Abstract

The main objective is to analyze the impact of large-scale agro-investments on (i) commercialization & econ. growth of the rural economy and (ii) poverty reduction in East Africa, under special emphasize on the role of institutions and transition process.

To meet this target it will look at three aspects at the village / community level, namely the impact on total factor productivity, impact on formalization of property rights and creation of markets for inputs and outputs (special emphasis on land markets), and analyze change of rural economy’s institutions. On the household-level the focus will lie on analysis of degree of commercialization and subsequent change of allocation of resources of the rural HH (labor, land, time), and on the impact on poverty reduction. Such approach can be summarized in the following five research questions: 1) Do the agro-investment lead to an increase in productivity of an affected region? 2) How do investments influence the formalization of property rights and the creation of markets? (especially for land) 3) To what degree does commercialization & integration take place and how does it affect the allocation decisions of rural HHs? 4) What is the impact of the investments on poverty at the HH-level? 5) What role do local institutions play and how could they be improved to better serve efficiency and poverty reduction?