

**“Economic Growth with Poverty Reduction:
Innovation, Equity and Rates of Change”**

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Abstract

The power of innovation to improve the quality and sustainability of life on earth can be readily seen in nature and in human social and economic development. To quote Jonathan Swift: “That whoever could make two ears of corn, or two blades of grass, to grow upon a spot of ground where only one grew before, would deserve better of mankind...” I will give some historical examples of innovations and the returns on investment they contributed. What is less self-evident is the power of equity as a driver of progress and sustainable development. We usually think of equity as a goal or a value, rather than as a lever for change. But the history of development reveals equity is on par with innovation to improve the lives of all, not just the lives of the poor. I will give examples of structural equity-creating policies that were the foundation for rapid growth and poverty reduction. An even less self-evident driver is the rate of progress. Africa provides a modern-day example of how a 3% growth rate in agriculture, while better than no progress, only maintains the status quo, while 6% growth can rapidly drive down poverty and stimulate growth beyond the farm sector.