Effect of research and development on agricultural sector growth in the East African community

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This study empirically examined the effect of research and development on agricultural sector growth in East African Community from the year 2000-2014. According to the endogenous growth theory, research and development leads to increase in the stock of knowledge which in turn has got spillover effects hence leads to economic growth. However, little is known on the effect of R&D on the agricultural sector in the EAC hence the study sought to bridge this knowledge gap. The objective of this study was to determine the effect of agricultural research and development on agricultural sector growth. Panel data analysis was used with stationarity test conducted using Levin-Lin- Chu panel unit root test. Stationarity test showed that some variables were stationary at level while others were stationary after first differencing. Random effects regression results showed that explanatory variables had a positive and significant relationship with the dependent variable and the recommendations are: That R&D to be allocated more funds; more research scientists and agricultural labourers to be employed, trained and motivated through better remuneration and good work environment; R&D based knowledge to be disseminated to the public through publications; firms to train agricultural labourers on how new technologies are being used and also to allocate them duties and responsibilities that match their skills and that agricultural capital costs be subsidised. Key words: Agricultural sector growth, research and development, East Africa Community, economic growth, stationarity, and regression results.