Is agricultural extension helping the poor? Evidence from rural Mozambique

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Abstract

Mozambique remains predominantly poor. The official statistics show that poverty incidence barely changed from 54 percent in 2002-03 to 55 percent in 2008-09, which stands way above the government's target of 45 percent by the year 2009. This places the country off-target to cut hunger and poverty by half by 2015, despite an annual economic growth of about seven percent in the period 1994-2010. In rural areas, poverty levels have slightly increased, due to the underperformance of the agricultural sector. Extension services can have a significant impact on poverty reduction through stimulating growth in agricultural productivity. Based on a nationally representative household survey from Mozambique, this paper uses three econometric models, namely an OLS regression, the doubly robust estimator, and matching and regression to estimate the economic impact of receipt of extension. The results suggest that the receipt of extension increases farm incomes by 12 percent. However, rather than crafting resource-poor technologies, extension services tend to target wealthier households who are relatively more likely to adopt the existing technologies. This might increase income inequality. The impact of extension, and therefore its contribution to poverty reduction, can be enhanced through several mechanisms (e.g., programme design and the number of staff).

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