



Tropentag, October 5-7, 2011, Bonn

“Development on the margin”

Exiting Poverty in Rural Kenya - How Much Does Natural Resource Endowment Matter? Results from Poverty Dynamics and Agricultural Life History Interviews

HEIKE HOEFFLER

University of Leipzig, Institute for African Studies, Germany

Abstract

After decades of neglecting the role of the agricultural sector for development in rural Africa, many now (re-)recognise its importance. The recent food crisis has also contributed to a fresh look at the dynamics of the agricultural sector in African economies. Hence, development agencies, governments and private sector invest lots of resources to integrate particularly smallholder farmers into markets and value chains in order to reduce rural poverty. This strategy seemed to work reasonably well for farmers involved in high-value export crops in high-potential areas. But what are the impacts for poorer African farmers in marginal areas? Why do some rural households exit poverty due to agricultural activities and some don't? And do rural households in well endowed agro-ecological zones succeed more in improving their living standards by specialising in agricultural activities or by income diversification into the non-farm rural economy?

This research states that even though agro-ecological resource endowment plays an important role for the agricultural production system pursued, its importance for household welfare is less significant than expected. This result is based on rural poverty dynamics in Kenya. Household panel data and life-history interviews are used in a mixed-method approach, following the q-squared paradigm of combining quantitative and qualitative analysis. From a four-wave panel data set comprising 1275 rural households in eight different agro-ecological zones, half of all poverty exiting households were interviewed in-depth about their agricultural history. The narrated reasons for changes in household welfare are compared with their agricultural factor endowment and productivity. Results indicate that poverty-exiting households can be found in all high and medium agro-ecological zones, but less so in marginal areas. Household demography, in particular family labour requirements and social expenses, seem to play an almost equally important role like crop and livestock productivity for exiting poverty. It is argued that such typical social developments need to be taken into account to reach out successfully to the rural poor in marginal areas in comparable African settings and thus, to deliver on the promise of pro-poor rural growth.

Keywords: Kenya, life histories, Q-squared paradigm, rural Poverty Dynamics