Reducing Rural Poverty

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There are five ways for a poor farm household to increase its income other than from social welfare support, which rarely exists in rural areas of low-income countries:

• **increasing productivity** by growing varieties with greater genetic potential, irrigating crops if water is available, providing sufficient nutrients and controlling weeds, insects, birds and disease;

• **changing to higher-value crops** per hectare, replacing staples such as cereals, roots and tubers, with fruits, vegetables and livestock;

• **gaining access to more land** through purchase, rental or land reform, or other income-generating assets, eg, literacy, numeracy and specialised skills;

• members of the household **obtaining non-farm income**, by producing something at home for sale or getting alternative employment away from the farm;

• members of the household moving to **non-farm employment**, reducing the number of people trying to make a living on uneconomically small pieces of land and increasing the incomes of those who stay behind.

Other interventions external to any one farming household, such as investments in infrastructure, value chain linkages or national policies, contribute to improving the quality of rural life in general and may increase the prices received by farmers for outputs or reduce the price paid by farmers for inputs. These are addressed in both the previous and subsequent sections.

**Increasing productivity**

To increase the productivity per hectare of the crop(s) farmers grow, they can adopt improved varieties with greater genetic potential if they are available, supplement the water available from precipitation with irrigation if a supply of water is available, ensure that sufficient nutrients are available to the crop when it needs them (but not contributing to pollution by supplying more nutrients than the crop can use), and reduce losses by improving control of weeds, insects, birds and disease.

**Higher-value crops**

If farmers are getting as high a yield as possible from their crops using the best available technology, but their household income is still below the poverty line, the next alternative is to switch to a crop with a higher value per hectare. Staples such as cereal grains, roots and tubers, while important to the farm household’s basic food supply, generally have low value per hectare, while crops like coffee and tea (and intensive animal production) generally have much higher expected value per hectare.
Gain access to more land

If farmers have only a small area of land, they may be producing the highest possible value per hectare crops using the best available technology, but their household income from agriculture is still below the poverty line. The third way low-income farm families can escape poverty is to gain access to more land through purchase, renting or land reform. However, there may simply be no more farm land available without destroying forests. In East and South Asia, for example, the average farm size is less than one hectare, and there is no crop that has a high enough value per hectare to lift a family out of poverty on so little land.

Obtain non-farm income

In regions where there is no more land available, the next alternative to lift the farm household out of poverty is for one or more members of the household to obtain non-farm source(s) of income. This may involve producing something at home for sale, for example weaving cloth, or one or more people working part time or full time away from the farm, either within commuting distance or far away and sending remittances back to the household. In every presently high-income country, the principal way most smallholders have escaped poverty is by becoming part-time farmers with one or more members of the household working outside of agriculture.

Move to non-farm employment

The fifth way for a low-income farm household to escape poverty is to cease farming and go into another line of work – either within the local community if jobs are available or in cities. Migration out of agriculture to non-farm employment is a normal and essential element of economic growth and poverty reduction. By reducing the number of people trying to make a living on uneconomically small pieces of land, outmigration creates the opportunity for both those who leave agriculture as well as those who stay behind to have higher incomes. In the normal course of economic development, first the fraction of the workforce and eventually the absolute number of people engaged in agriculture decline.

Rural to urban migration is driven principally by the desire of those who migrate to escape poverty and secure a better quality of life, at least for their children, than is possible within either agriculture or the non-farm economy of the community they left. To avoid urban problems of overcrowding, unemployment, crime and pollution associated with excessive rural to urban migration, it is essential to create more non-farm employment opportunities within the rural communities and smaller cities dispersed through a low-income country.