

Regional Diversity in Pathways out of Rural Poverty in Brazil: Implications for the Design of Public Policies

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Abstract

The Brazilian government has made poverty reduction and the elimination of hunger two of its highest priorities. Unfortunately, the information base necessary to accurately measure rural poverty at a disaggregated level does not exist. Thus, the ability to analyze the impacts of policies on rural poverty is severely constrained. This project proposes a solution to these problems based on state of the art methods for combining existing small and large data sets to take advantage of the strengths of each one. After estimating a consumption based measure of rural poverty at the municipal level, we will extract policy lessons from an analysis of alternative pathways out of rural poverty. Special attention will be given to regional diversity in pathways and policy implications. The alternative exit paths studied are a) agricultural productivity growth for small farms, b) non-agricultural sources of earned income, c) government transfers via social programs, d) land, credit, and labor market reforms, and e) migration out of rural areas. Policy recommendations will be derived for existing government programs, improving official data on rural incomes, and new programs in need of creation. The lessons will have direct relevance for USAID's goals of rural poverty reduction throughout Latin America.