



Can Income Diversification be a Leading Tool for Improving the Livelihood in Rural Areas? Lessons Learned from a Region in the Center of Benin (West Africa)

Pamphile K. Degla¹, Eunice M. Tomavo¹, and Francois-Xavier S. Bachabi²

¹Department of Agricultural Economics, Faculty of Agricultural Sciences, University of Parakou - Benin

²Department of Plant Production, Faculty of Agricultural Sciences, University of Parakou - Benin

Abstract

Income improving is a key component for poverty reduction and economic development strategy in rural areas where it, unfortunately, remains a real challenge. In the present study we analyzed the impacts of income diversification on the livelihood on people in rural areas of central part of Benin. For this purpose, 120 producers were randomly selected in four villages of the center of Benin and diverse analytical tools including farm income statement, multi-linear regression and multinomial logistic model were used. The results showed that diversification has a positive effect on the total annual income of farmers. Moreover, our results showed that the total income of farmers was significantly influenced by the size of their farm, the sex of the farmers, their regular contact with extension services and their involvement in some off-farm activities. Among factors that influenced farmers' decision to diversify their income-generating activities, access to land was the only one factor that had a significant effect. By providing to farmers an additional income of 1.31 \$/day (corresponding to 41 percentage of their total income), income diversification reinforces the purchasing power of farmers and can, therefore, contribute to farmer's poverty reduction.

Keywords: Diversification; Income; Off-farm Activities; Poverty; Benin.