

Third Wye Global Conference on Agricultural and Rural Households Statistics

*Poverty incidence and income profiles of
rural households in twelve Latin American
Countries*

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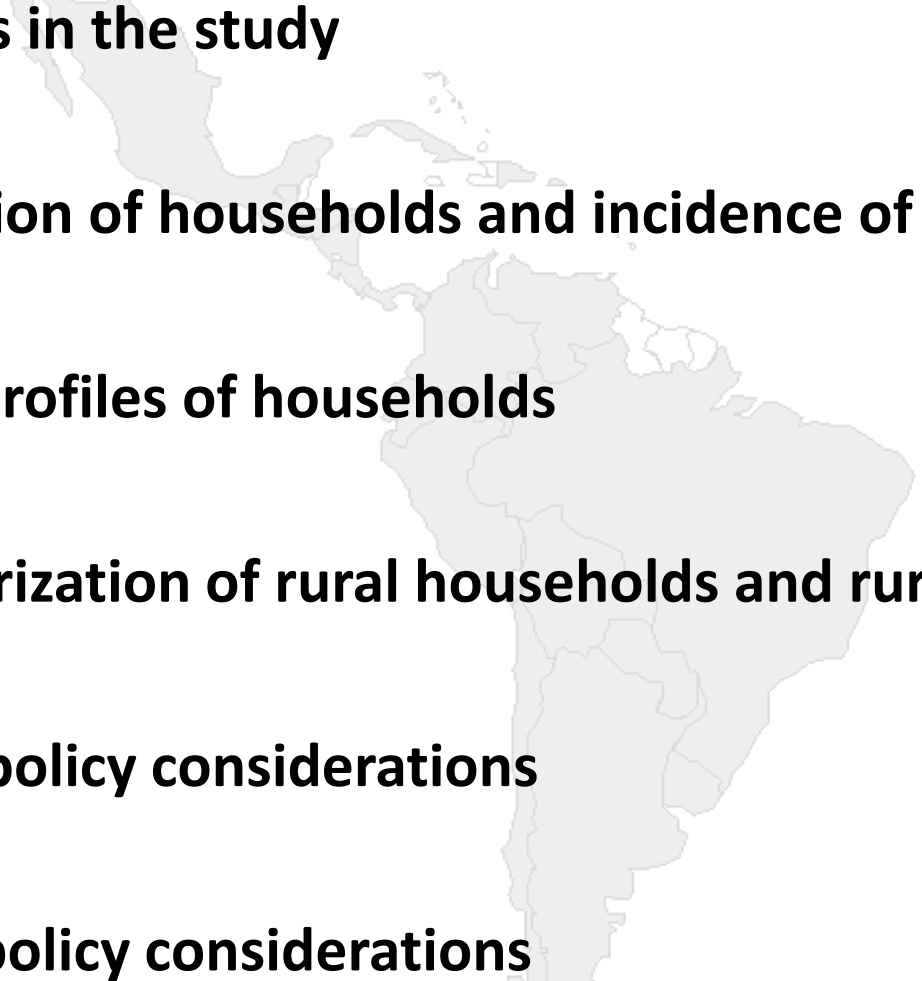


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Content

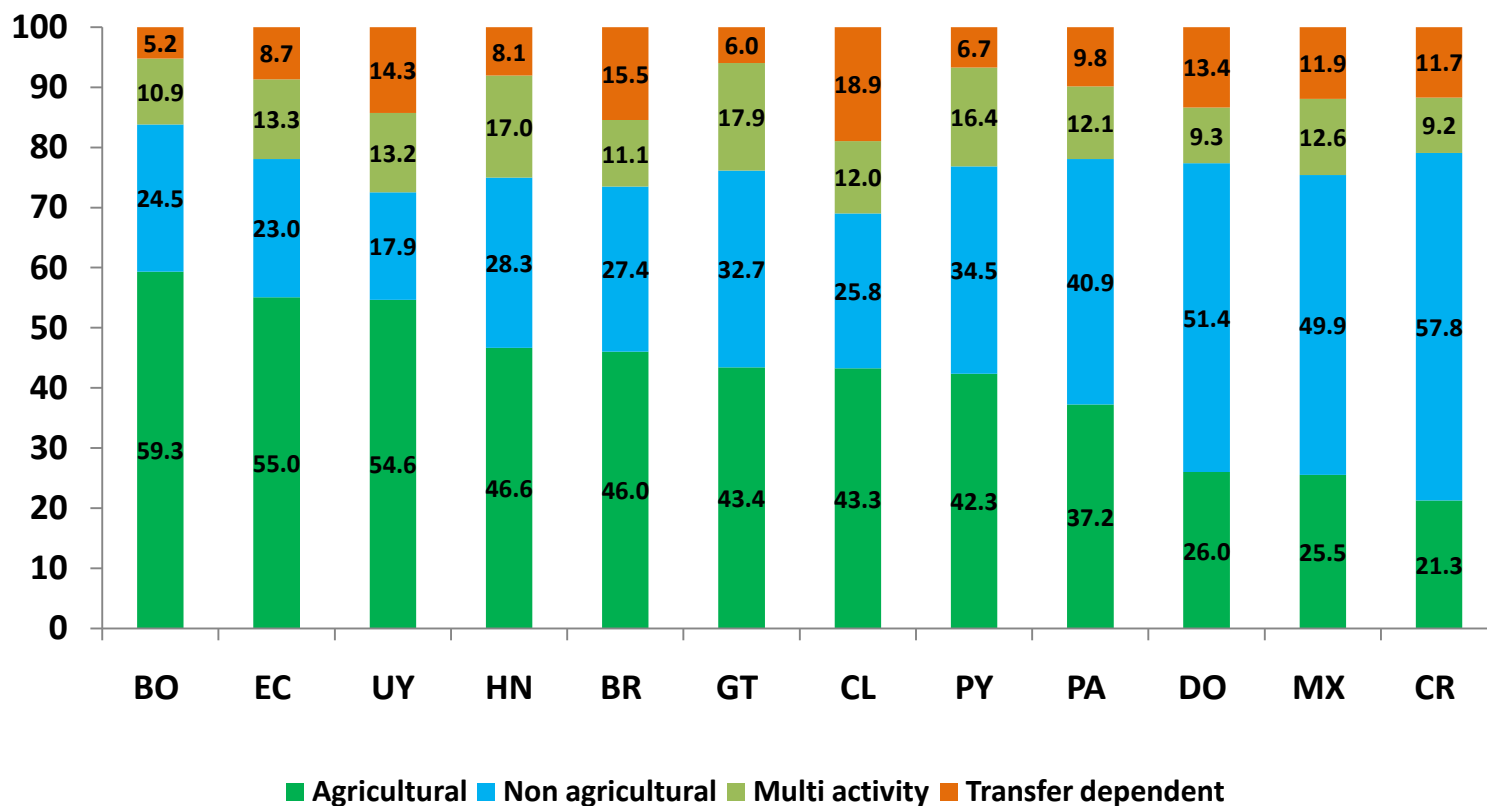
- **Countries in the study**
 - **Distribution of households and incidence of poverty**
 - **Income profiles of households**
 - **Characterization of rural households and rural economies**
 - **General policy considerations**
 - **Specific policy considerations**
- 

Countries in the study

- **Below 40% rural agricultural employment**
 - Costa Rica (26.6) - 2008
 - Mexico (37.2) - 2008
 - The Dominican Republic (33.3) - 2008
 - **40% - 60% rural agricultural employment**
 - Panama (50.9) - 2008
 - Guatemala (56.6) - 2006
 - Honduras (59.1) – 2007
 - Paraguay (58.7) - 2008
 - Chile (59.5) – 2006
 - **Over 60% rural agricultural employment**
 - Brazil (69.0) - 2008
 - Ecuador (69.5) – 2008
 - Uruguay (71.1) - 2008
 - Bolivia (78.6) - 2007
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In most countries (except CR, DO, MX, PA) agricultural households are the largest group of rural households

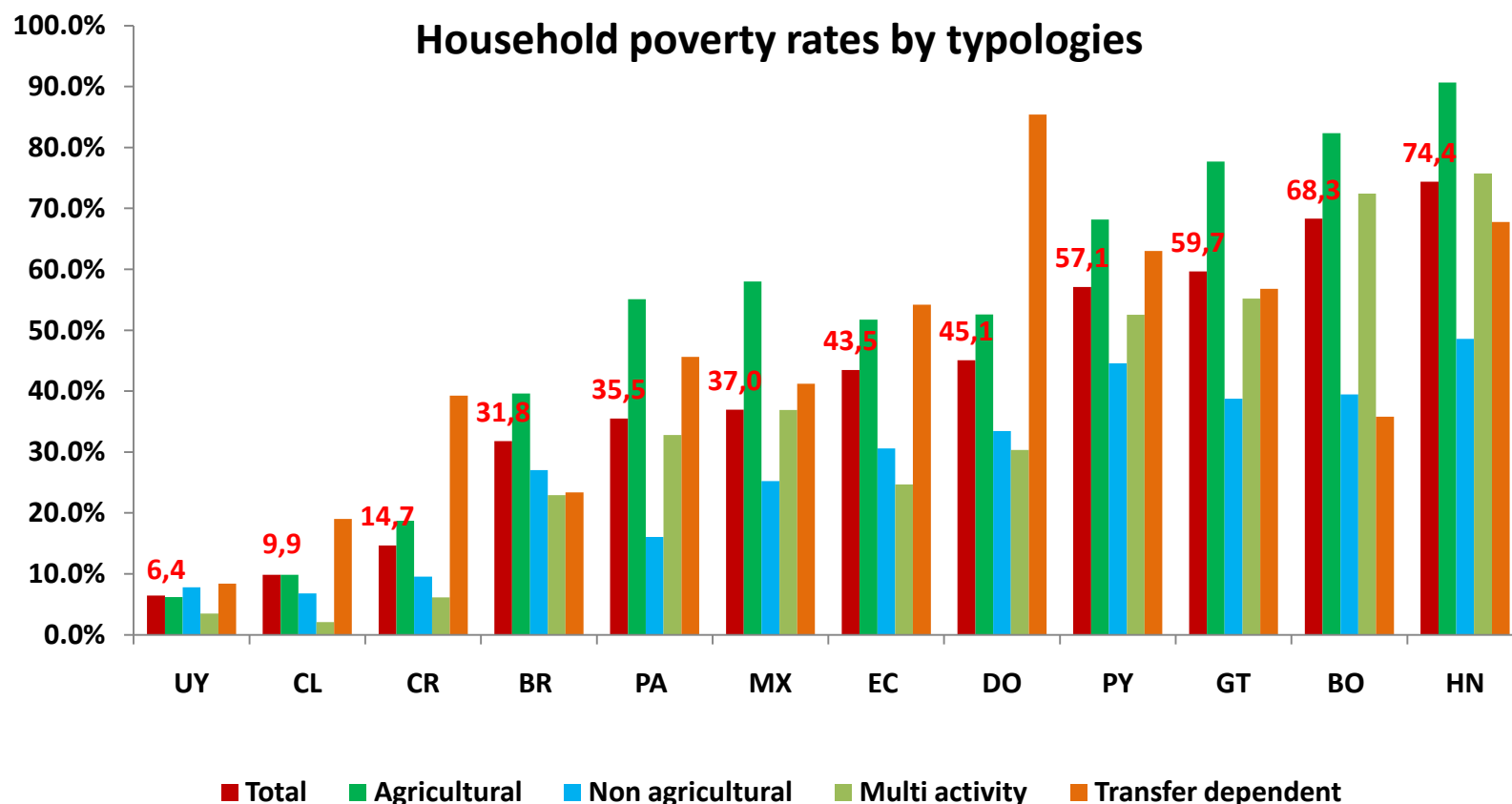
Distribution of rural households by typologies



Source: Agricultural Development Unit/ ECLAC, based on special tabulation of National Household Surveys prepared by ECLAC's Statistical Division.

With a few exceptions, the incidence of poverty is higher among agricultural and transfer-dependent households.

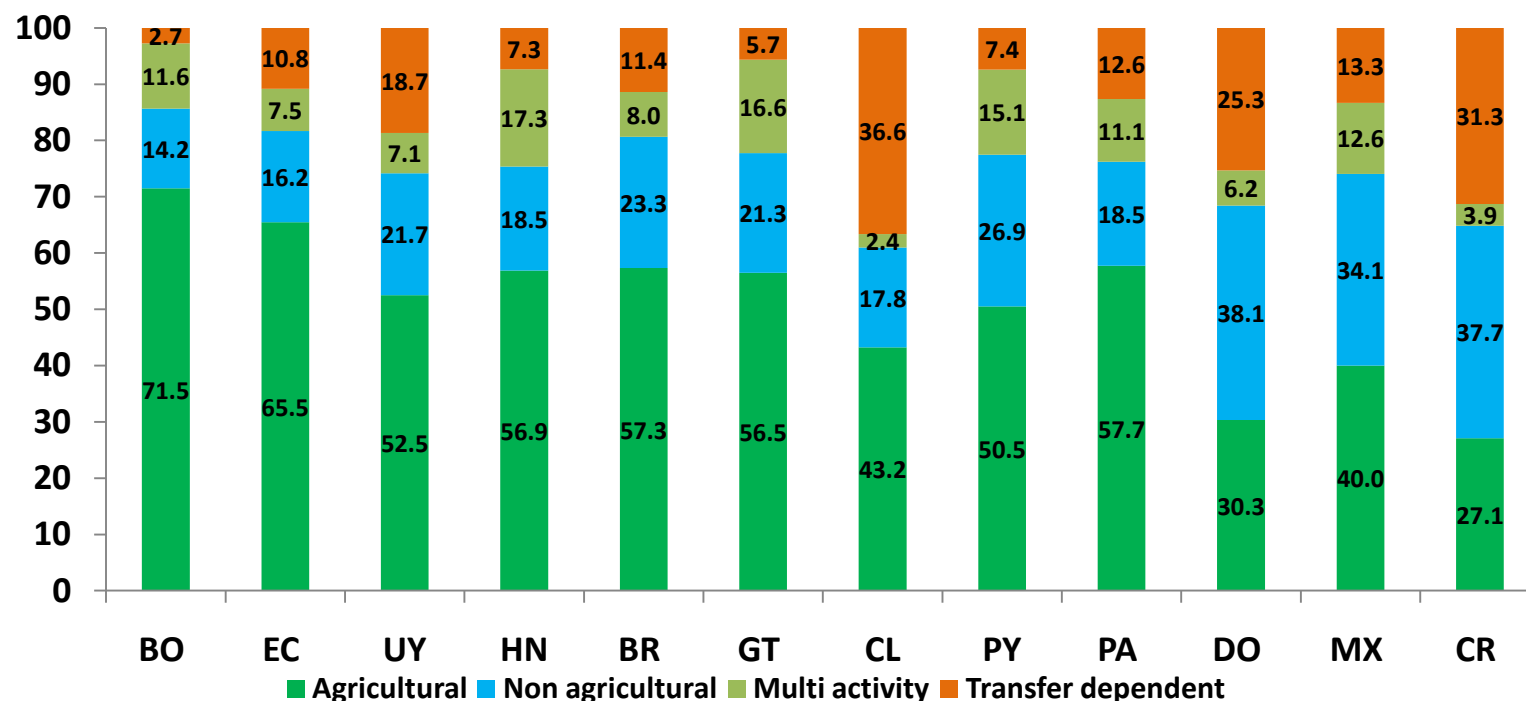
In six countries poverty is lower among multi – activity households; in the other six it is lower among non-agricultural households



Agricultural households are the largest group of poor households in most countries (except CR, DO).

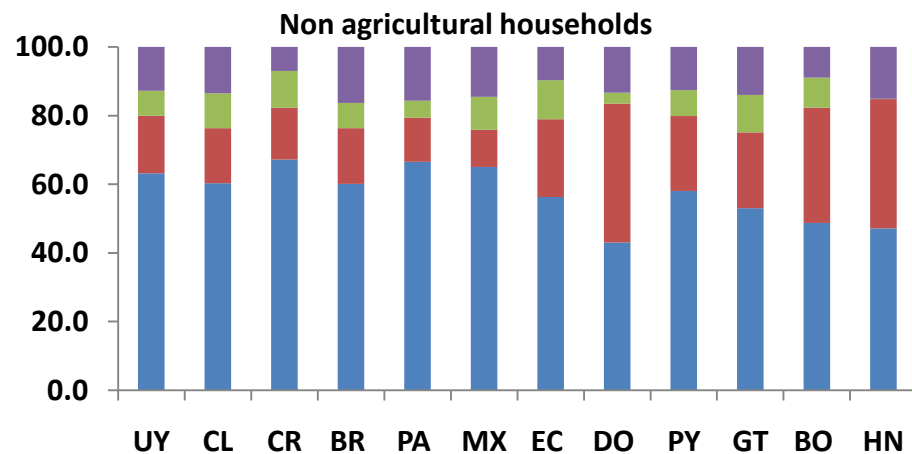
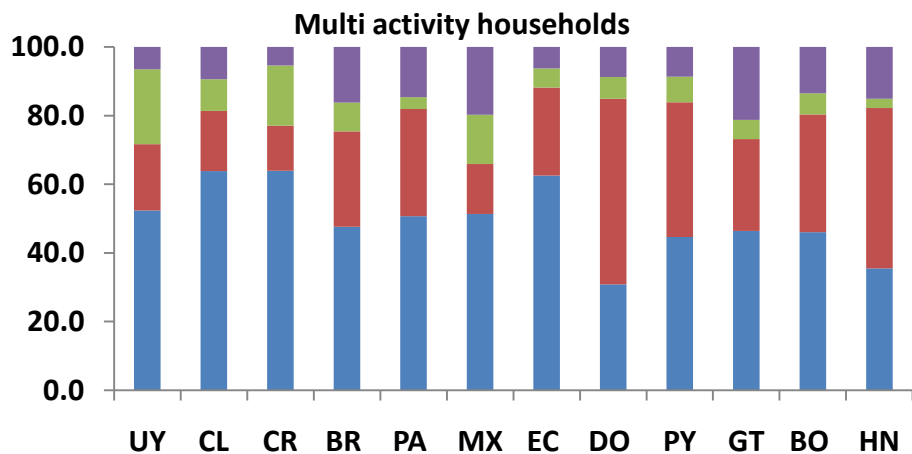
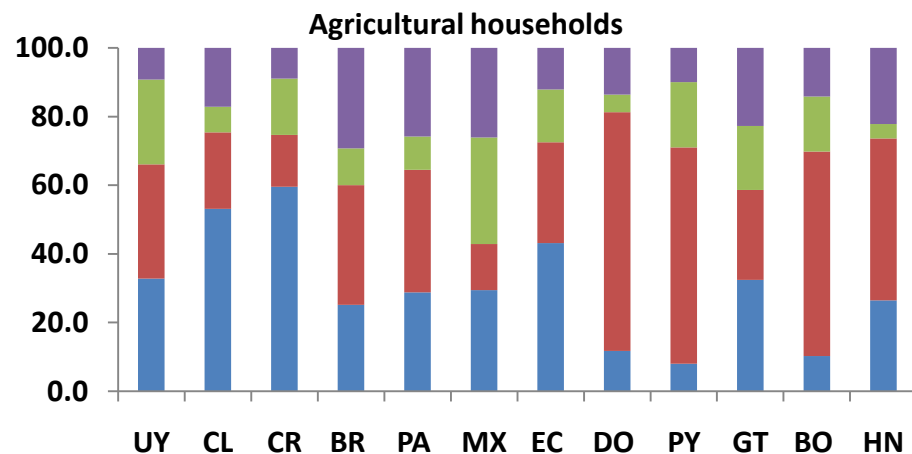
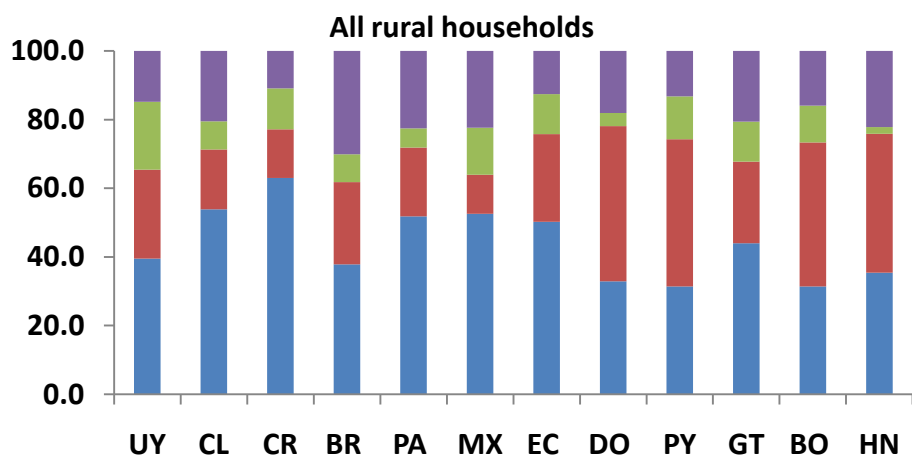
In some countries transfer dependent (CL, CR) and non-agricultural (CR, DO, MX) households also account for an important proportion of poor households

Distribution of poor households by typologies



In most countries salary income is more important for non-agricultural households and own account income is larger among agricultural households

In poorer countries own-account income is highly important for agricultural households



■ Salary ■ Own Account ■ Employer ■ Transfers

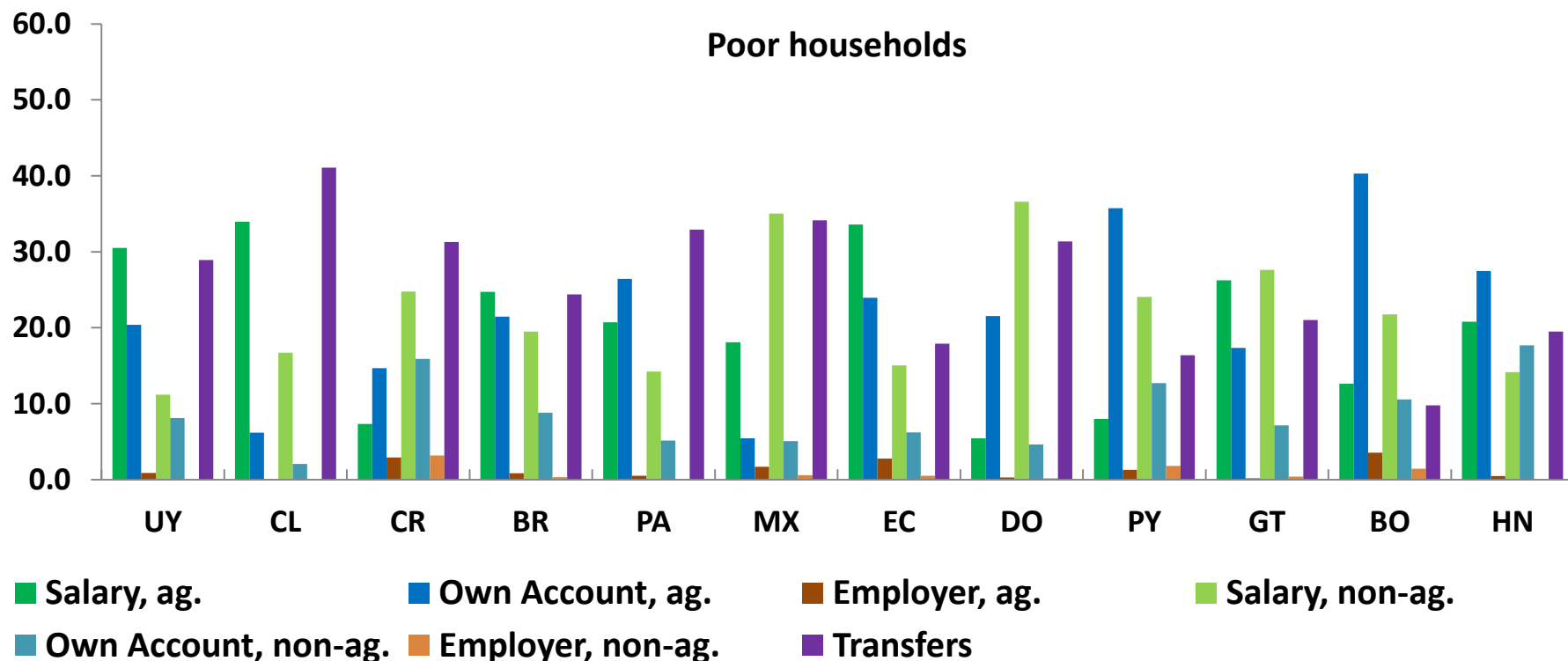
■ Salary ■ Own Account ■ Employer ■ Transfers

Source: Agricultural Development Unit/ ECLAC, based on special tabulation of National Household Surveys prepared by ECLAC's Statistical Division.

Agricultural salaries and transfers are important income sources for poor households

Own account agricultural income is important for poor household in countries with high overall rural households poverty rates;

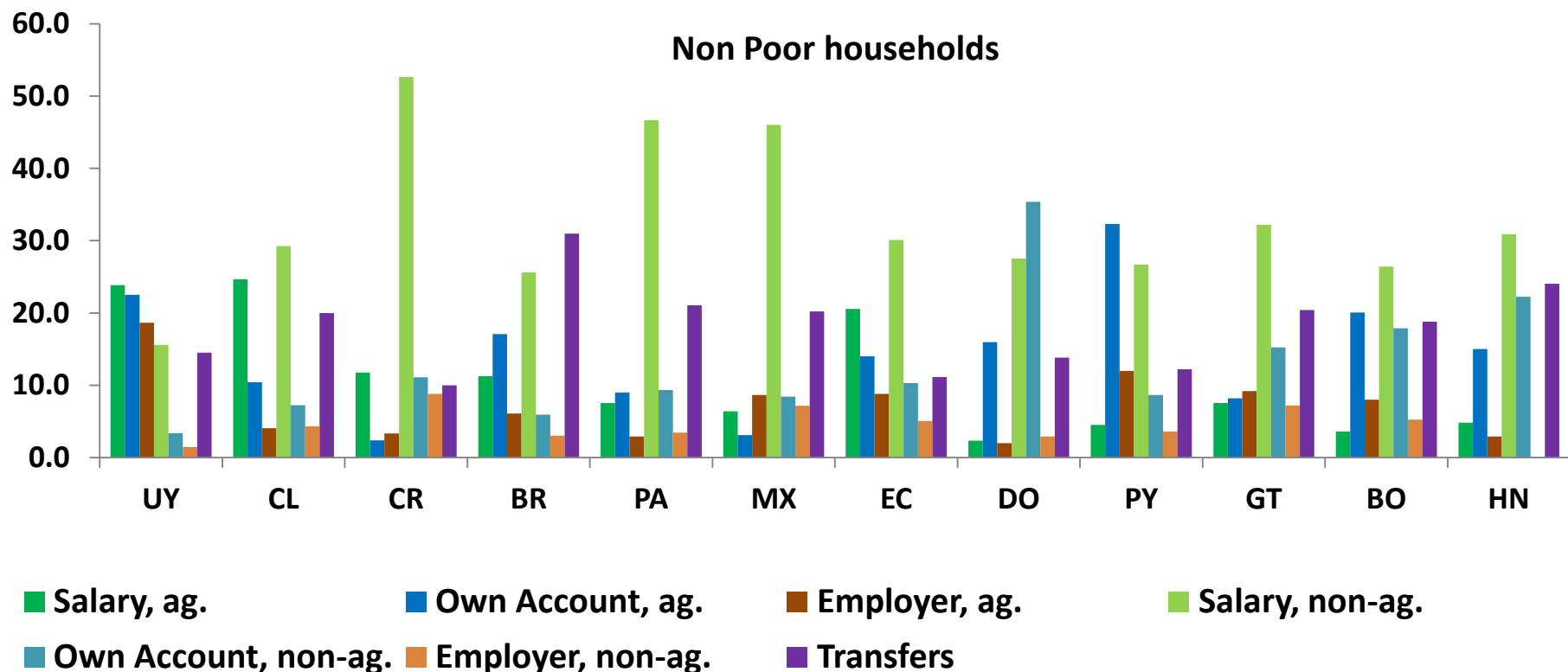
Transfers are more important for countries with lower household poverty rates



With a few exceptions, non-agricultural salaries are the more important income source for non-poor households.

Transfer income is also an important income source for non-poor households in many countries.

Uruguay is a special case because of the importance of agricultural income sources for the non-poor

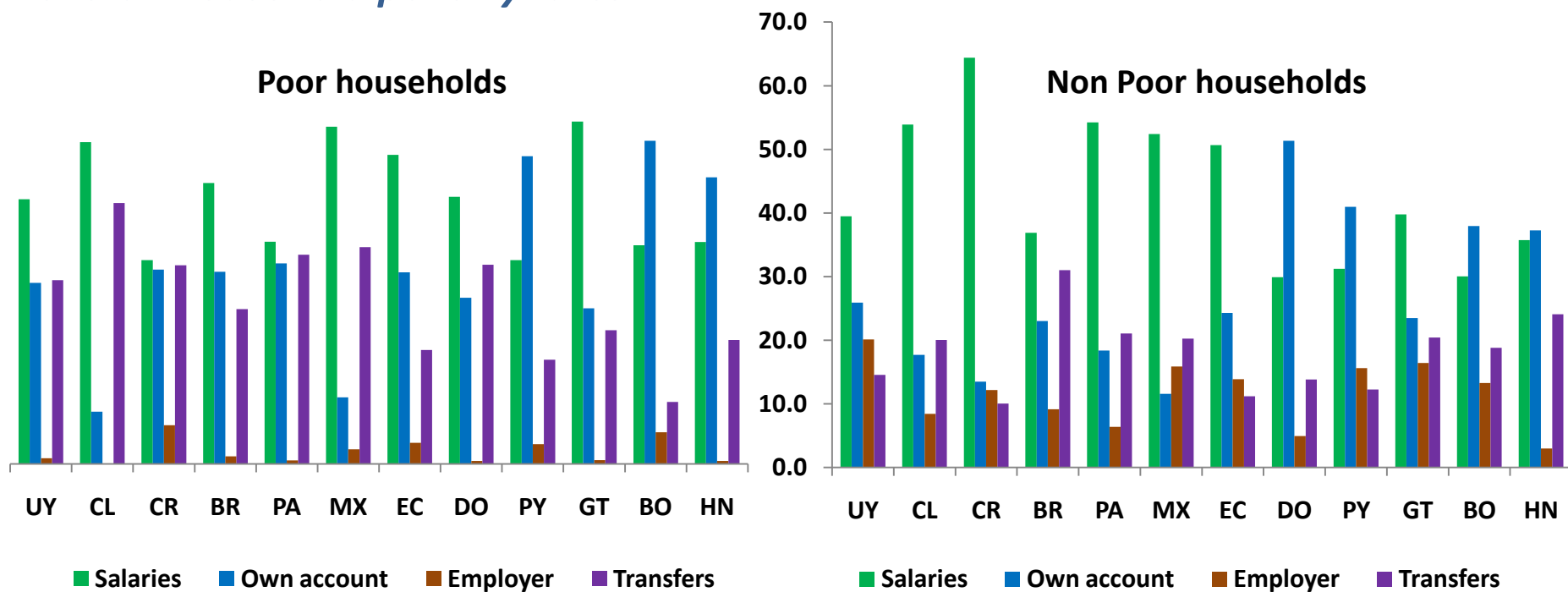


Transfers are more important for poor households, especially in countries with low overall household poverty rates

In countries with low overall household poverty rates salaries are more important among non-poor households.

Own account income is more important for the poor in countries with low overall household poverty rates (except CL)

Own account income is important for all households in countries with high overall household poverty rates.

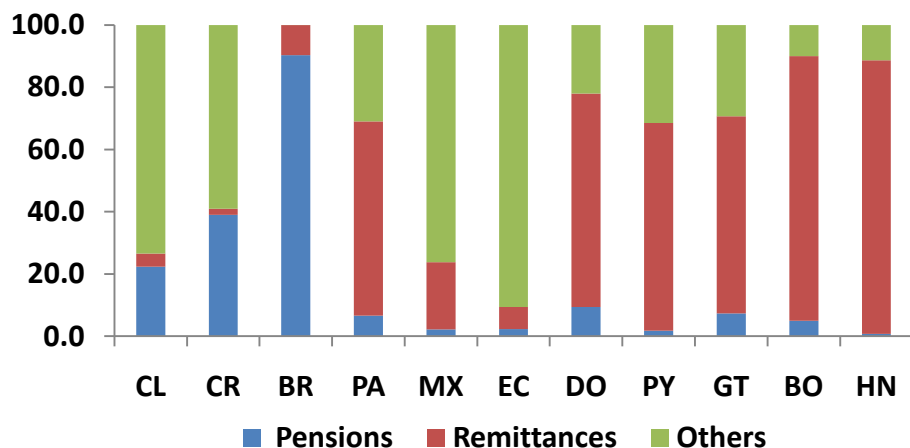


Source: Agricultural Development Unit/ ECLAC, based on special tabulation of National Household Surveys prepared by ECLAC's Statistical Division.

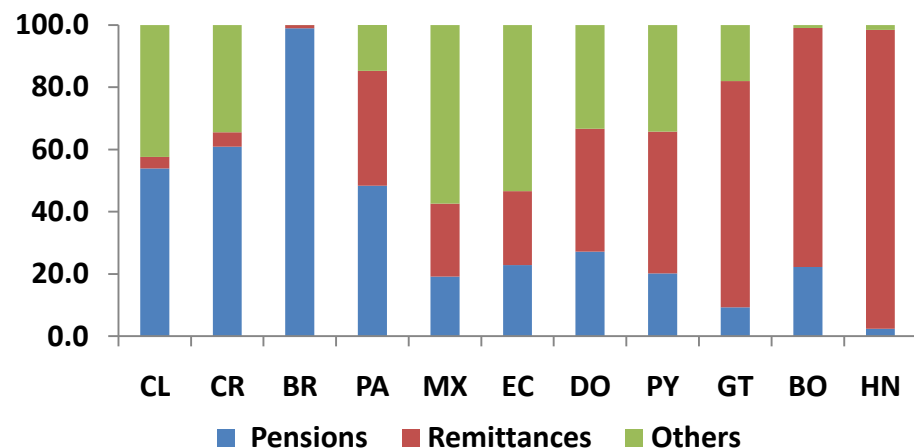
In low poverty countries (CL, CR) and BR transfer income is composed mainly by pensions – institutional source

In high poverty countries the main component of transfer income is remittances

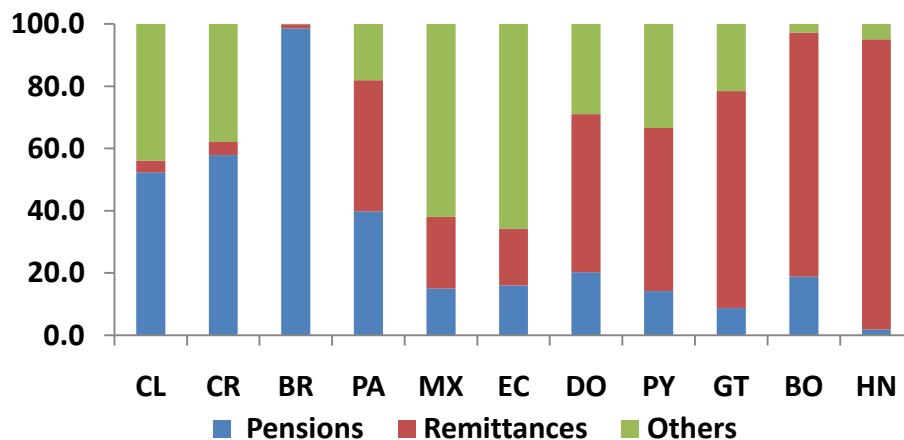
Poor households



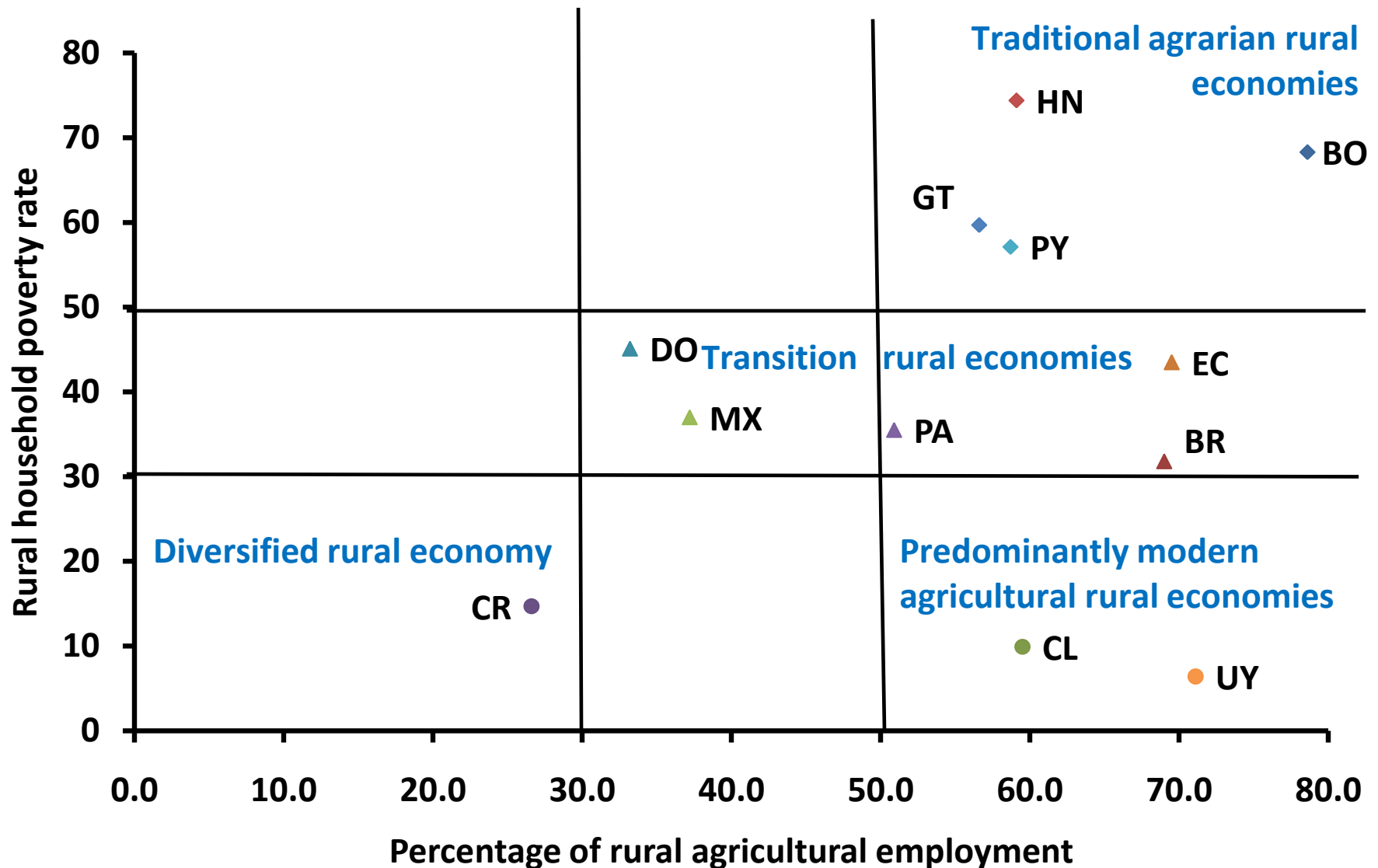
Non poor households



All rural households



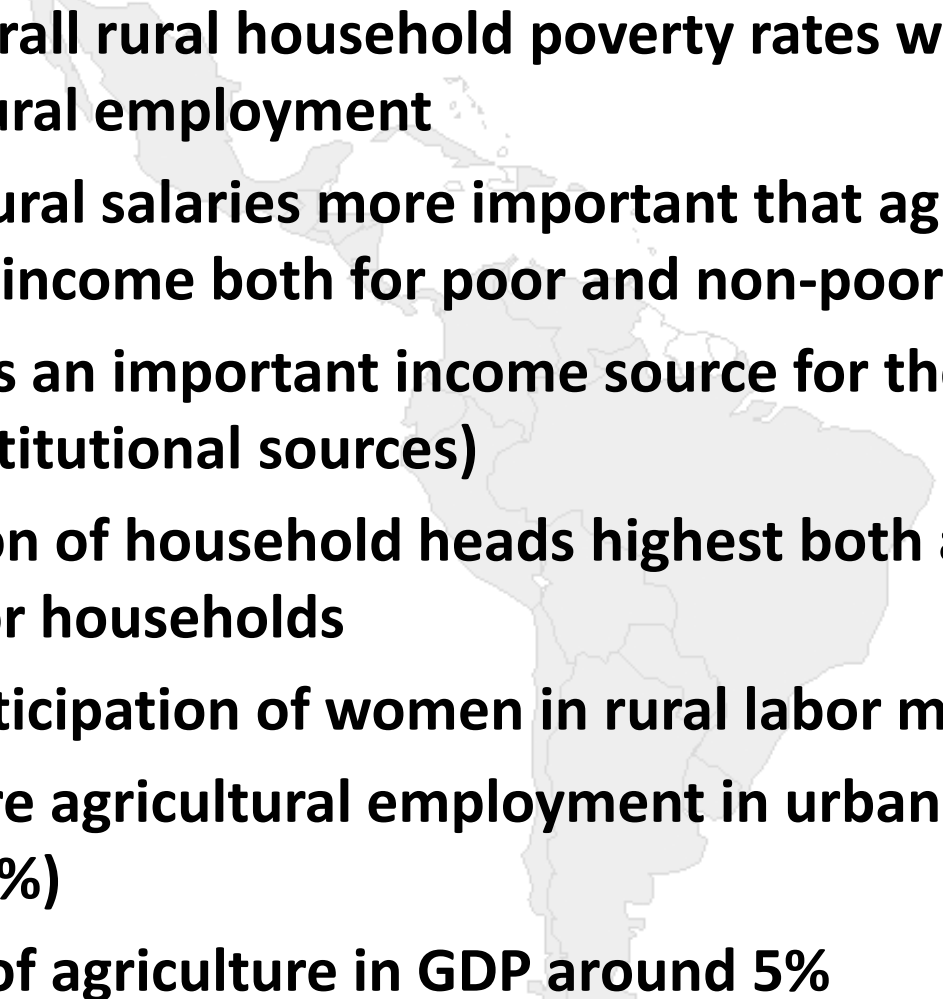
Four groups of rural economies



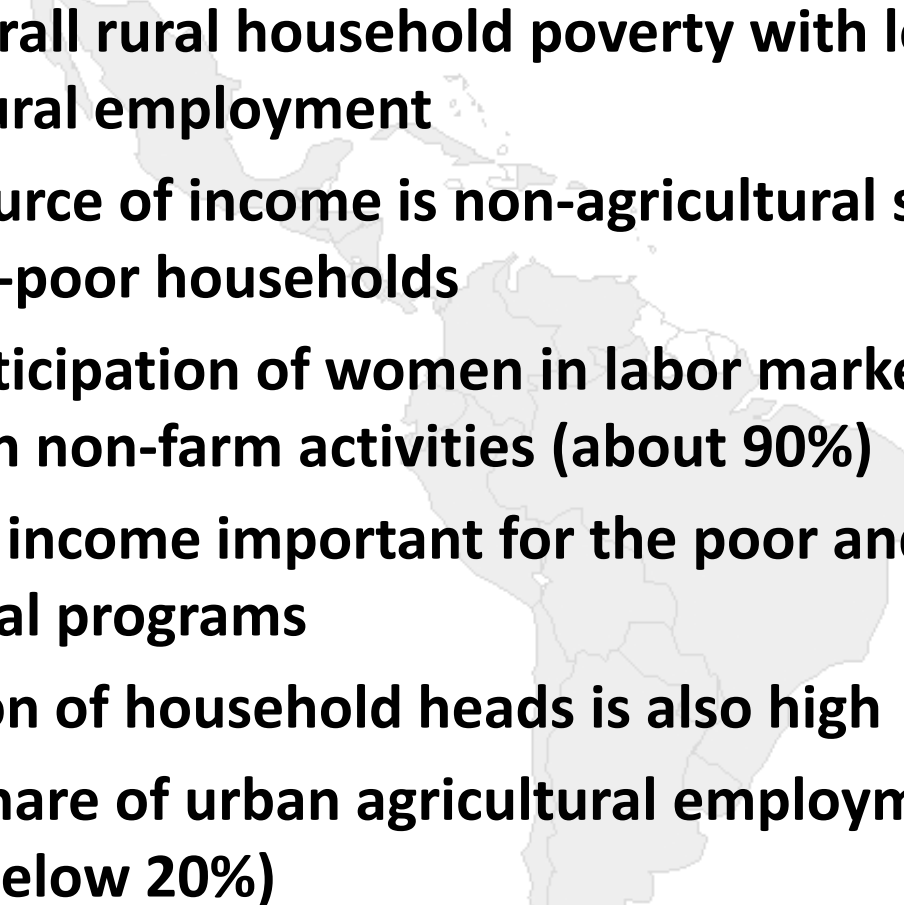
Traditional agrarian rural economies

- **Large proportion of agricultural households (> 40%)**
- **Highest combined share of self-employment and un-paid family members in agriculture**
 - importance of small-scale family agriculture
- **Main source of income of poor households is self-employment in agriculture (except GT)**
- **Main source of income of non-poor households are non-agricultural salaries (except PY)**
- **Highest proportion of women heads among transfer-dependent households (close to 60%)**
- **Transfers income comes mainly from remittances**
- **Agricultural employment in urban areas is low**
- **High share of agriculture in GDP (between 13% and 20%)**

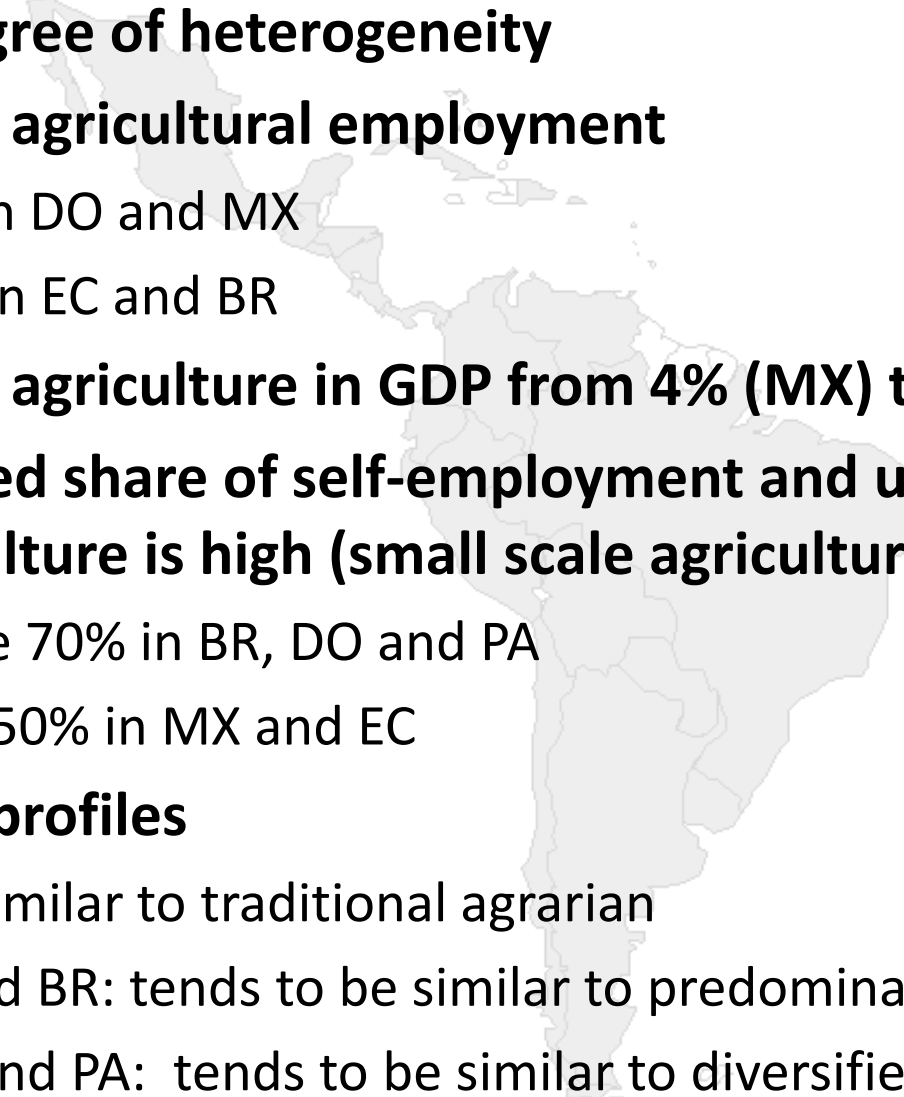
Predominant modern agricultural rural economy

- **Low overall rural household poverty rates with large share of agricultural employment**
 - **Agricultural salaries more important than agricultural own-account income both for poor and non-poor households**
 - **Transfers an important income source for the poor (case of CL from institutional sources)**
 - **Education of household heads highest both among poor and non-poor households**
 - **Low participation of women in rural labor market**
 - **The share agricultural employment in urban areas is the highest (over 40%)**
 - **Weight of agriculture in GDP around 5%**
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Diversified rural economy

- **Low overall rural household poverty with low share of agricultural employment**
 - **Main source of income is non-agricultural salaries, both for poor and non-poor households**
 - **Low participation of women in labor market; women employed mainly in non-farm activities (about 90%)**
 - **Transfer income important for the poor and mainly from pensions and social programs**
 - **Education of household heads is also high**
 - **Lower share of urban agricultural employment than in previous group (below 20%)**
- 

Transition rural economy

- **High degree of heterogeneity**
 - **Share of agricultural employment**
 - Low in DO and MX
 - High in EC and BR
 - **Share of agriculture in GDP from 4% (MX) to 10% (EC)**
 - **Combined share of self-employment and un-paid family members in agriculture is high (small scale agriculture is also important!)**
 - Above 70% in BR, DO and PA
 - Over 50% in MX and EC
 - **Income profiles**
 - DO: similar to traditional agrarian
 - EC and BR: tends to be similar to predominantly modern agriculture
 - MX and PA: tends to be similar to diversified rural economy
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Some points to underline

- **Homogeneity among high poor household – traditional agrarian economies**
- **Heterogeneity among transition rural economies**
- **Differences among low poverty countries**
 - ***Costa Rica – diversified*** : High importance of non-farm income for poor and non-poor households
 - ***Uruguay: predominantly agricultural with high ownership***
 - Agricultural income major source for poor (52%) and non-poor (65%) households
 - Self-employment and employers agricultural income combined (41%) more important than salary income (39%) for non-poor households
 - ***Chile: predominantly agricultural with high salaried employment***
 - Agricultural salaries more important for poor ; and non-agricultural salaries more important for non-poor households

Some general policy considerations

- **Support small-scale family agriculture in high poverty- traditional agrarian rural economies**
 - Given the importance of own-account agricultural income and self-employment and un-paid family employment
 - **Labor market policies to improve employment conditions**
 - Given the importance of salaried-labor for agricultural and non-poor households
 - **Productive development policies to diversify the rural economy**
 - Lowest poverty rates among multi-activity households in countries with low overall poverty rates
 - High poverty rates in countries dependent on own-account agricultural income
 - **Social protection policies**
 - Given high incidence of poverty among economically inactive households
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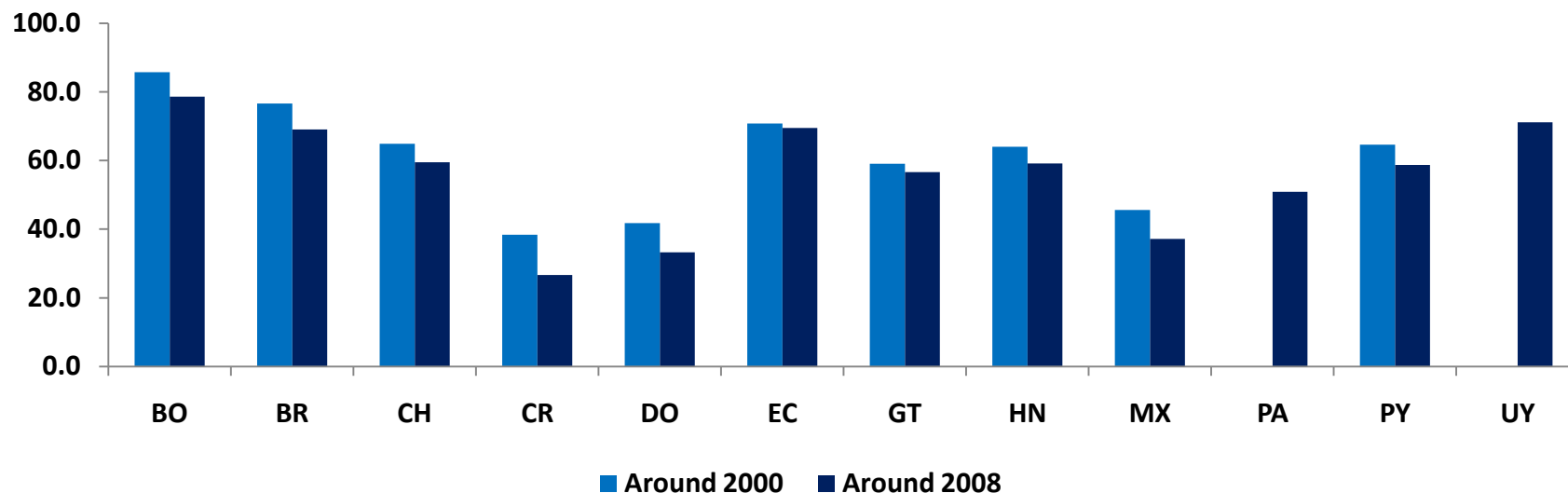
Some specific policy considerations

- **High poverty – traditional agrarian**
 - Support to small scale family agriculture
 - Diversify rural economy
 - **Low poverty – predominantly modern agriculture**
 - Diversify rural economy
 - More non-farm opportunities for women and youth
 - **Low poverty – diversified rural**
 - Deepen diversification of rural economy
 - More employment opportunities for women and youth
 - Address high poverty of inactive households
 - **Transition**
 - Policy mix, depending on specific conditions
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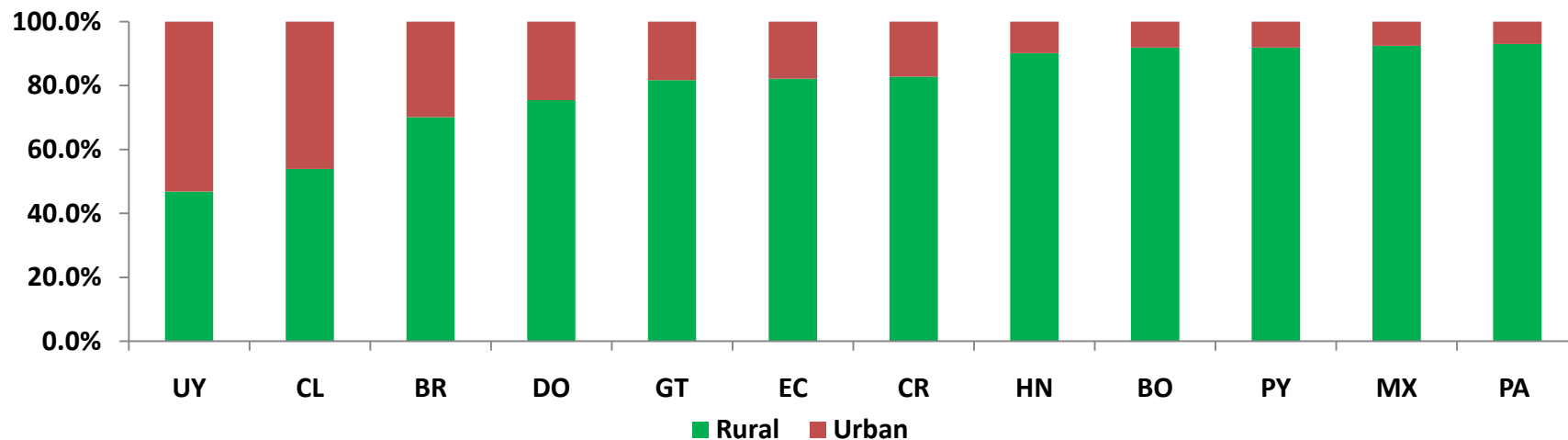
Thank you!

**Supporting
slides**

Rural agricultural employment (percentage of total rural employment)

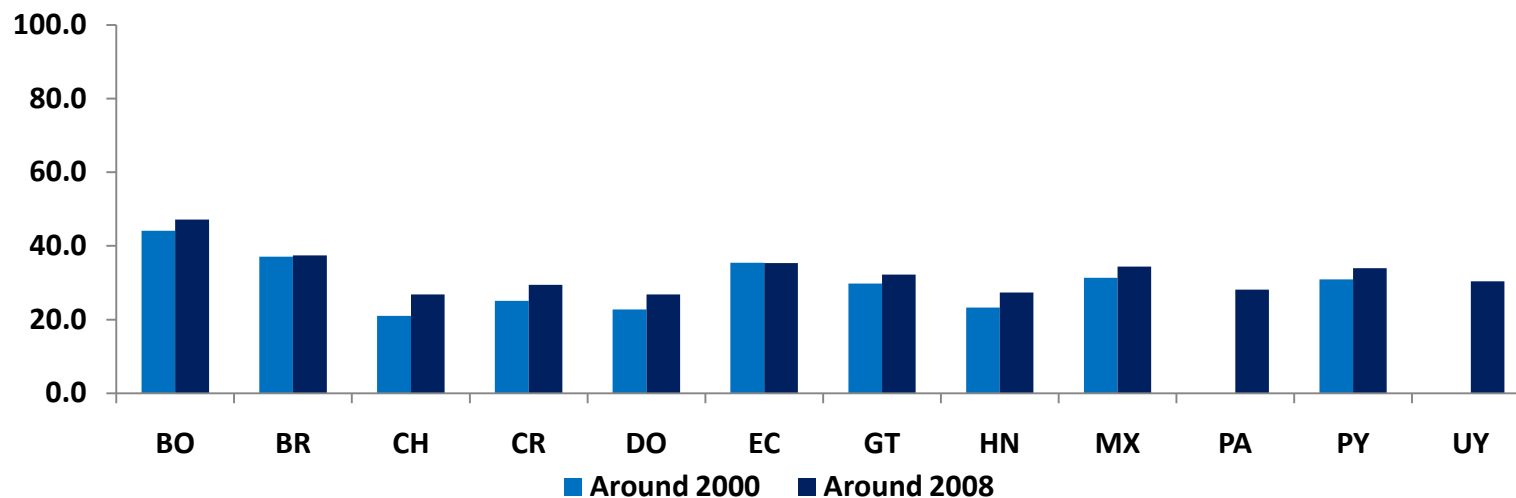


Distribution of agricultural employment (urban and rural, percentages)

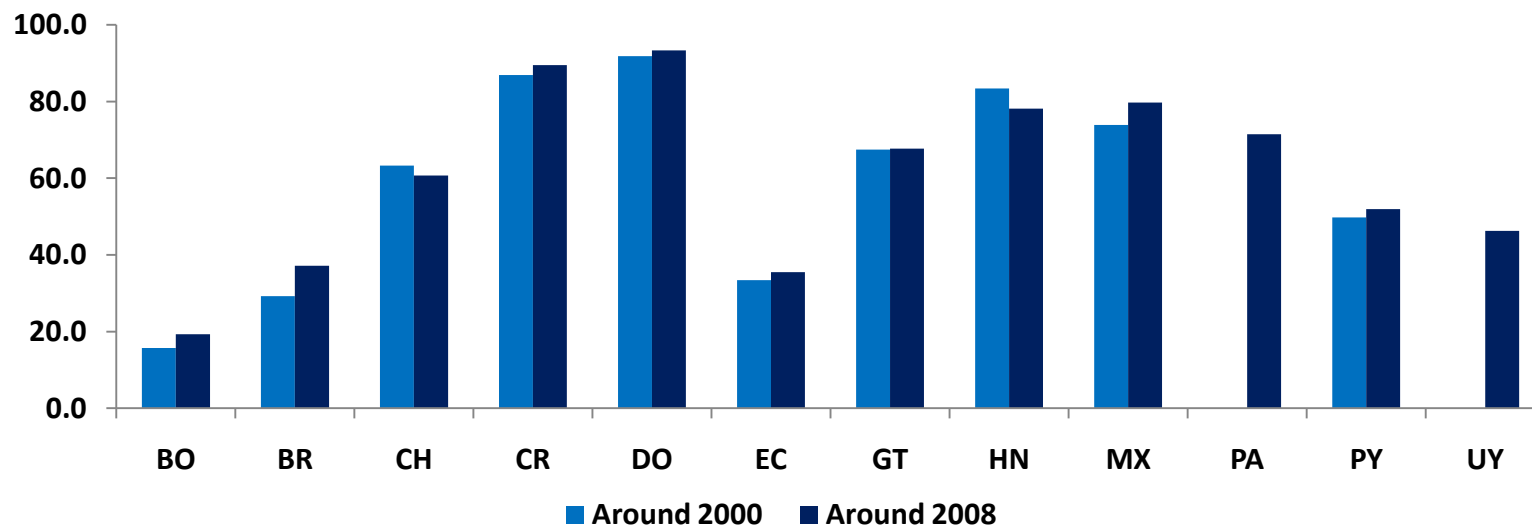


Source: Agricultural Development Unit/ ECLAC, based on special tabulation of National Household Surveys prepared by ECLAC's Statistical Division.

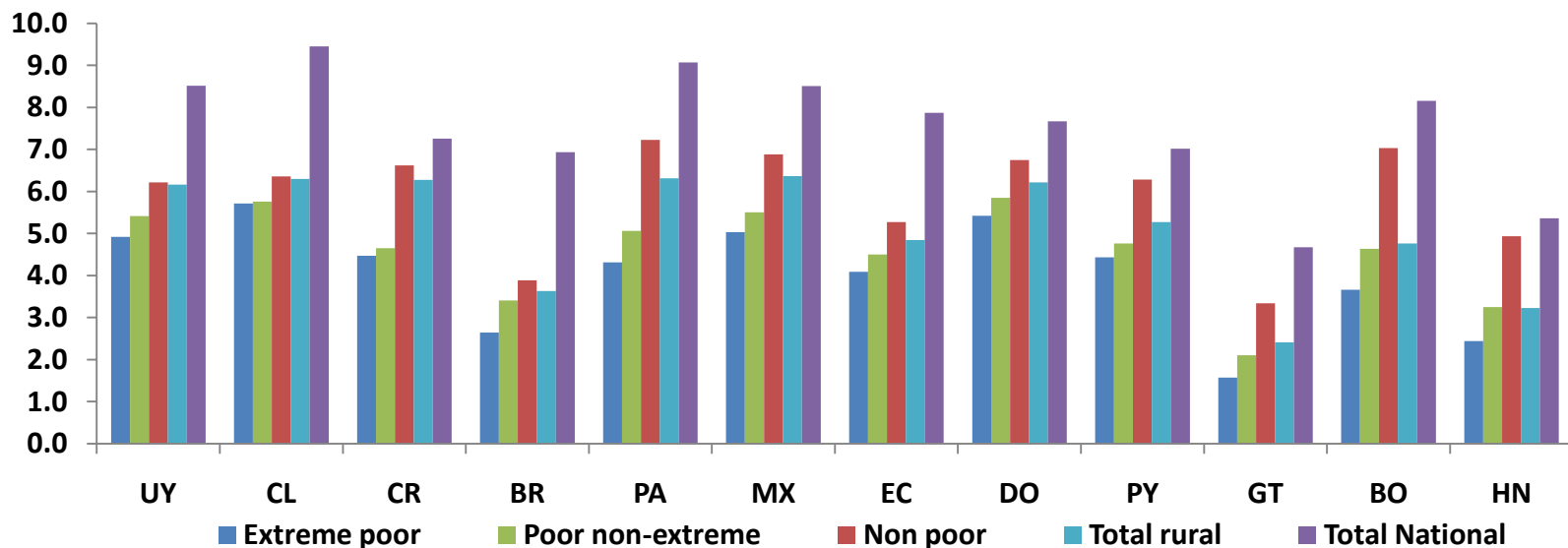
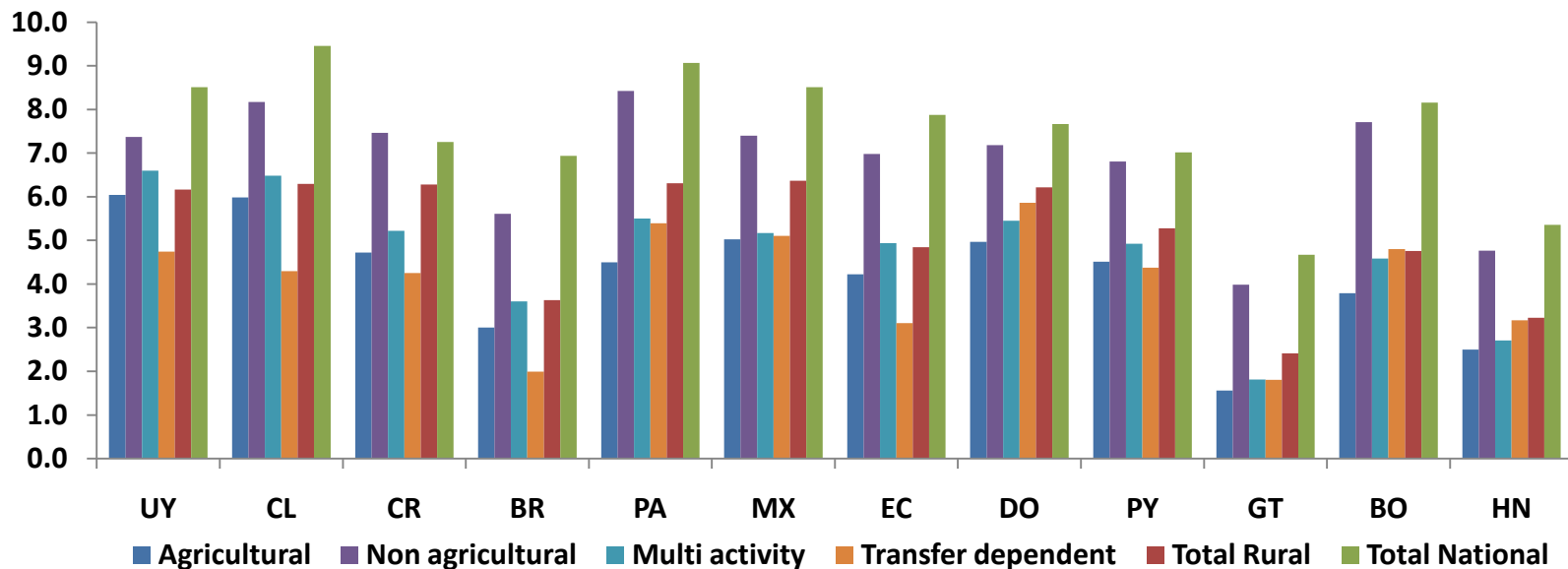
Rural women employment (percentage of total rural employment)



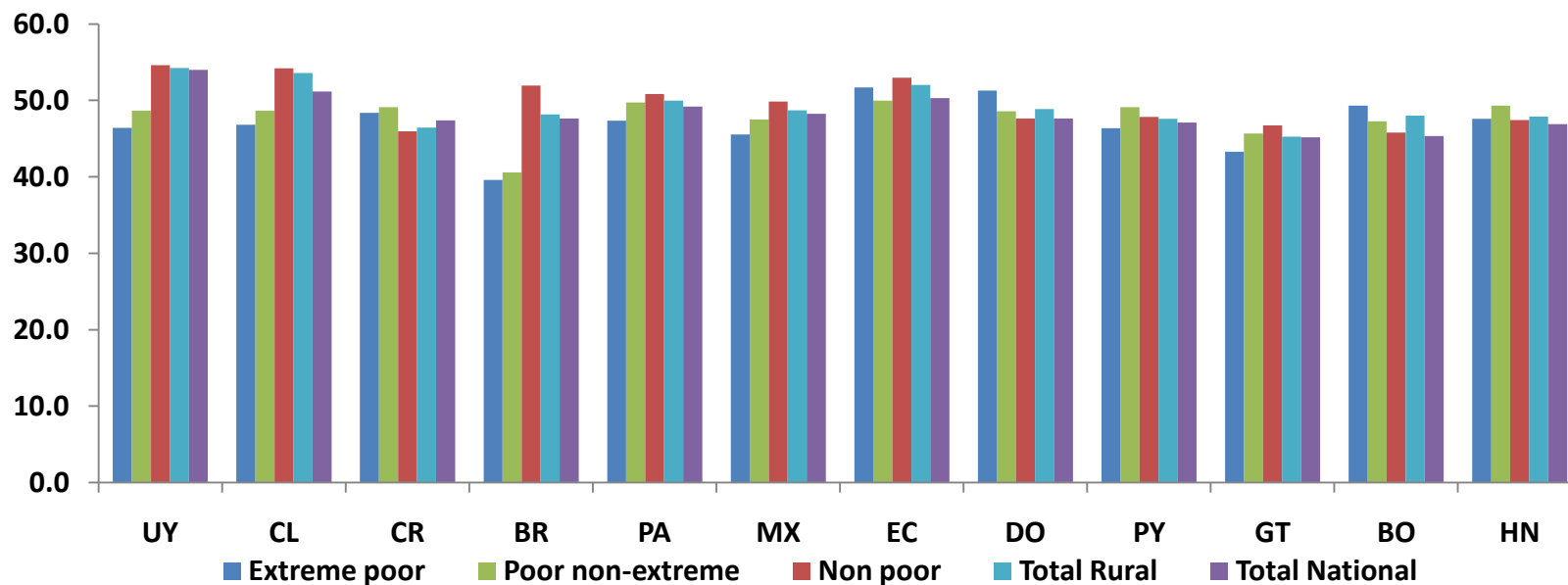
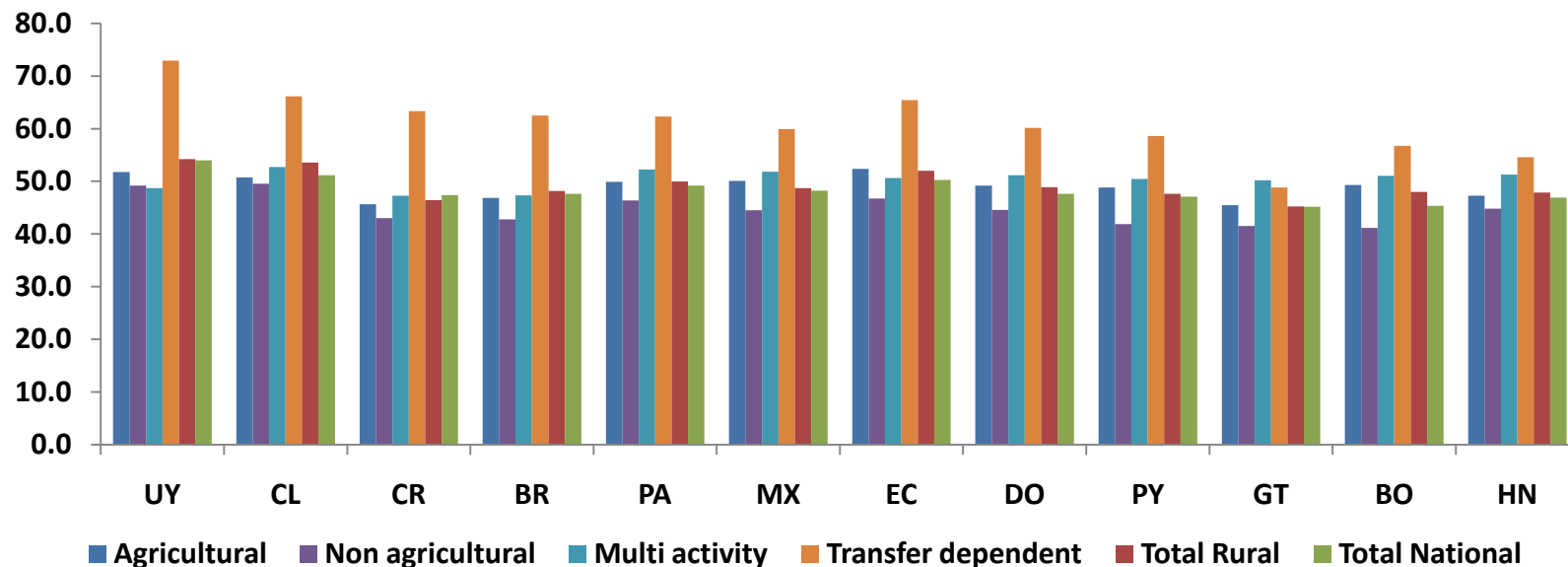
Women employment in non-farm activities (% of rural women employment)



Education of household heads (average year of schooling)

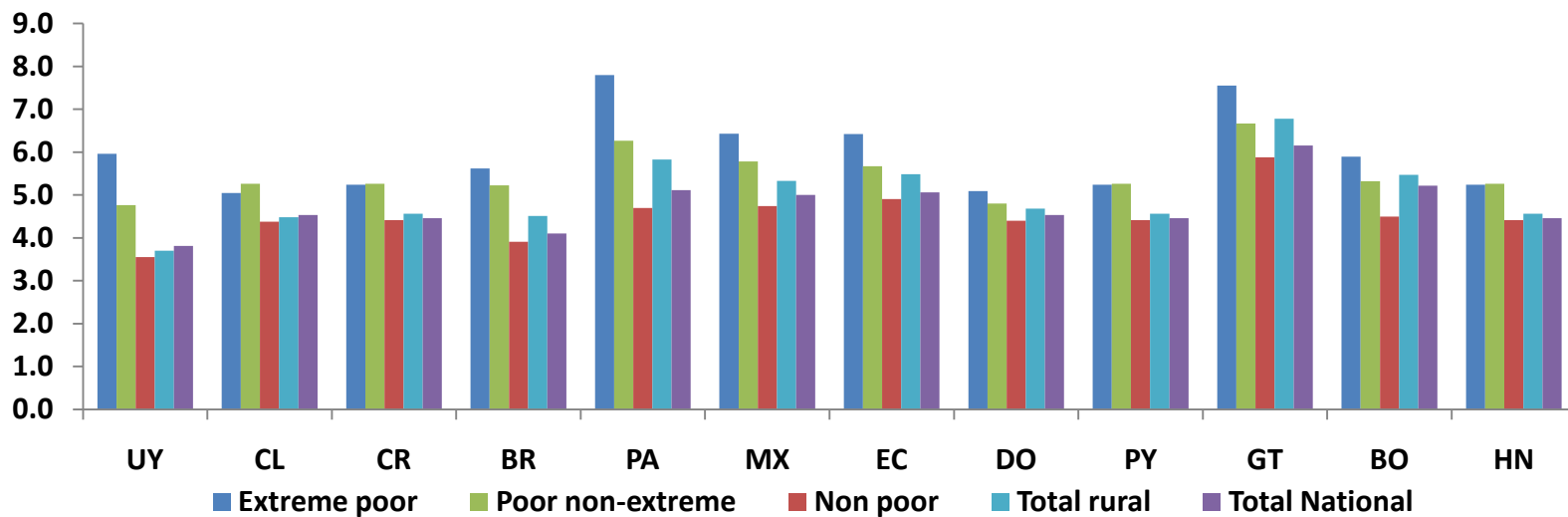
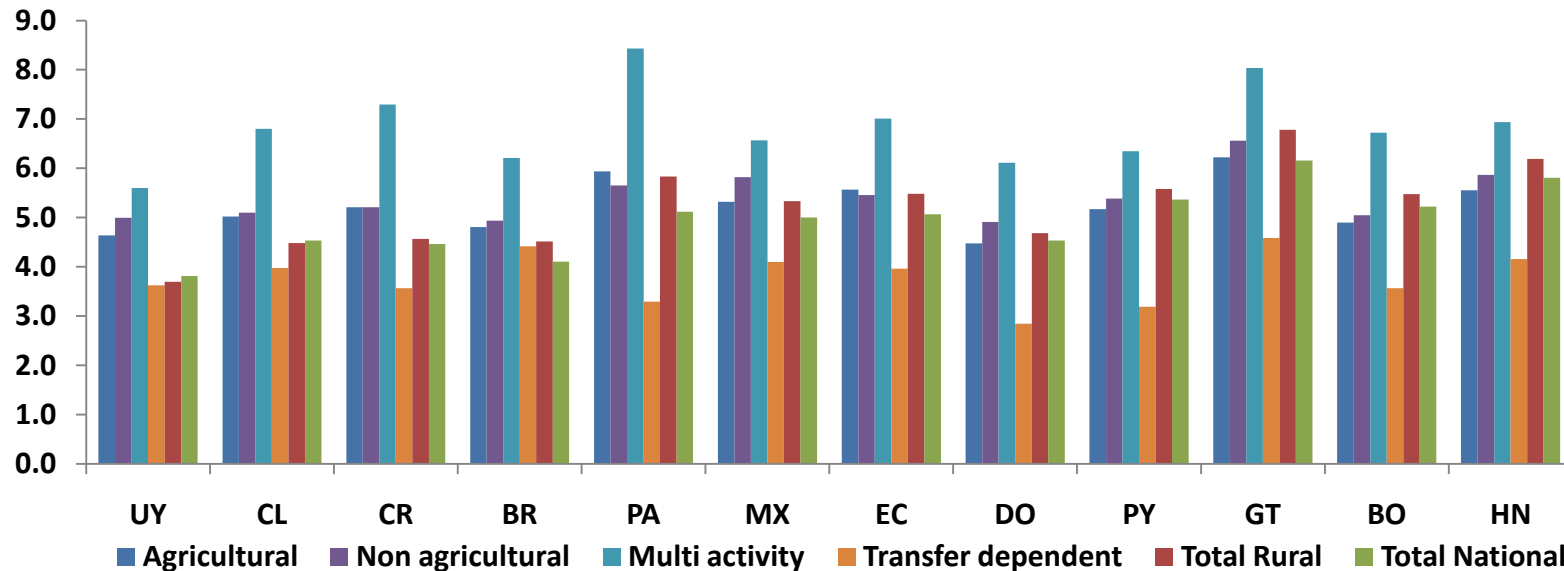


Age of household heads (average age)



Source: Agricultural Development Unit/ ECLAC, based on special tabulation of National Household Surveys prepared by ECLAC's Statistical Division.

Average household size



Source: Agricultural Development Unit/ ECLAC, based on special tabulation of National Household Surveys prepared by ECLAC's Statistical Division.

Women heads (percentage)

