

ASSETS ,ACTIVITIES AND RURAL INCOME GENERATING EVIDENCE FROM A MULTICOUNTRY ANALYSIS

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Abstract

This paper examines the links between the assets and the economic activities of rural households in developing countries to provide insight into how the promotion of certain key assets—particularly education, land and infrastructure—influences the economic choices of these households. Nationally representative data from 15 countries that form part of the rural income generating activities(RIGA) database are used in the analysis. The results indicate that improved land access is linked to agricultural production and thus will lead households to take, on average, this path for improving household welfare. Higher levels of education and greater access to infrastructure appear to be most closely linked to non-agricultural wage employment.

Key words: rural income generating activities, meta-regression analysis

INTRODUCTION

The objective of this paper is to examine the links between the assets and the economic activities of rural households. The relationship between certain assets and the capacity of rural households to generate income from different activities might be country specific and depend largely on the particular cultural and historical context of the country as well as its current policies. Alternatively, the asset-activities relationship may depend on the country's level of development—as countries develop and shift away from agriculture and towards manufacturing and services the magnitude of the returns to assets may shift from one activity to another or may change for a given asset.

MATERIAL AND METHODS

The approach taken to analyze the data from the RIGA database is similar to a meta-regression analysis. Meta-regression analysis is a systematic approach to examining study-to-study variation in empirical research. The idea is to explain how the choice of methods, design and data affect a certain type of analysis and thus lead to variation in results. To do this, the following steps are taken: (i) data from relevant studies are collected into a standard database, (ii) a single summary statistic for the analysis is identified and put into a common metric, (iii) a set of explanatory variables to include in a regression analysis are determined, and (iv) the

particular regression model for the analysis is chosen (Stanley, 2001; Stanley and Jarrell, 2005).

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