Ivorian agriculture is characterized by low capital intensity, with the overwhelming majority of agricultural ventures being carried out manually. Meanwhile, private investment in agriculture is limited by lack of access to factors of production such as land, inputs (seeds, fertilizer, pesticides, manure, etc.) equipment, means of transportation, and lack of access to credit.

The Ivorian government is seeking to accelerate development and diversification, while respecting the policy of limiting the government’s role in production and marketing. In this context, three Ivorian researchers have carried out an analysis of the impacts over time of incentives to promote private agricultural investment as a strategy to reduce poverty among agricultural households.

Their analysis focuses on calorie intake. This is an appropriate as limited access to food is the most acute problem in much of black Africa. In fact, calorie intake in many African countries is markedly lower than nutritional requirements. Malnutrition unfortunately continues to remain a reality throughout the African continent.

In general, food poverty is found to increase between 1985 and 1988, although there was a slight decline in 1987. This development is largely explained by the lack of an adequate supply of agricultural inputs for farmers that were involved in public programs.

Among households with initial caloric intake above recommended levels, the situation was found to deteriorate between 1985 and 1988. Those who were initially between the recommended and minimum caloric intakes stayed more or less stable. Finally, those who were initially under the minimum caloric intake experienced a significant improvement during the period. Overall, the progressive withdrawal of the state contributed to a decline in wellbeing among agricultural producers. This supports the claim that the elimination of agricultural subsidies in poor countries needs to be reconsidered if sustained reductions in food poverty are to be attained.

Two main types of policy recommendations can be made on the basis of these results

1) Recommendations for agricultural policy

The results of the research show that, despite the distortions at the macroeconomic level during the period of analysis, direct and indirect subsidies in the Ivorian agricultural sector had a positive effect on the living conditions of agricultural households. Therefore, in order to reduce poverty in agricultural regions, suggestions that can be derived from the analysis include

Improve agricultural productivity by facilitating access to inputs. To this end, the state should a) take more measures to reduce taxes on agricultural factors of production and/or b) grant direct subsidies through the provision of inputs and bridging credit gaps.

Make support services free of charge while supporting the spread of good planning and management practices in the agricultural sector

2. Recommendations for social policy

One of the important results of this project is that household size is a key variable when implementing social policies that target reduced poverty in agricultural areas. Household size has both negative and positive influences on measures of food poverty. As such, controlling for the effects of household size becomes complex. In order to tackle this issue, the state must combine policies that target fertility with policies that improve the efficiency of agricultural labourers through technical training, supervision and good nutrition.

This Policy Brief is based on the Working paper PMMA 2008-07