

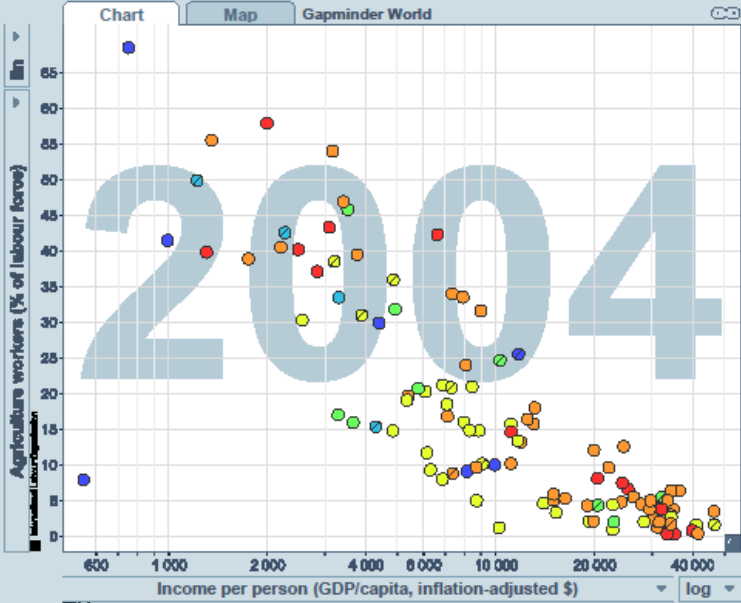
Agriculture and Land Distribution

"It is in the agricultural sector that the battle for long term economic development will be won or lost." Gunnar Myrdal

Fall 2010

Agriculture in developing countries – A brief overview

- A large fraction of developing country populations work in agriculture and even more are dependent on it
- Traditional view of agriculture: passive role in development
 - ↳ source of surplus labour for industry
 - ↳ policy focus on industrialization and manufacturing exports
 - ↳ systematic bias against rural areas
 - ↳ more recent emphasis on Rural Development
- Different “mode” of production than developed nations
 - ⇒ more complex than just technology transfer



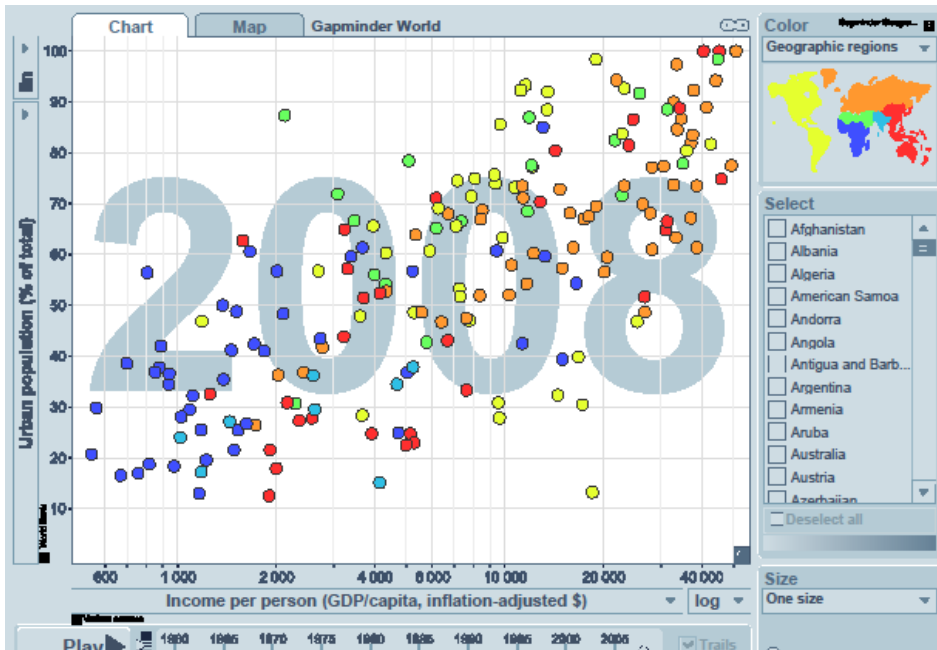
Color **Geographic regions**

Select

- Algeria
- American Samoa
- Angola
- Anguilla
- Antigua and Barb...
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Deselect all

Size **One Size**

Timeline controls: Play, 1990, 1990, 2000, Trails

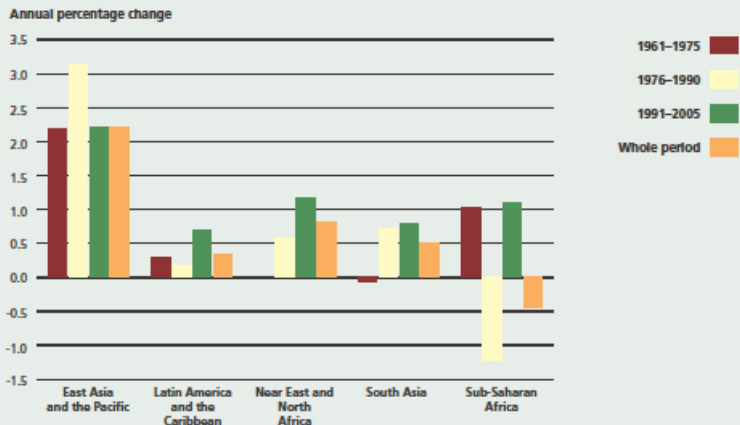


Indices of agricultural production per person (FAO)

- Extremely rapid growth in Asia (esp. due to China)
- Significant but less rapid growth in Latin America and North Africa
- Decline followed by stagnation in Sub-Saharan Africa
- Collapse in transition economies after 1990

FIGURE 15

Average growth rate in per capita agricultural value added, by region



Note: Agricultural value added includes fish and forestry products. No data are available for the Near East and North Africa until 1974. Data for sub-Saharan Africa are available from 1967 and for Latin America and the Caribbean from 1965.

Source: World Bank, 2006.

FIGURE 16

Growth rate in per capita agricultural production in sub-Saharan Africa, 1990–2004



Source: FAO, 2006h.

Latin America

- High concentration of land – 2% of landowners own 72% of land
- Traditional latifundio–minifundio system:

Latifundio	> 12 employees
Medium–sized	4 – 12
Family farm	2 – 4
Minifundio	< 2
- Smaller farms often have **higher** output per hectare than large farms
 - ↳ underutilization of land ?
 - ↳ high supervision/motivation costs on larger farms ?
 - ↳ sharecropping
- Recent expansion of modern inputs in some regions ⇒ large productivity gains (e.g. Brazil)

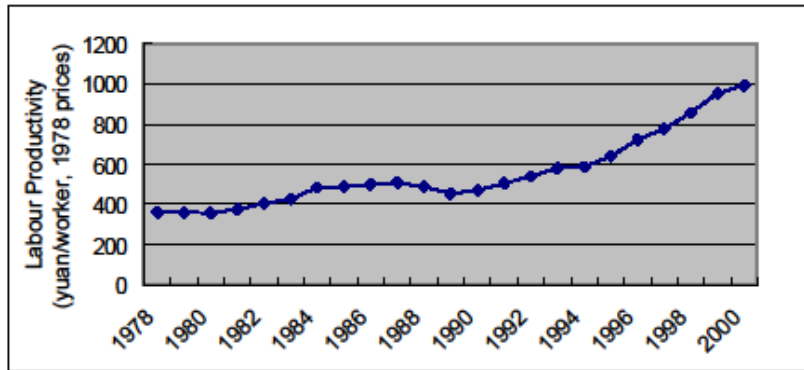
Land inequality by region (2004)

Region	Mean Land Gini	# of countries
South America	79.9	11
Central America	72.3	7
Caribbean	68.1	7
East Asia	38.4	4
South Asia	53.7	6
South East Asia	47.9	8
North Africa & Middle East	65.1	12
South & East Sub-Saharan Africa	62.7	12
West and Central Sub-Saharan Africa	45.2	14
Western Offshoots	61.9	4
Western Europe	63.9	14
Eastern Europe	51.0	4
Scandinavia	49.3	8
World	59.7	111

Asia

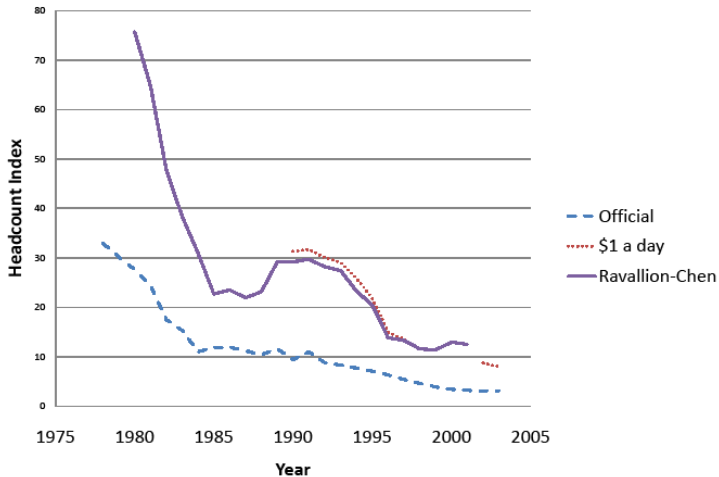
- “Too many people on too little land”
- Early introduction of private property rights due to colonialization
 - ↳ absentee landlords and sharecroppers/tenants.
- Rapid population growth
 - ↳ fragmentation of land
- China
 - ↳ major increase in productivity following 1978 land reforms
 - ↳ collective ownership vs. the household responsibility system

Chart 1-1: Agricultural Labour Productivity, 1978-2000



Source: Table 1-4

Rural Poverty in China



Africa

- Still mainly subsistence farming
 - ↳ exceptions in some former colonial settlements

- Traditional methods/institutions still dominate
 - ↳ some shifting cultivation
 - ↳ traditional technologies
 - ↳ seasonal employment
 - ↳ communal land rights

- Rapid population growth and increasing commercialization
 - ↳ increasing pressure on traditional methods (esp. in Kenya, Nigeria, Ghana, Uganda)
 - ↳ soil erosion and deforestation of marginal lands ⇒ need new methods

Evolution of the Mode of Agricultural Production

- **Subsistence farming** — risk and uncertainty

- ↳ reluctance to adopt new technologies

- ↳ inefficient contractual arrangements (e.g. sharecropping)

- **Mixed and diversified farming** — cash crops

- ↳ commercialization due to urban growth and trade

- ↳ supportive **institutional framework** is crucial

- **Modern commercial farming**

Rural Development Policy (since 1980s)

- Policies to accelerate technology adoption and innovation
 - ↳ scale neutrality (e.g. green revolution)
- Policies to improve institutional structure
 - ↳ increased access to credit, research, irrigation services, etc.
 - ↳ crop insurance
- Improved agricultural pricing policies
- Land reform
- Extension of public services to rural areas