Modelling Pro-Poor Agricultural Growth Strategies in Malawi: Lessons for Policy and Analysis Andrew Dorward, Peter Wobst, Hans Löfgren, Hardwick Tchale and Jamie Morrison

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General Comments

This paper has much merit. It aggregates the micro farm household model developed by Dorward into a partial equilibrium model of the informal economy at the expense of economy wide effects. The dynamic CGE model developed by Wobst et al is modified to incorporate some additional farm household detail but (but less than in the original Dorward model) and incorporates economy wide effects operating over time. The two models are partly linked though the use of estimated technical change from the informal economy model in the CGE model, and the models are also run in parallel to explore implications of different scenarios. Some of the key findings from the Dorward micro economic model concerning the lack of pro-poor growth effects to increase unskilled wages carry over into the informal economy and economy wide models. The authors offer insightful suggestions on what steps are required to achieve fuller integration of the models, in terms of data requirements and in terms of further model development. Inevitably, with further data and model issues as yet unresolved, the pointers for future policy analysis are useful but inevitably at this stage rather ad hoc.

Some Specific Comments

p3-9 Linkages between models

These could be made much clearer eg the exact differences between the informal economy model and the original Dorward micro household mode, and the differences between the CGE model used and the original Wobst et al model.

p5 Market Failure

More detail on how credit market failure works in the models would be useful

p 6 Table 2.3

Motivation eg for input subsidies not given. In manufacturing, is has been assumed for a long time that obtaining inputs at world prices is key for export orientated industrialisation. What is different in agriculture?

p9 Technical change in land

The effective productivity of land is increased eg by better inputs, better land management, and so on. Why assume that land productivity does not change?