ABSTRACT

Many rural households in low and middle income countries continue to rely on small-scale agriculture as their primary source of income. In the absence of irrigation, income arrives only once or twice per year, and has to cover consumption and input needs until the subsequent harvest. We develop a model to show that seasonal constraints not only undermine households’ ability to smooth consumption over the cropping cycle, but also affect labor markets if liquidity-constrained farmers sell family labor off-farm to meet short-run consumption needs. To identify the impact of seasonal constraints on labor allocation and agricultural production, we conducted a two-year randomized controlled trial with over 3000 small-scale farmers in rural Zambia. Our results indicate that lowering the cost of accessing liquidity at the time of the year when farmers are most constrained (the lean season) reduces aggregate labor supply, drives up wages, and leads to a reallocation of labor from less to more constrained farms. This reallocation reduces consumption and income inequality and increases average agricultural output.

BIO

Kelsey Jack does research at the intersection of environmental and development economics, with a focus on how individuals, households, and communities use natural resources. She has conducted research in numerous countries in Africa, Asia and Latin America. She joined the Bren School after seven years in the Economics Department at Tufts University and a postdoc position at MIT, with the Agricultural Technology Adoption Initiative (ATAI) at J-PAL. She holds a bachelors degree in Public and International Affairs from Princeton University and a PhD in Public Policy from Harvard University. Before graduate school, she worked for IUCN in Lao PDR.