation at the 2018 Agricultural & Applied Economics Association Annual Meeting, Washington, D.C., August 5 - 7, 2018

LIVELIHOOD STRATEGIES IN RURAL AFRICAN VILLAGES

UF | IFAS UNIVERSITY of FLORIDA — Institute for Sustainable Food Systems

UF | IFAS UNIVERSITY of FLORIDA — Institute for Sustainable Food Systems

[1]Mark Musumba, [1]Cheryl A. Palm, and [2]Adam Komarek

[1]Institute for Sustainable Food Systems – Agricultural and Biological Engineering, University of Florida; and [2]International Food Policy Research Institute

Abstract:

In this study, we use two waves of household panel data from six farming systems in eight countries to examine spatial and year-to-year variability in income diversification and its implications for household income and poverty. Analysis of the household data indicate that on average over 70% of households have a diversified portfolio of more than one income-generating activity, but there was heterogeneity in diversification levels, resources, and livelihoods across and within villages. Non-farm income is a key income generating activity across all villages but agricultural income remains the key income activity

➢Introduction

➢ Diversification is a common livelihood strategy for tens of millions of households in rural sub-Saharan Africa (SSA), with a complex mix of push and pull factors making diversification either a choice or necessity depending on local contexts.

➢ Literature has indicated that ‘survival led’ diversification is driven by push factors and ‘opportunity-led’ diversification is driven by pull factors (Ellis,1998 ; Barrett et al., 2001). Pull factors are associated with the goal of profit maximization or wealth accumulation (Escobal, 2001).

➢ The gap in understanding the complex livelihood strategies of the rural household has continued the empirical debate to examine whether diversification of income generating activities is pervasive and if so, what factors may be driving these strategies (Ellis, 1998; Corral and Radchenko, 2017; Davis et al., 2017).

Objective:

➢Using two waves of survey data from 8 rural villages in distinct farming systems across SSA, we examine income diversification activities and compare the factors that affect diversification within and across villages. Our study seeks to examine: 1) patterns in income generating activities and levels of diversification that exist within and across villages; 2) factors that are associated with income diversification.

Data and Methods

- We use household data from two survey waves from 8 Millennium villages (MVs) for the year 2009 and 2011. Only households that were surveyed in both years are used to create a balanced panel data set.
- A Simpson index of diversification is used the measure of income diversification
- Income generating activities considered are:
  - Crop production, livestock production, and non-farm income.
- Exploratory analysis
  - Descriptive statistic
- Econometric analysis
  - Preliminary results from this analysis are not presented

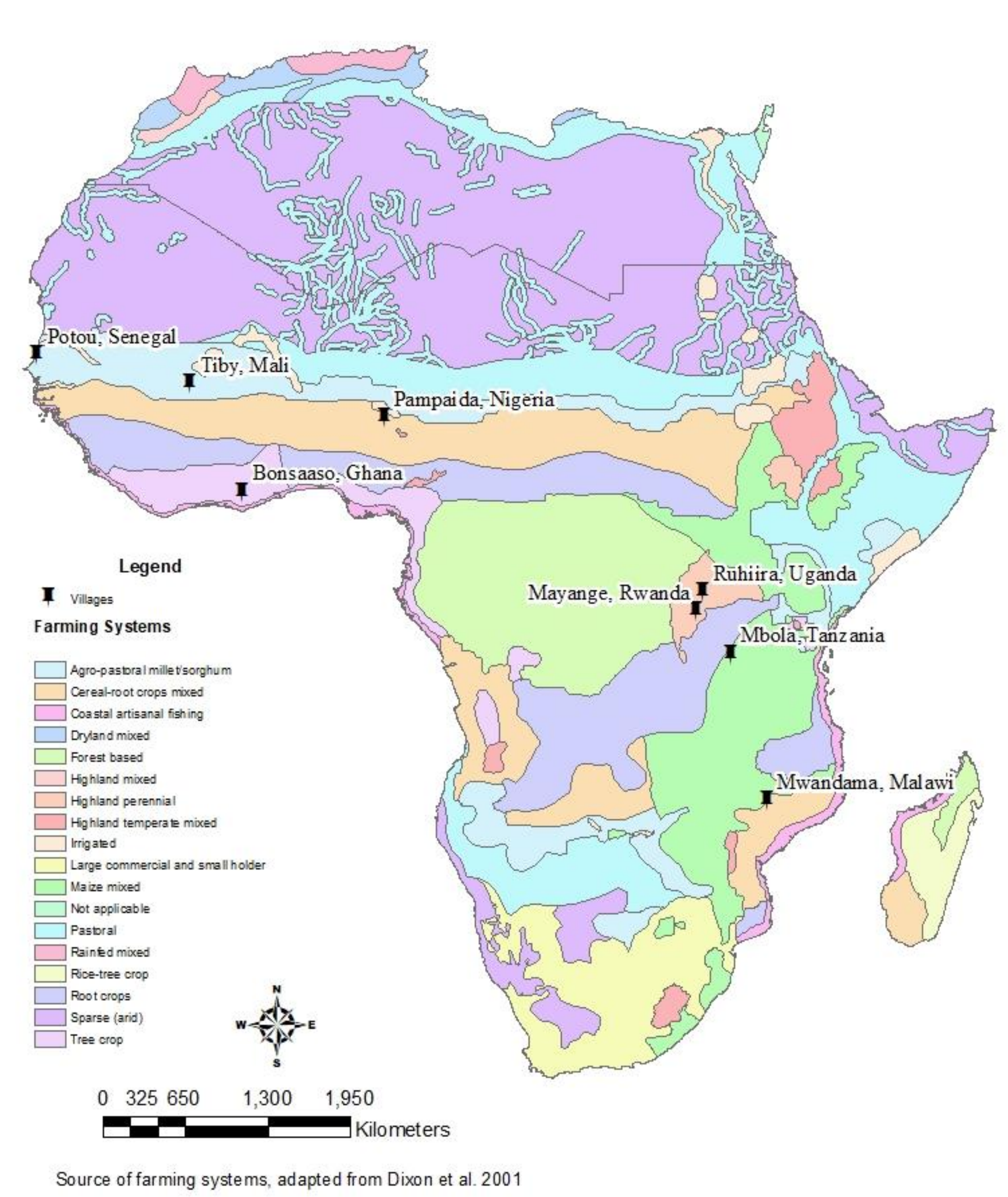

Figure 1a. Village location and farming systems

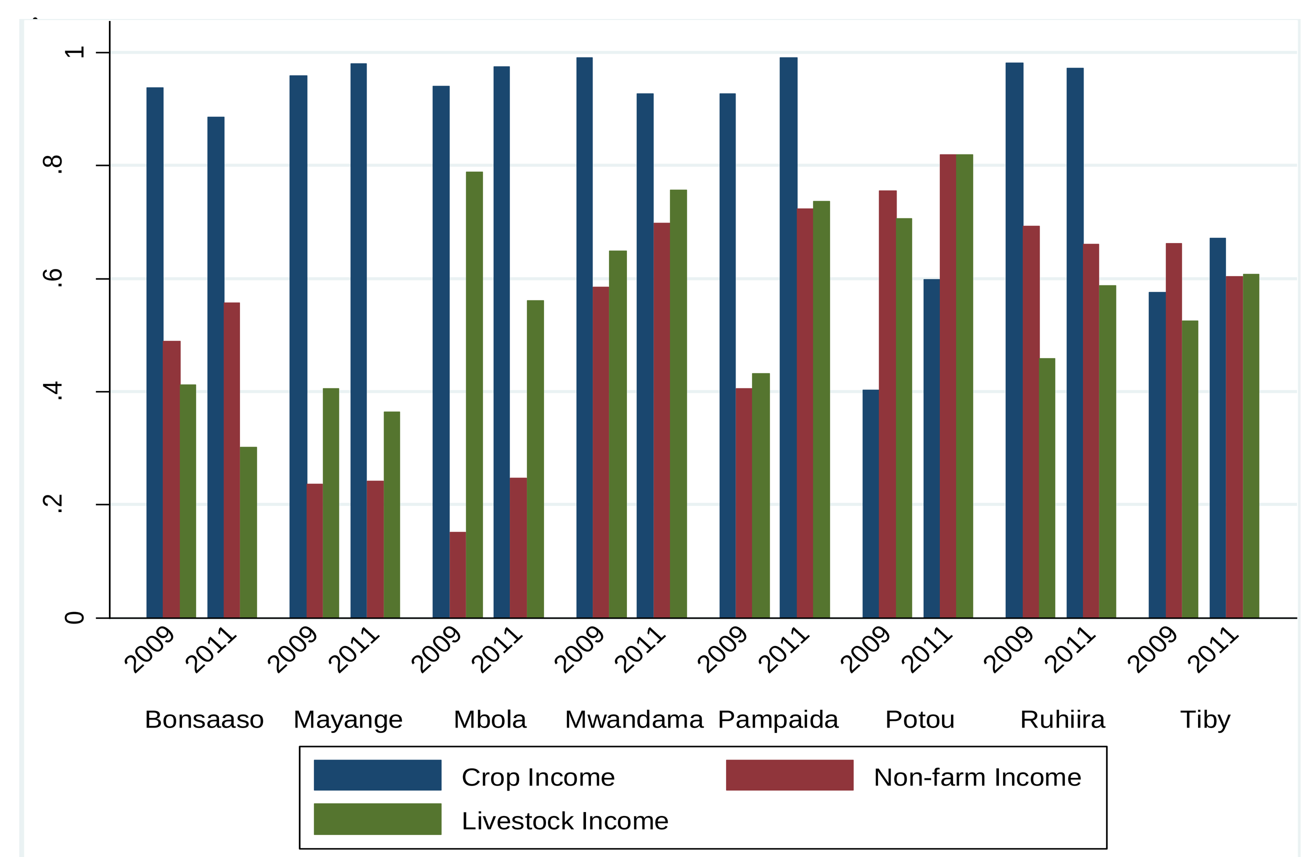

Figure 1. Percentage of household reporting income from each activity.

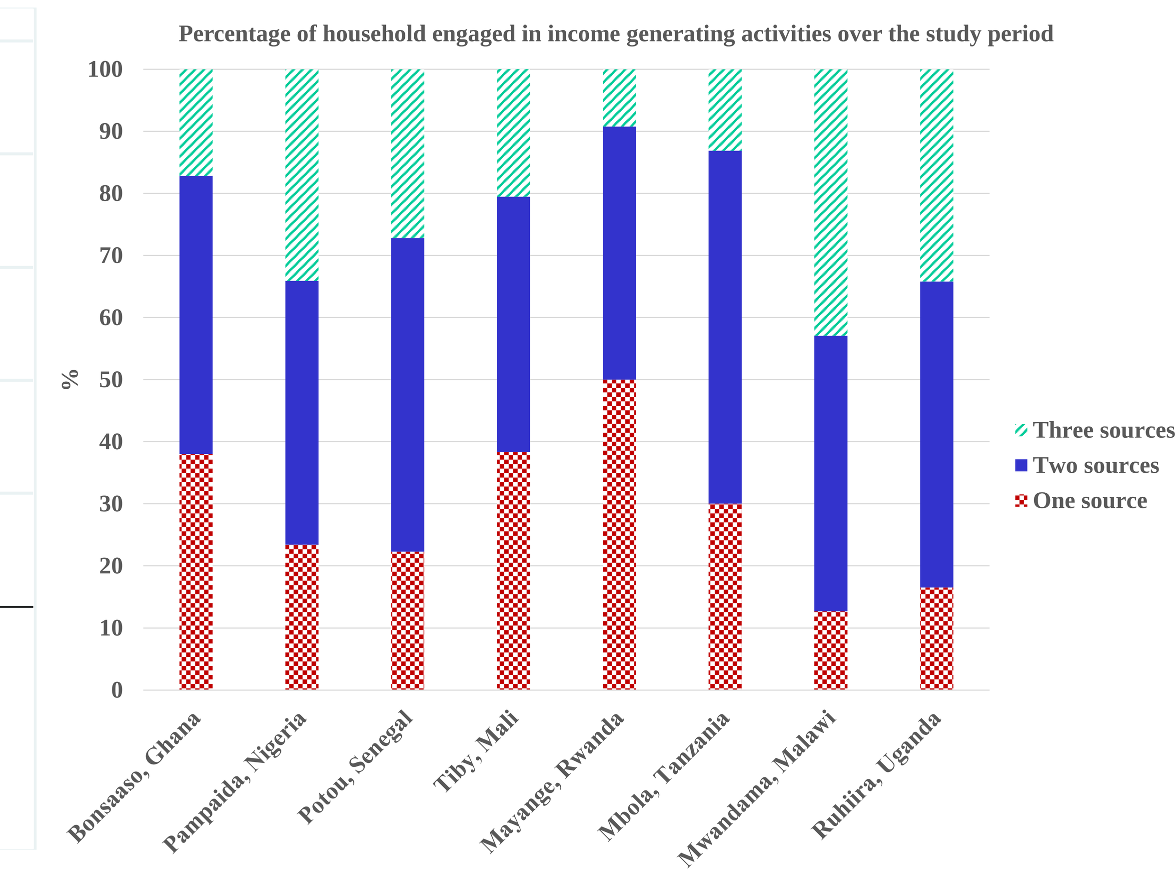

Figure 2. Percentage of households that are engaged in 1, 2, or 3 income generating activities per village

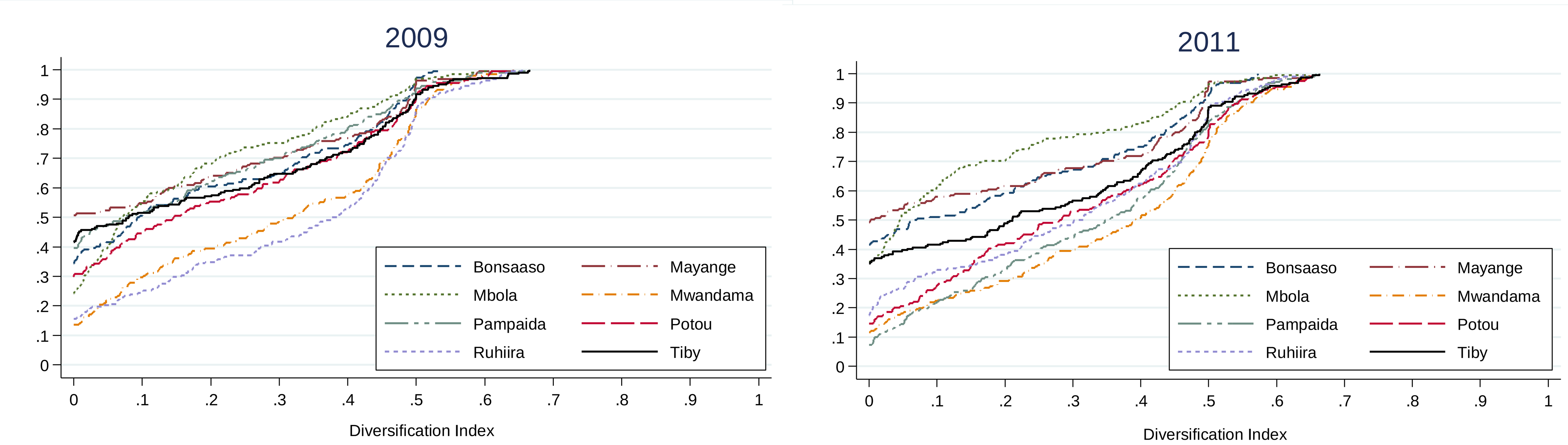

Figure 3. Cumulative probability of income diversification in both years.

Further research

A correlated random effects model is used to examine the push and pull factors that affect income diversification across sites. We will further examine the association between income diversification and households asset endowment and present complete results.

References:

Barrett, C.B., Reardon, T. and Webb, P., 2001. Nonfarm income diversification and household livelihood strategies in rural Africa: concepts, dynamics, and policy implications. Food Policy, 26(4), pp.315-331.

Corral, P. and Radchenko, N., 2017. What’s So Spatial about Diversification in Nigeria?. World Development, 95, pp.231-253.

Davis, B., Di Giuseppe, S. and Zezza, A., 2017. Are African households (not) leaving agriculture? Patterns of households’ income sources in rural Sub-Saharan Africa. Food Policy, 67, pp.153-174.

Ellis, F., 1998. Household strategies and rural livelihood diversification. The Journal of Development Studies, 35(1), pp.1-38.

Escobal, J., 2001. The determinants of nonfarm income diversification in rural Peru. World Development, 29(3), pp.497-508.