Effect of Rural Livelihoods Project on Adaptation Decision and Farmers’ Wellbeing in Western Odisha, India: Application of Endogenous Switching Regression

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Working Paper No. 239

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December 2016

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Ahmedabad
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First Published  December 2016
ISBN          81-89023-97-7
Price         Rs. 100.00
Abstract

Evidences suggest that developing countries, challenged as they are due to problems such as poverty, food insecurity, malnutrition and inequality are also highly vulnerable to current and future climatic shocks. While several projects have been undertaken in these countries over the years to address their development challenges, efforts to integrate climate change adaptation within development initiatives have virtually been absent. Also, empirical analyses that examine the causal relationship between such activities and agricultural adaptation decision by farmers or their overall wellbeing are scarce, particularly in the case of India. This paper seeks to address this gap by examining the effect of a rural livelihood project implemented in the drought prone western region of the state of Odisha in the last decade. The empirical analysis is based on a survey of 549 rural households. Employing the endogenous switching regression approach, the paper finds that the intervention did enhance the likelihood of undertaking farm-level adaptation measures. The other drivers are found to be access to technical education, formal and informal institutions, and agricultural extension services. It is also found that adaptations lead to significant gain in crop income of farmers. From a broader policy perspective, the paper emphasizes the significance of integrating climate change in development planning to reduce the possibility of mal-adaptation.

Keywords : Rural Livelihoods Project, Farm-level Adaptation, Crop Income, Endogenous Switching Regression, Western Odisha, India

JEL Classification : O13, Q12, Q54, C24

The full paper can be requested from the author: chandrasekharbahnipati@gmail.com
Acknowledgements

The data collection for this study was done through a research grant from South Asian Network for Development and Environmental Economics (SANDEE), Kathmandu, Nepal [SANDEE/2013-06]. We are thankful to Bijoy Satapathy, staffs of Odisha Watershed Development Mission and the Project Implementing Agencies of WORLP in Balangir for their support to conduct the field work. We acknowledge the support from Mr. Onkar Nath Tripathi who along with his team coordinated the household surveys. We are grateful to the respondent households for their participation in the survey. Thanks to Barun Deb Pal for providing comments and suggestions on a previous draft. Earlier versions were presented at the International Seminar on Poverty, Environment and Sustainable Development Goals (SDGs) in Asia Pacific’, Institute for social and Economic Change, Bangalore and faculty seminar series at GIDR, Ahmedabad. We have benefited from discussions with R. Parthasarathy, Keshab Das, N. Lalitha and Tara Nair. Our sincere thanks to P.K. Viswanathan, Tara Nair and Itishree Pattnaik for their efforts to bring this paper as part of the GIDR working paper series. All views, interpretations, conclusions and recommendations made in this paper are those of the authors and not of those of the supporting or collaborating institutions. Usual disclaimers apply.
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