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Social Capital and Agricultural Technology Adoption among Ethiopian Farmers

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Abstract

Ethiopia is one of the largest countries in Africa in terms of population and land size. Despite the efforts in recent years, food production and distribution is still a major challenge in the country. Hence, improving living conditions and food security of smallholder farmers through increasing agricultural growth remains the main objective of decision makers in the country. Many studies suggested that the way forward is fostering smallholders' productivity, which mainly hinges on the adoption of suitable new and/or improved agricultural technologies.

Understanding the determinants of agricultural technology adoption is crucial for designing appropriate policies. While previous researches highlighted the importance of socioeconomic and demographic factors, they mostly overlooked the role of social capital in technology adoption. In the Ethiopian context, however, social capital and support systems are expected to have a substantial effect on decisions related to testing and adopting new technologies since social capital is capable of creating collective action, relaxing financial constraints, reducing transaction cost, and disseminating information among farmers.

This study uses socio-economic data of 404 Ethiopian farming households living in a 200 km radius around Awassa town. First, it describes the characteristics of farming households with a special focus on different social capital indicators and the agricultural innovations available in the communities. Second, using a probit model and other regression analysis methods like OLS, it assesses the effects of social capital on the adoption of purchasable agricultural technologies (e.g. fertiliser, chemicals, etc.) and non-purchasable improved practices of land-water resources management (e.g. terracing, crop rotation, etc).

The findings of the study are expected to clearly identify social capital indicators relevant for the research area and estimate the effects of social capital on technology adoption. This provides the empirical foundation based on which relevant policy options for smallholders' livelihood improvement can be recommended.

Keywords: Ethiopia, social capital, technology adoption