Input Subsidy Programs in Sub-Saharan Africa

Despite the recent proliferation of “smart” input subsidy programs in Africa, there has been limited rigorous evaluation of their impacts to date. Filling this knowledge gap is one of the major motivations for this Special Issue of Agricultural Economics, guest edited by Thomas Jayne and Shahid Rashid.

We embarked on this special issue with three specific objectives. The first is to assemble the recent evidence and place it within the broader literature on input subsidy programs (ISPs) in Sub-Saharan Africa (SSA). Our second main objective is to provide evidence-based guidance to African policy makers and development partners on ISPs. For this purpose we assembled comprehensive reviews of the micro-level evidence in four countries where input subsidy programs have featured prominently (Nigeria, Ethiopia, Malawi, Zambia). The SI also contains several thematic reviews synthesizing cross-country evidence on, for example, ISPs’ impacts on total fertilizer use and food price levels. The third objective of the special issue to highlight the application of recent conceptual and methodological developments in resolving issues related to analyzing ISPs. Input subsidy programs were prominent and widely studied in the 1970s and 1980s, but their analysis relied on aggregated market-level data on quantities and prices due to the paucity of household survey data at that time. Now that ISPs have returned, policy discussions have been hampered by the paucity of evidence concerning ISPs effects on household and community-level behavior—information that is vital for understanding the distributional impacts of subsidy programs and their effectiveness in achieving national policy goals. However, the wider availability of household panel survey data, advances in estimation methods, and innovations in survey design methods such as Randomized Control Trials (RCTs) have enhanced economists’ ability to identify program effects with greater confidence and accuracy. Many of the studies in this SI have taken advantage of such tools and made important empirical contributions to our understanding of the effectiveness and efficiency of the new “smart subsidy” programs.

- PREFACE (pages 545–546). Thomas Jayne and Shahidur Rashid
• **What are the farm-level impacts of Malawi’s farm input subsidy program? A critical review (pages 563–579).** Rodney Lunduka, Jacob Ricker-Gilbert and Monica Fisher

• **Input promotion within a complex subsector: fertilizer in Nigeria (pages 581–594).** Lenis Saweda O. Liverpool-Tasie and Hiroyuki Takeshima

• **Zambia’s input subsidy programs (pages 613–628).** Nicole M. Mason, T.S. Jayne and Rhoda Mofya-Mukuka

• **Impacts of subsidized hybrid seed on indicators of economic well-being among smallholder maize growers in Zambia (pages 659–670).** Nicole M. Mason and Melinda Smale

• **What are the effects of input subsidy programs on maize prices? Evidence from Malawi and Zambia (pages 671–686).** Jacob Ricker-Gilbert, Nicole M. Mason, Francis A. Darko and Solomon T. Tembo

• **How do fertilizer subsidy programs affect total fertilizer use in sub-Saharan Africa? Crowding out, diversion, and benefit/cost assessments (pages 687–703).** T.S. Jayne, David Mather, Nicole Mason and Jacob Ricker-Gilbert