

**Rural inequality, wage employment and  
labour market formation in Africa:  
Historical and micro-level evidence**

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*Abstract:* This paper explores the evidence on inequality, particularly rural inequality, and rural labour markets in sub-Saharan Africa. It provides some analytical and historical linkages between processes of transition to capitalist development, increases in inequality and rural labour market formation. The paper suggests that the empirical evidence on both rural inequality and rural labour markets is either scarce or unreliable and puts forward a number of reasons why this is the case. Failing to account for disaggregated forms of socio-economic differentiation and rural labour market formation has implications for our understanding of employment and poverty dynamics in rural Africa. The paper provides some illustration to these themes based on primary research conducted in various African countries. It documents the relative but often unaccounted dynamism of rural/village labour markets in Africa, and emphasises the significance and nature of labour market segmentation in these contexts. It also explores the diversity, patterns and drivers of differentiation among wage earners in rural Africa. It finally discusses a number of policy implications relevant to issues of rural inequality and wage employment in accordance with the ILO's Decent Work Agenda.

*JEL classification:* J43; J31; Q12.

*Resumé:* Ce document explore les données disponibles concernant l'inégalité, en particulier l'inégalité rurale, et les marchés du travail ruraux en Afrique subsaharienne. Il fournit un certain nombre de liens analytiques et historiques entre les processus de transition vers le développement capitaliste, l'augmentation de l'inégalité et la formation de marchés du travail ruraux. Les résultats de cette étude suggèrent que les données empiriques, tant sur l'inégalité rurale que sur les marchés du travail ruraux, sont insuffisantes ou peu fiables. Un certain nombre de raisons sont présentées pour expliquer cela. Ne pas tenir compte des formes désagrégées de différenciation socio-économique et de la formation de marché du travail ruraux a des implications pour notre compréhension de la dynamique de l'emploi et de la pauvreté en Afrique rurale. Ce document fournit certaines illustrations de ces thèmes basées sur une recherche primaire conduite dans divers pays africains. Il documente le dynamisme, dont il n'est souvent pas tenu compte, entre marchés du travail ruraux et villages en Afrique, et souligne la signification et la nature de la segmentation de marché du travail dans ces contextes. Il explore également la diversité, les tendances et les conducteurs de la différenciation parmi des salariés en Afrique rurale. Il étudie finalement les implications de politiques pertinentes aux questions d'inégalités rurales et de travail salarié, conformément à l'Agenda de l'OIT pour le travail décent.

*Classification JEL:* J43; J31; Q12.

*Resumen:* El presente documento explora la información existente sobre desigualdad, en especial desigualdad rural, y mercados rurales de trabajo en África Subsahariana. Aporta una serie de vínculos analíticos e históricos entre los procesos de transición al desarrollo del capitalismo, el aumento de las desigualdades y la formación de mercados rurales de trabajo. El documento plantea que la información empírica tanto sobre desigualdad rural como sobre mercados rurales de trabajo es o escasa o poco fiable y sugiere una serie de razones para explicarlo. La falta de información sobre formas desagregadas de diferenciación socioeconómica y de formación de mercados rurales de trabajo conlleva implicaciones para el conocimiento de las dinámicas de empleo y pobreza en el África rural. El documento aporta ilustraciones empíricas sobre estos temas con base en investigación primaria llevada a cabo en varios países africanos. Documenta el relativo pero escasamente investigado dinamismo de los mercados de trabajo rurales y de aldeas en África, y hace hincapié en la importancia y la naturaleza de la segmentación del mercado de trabajo en estos contextos. También explora la diversidad, los patrones y los motores de la diferenciación entre asalariados en África rural. Finalmente, presenta una serie de implicaciones de políticas pertinentes en relación con las cuestiones de desigualdad rural y empleo asalariado de acuerdo con la Agenda del Trabajo Decente de la OIT.

*Clasificación JEL:* J43; J31; Q12.

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# Rural inequality, wage employment and labour market formation in Africa: Historical and micro-level evidence

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# Rural inequality, wage employment and labour market formation in Africa: Historical and micro-level evidence\*\*

## 1. Introduction

Sub-Saharan Africa is a very diverse geographical, social, economic and political entity. Generalizations about development, growth, inequality and labour are at least as problematic as they can be in any other region in the developing world. However, much of the economic literature on Africa continues to offer general and apparently ‘common’ accounts of development challenges and outcomes. ‘African essentialism’ is indeed a feature of the growth literature focused on the negative ‘dummy variable’ for Africa that emerges in regression analysis (apparently unexplained below-par growth performance), as well as the poverty literature, which highlights Africa as the only region where poverty-related MDGs are unlikely to be met. ‘African’ attributes are also common in the literature and available evidence on labour. For example, conventional wisdom and official data on rural employment in sub-Saharan Africa suggests the following ‘stylized facts’ (see for critical assessments Sender, 2003; Sender et al., 2005; Leavy and White, 2003): (a) agriculture mainly consists of small ‘subsistence’ peasant farmers, most of them poor and inequalities between them are hence not very significant; (b) defenders of the ‘urban bias’ hypothesis continue to believe that rural-urban gaps are more important than other drivers of inequality, and generally overlook the significance of rural inequalities; (c) the non-farm economy is thought to comprise mainly self-employed individuals, in particular own-account workers and contributing family workers; (d) as a corollary of these features, rural labour markets are regarded as thin or absent and rural wage employment as uncommon; (e) besides, cooperative/reciprocal labour exchange is often seen as more common than wage labour, partly reflecting supposedly greater degrees of equality and more widespread poverty.

Of course, not everyone agrees with these broad stylized facts, which, as field evidence accumulates, can become part of a mythology of development in Africa. Exceptions to these aspects of the conventional wisdom are now often noted and qualifications arise more frequently (see World Bank, 2007; Barrett et al., 2000; Jayne et al., 2003). In fact, some influential reports such as the World Bank’s 2008 World Development Report (see World Bank, 2007) have begun to consider more seriously two aspects of rural African economies: (a) the smallholder population is more heterogeneous than often thought and less of a ‘standard’ social category; (b) the scope and importance of paths beyond own-account farming towards wage employment (sometimes via migration) or non-farm activities is much greater than usually acknowledged (see World Bank, 2007: ch. 9). For example, the 2008 World Development Report recently recognized that

“[m]aking the rural labor market a more effective pathway out of poverty is thus a major policy challenge that remains poorly understood and neglected in policy making. [...] In Sub-Saharan Africa, statistics from national surveys report low female wage labor, but the emerging literature suggests that many women, particularly poor women, rely increasingly on agricultural wage labor. [...] As agriculture intensifies and diversifies, and economies develop, well-functioning rural labor markets and migration are crucial in reducing rural poverty and dampening rural-urban income disparities. But stunningly little policy attention

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has been given to the structure, conduct, and performance of rural labor markets.” (World Bank, 2007: 202, 204, 221).

In other words, socio-economic differentiation in rural Africa is more significant than we normally think. By ‘socio-economic differentiation’ we mean a process whereby inequality increases together with a growing fragmentation of labour into groups of people who increasingly depend on working for wages and groups who manage to accumulate a bit and employ other people’s labour, and between groups who still depend on farm activities and groups who become increasingly reliant on non-farm sources of income. Whether there are clear-cut links between processes of socio-economic differentiation, growing rural inequalities and the extent to which people depend more on off-farm activities (including rural wage employment) is not very clear from the available evidence, although some recent influential research on the declining importance of land-based livelihoods suggests that the link exists (Bryceson, 2002; Raikes, 2000; Rigg, 2006). Indeed, as will be argued below, processes of agrarian transitions towards capitalist development have been historically characterized by accelerated socio-economic differentiation, growing inequalities, coexistence between related logics of accumulation and survival, and the development of labour markets, through a growing proportion of people who depend on wages for their social reproduction. However, a serious consideration of diversity is necessary, not as an afterthought for a footnote but as a central point of departure. Indeed, the variety and unevenness of these transition processes is remarkable and an analytical identification of tendencies should not detract from the explicit illustration of diverse patterns, not least because some of these tendencies are not necessarily inevitable.

This paper aims to both provide: (a) some concept notes on the linkages between rural inequality and rural labour market formation, on the basis of lessons from the tradition of agrarian political economy of rural change; and (b) some empirical illustrations of these ideas from micro-level research on rural labour markets in which I participated in recent years. Accordingly, the paper will be organized as follows. Section 2 is devoted to the analytical and empirical linkages between inequality and rural labour market formation (and the expansion of wage employment in rural areas) with questions arising from both macro (aggregate) and micro (disaggregated) levels of analysis. This section will also discuss some of the main reasons for the apparent lack of development of rural labour markets and associated scarcity of evidence of rural wage employment. It will be argued that there is a serious problem with the evidence available at the micro level from official statistics and competing explanations will be reviewed. The scarcity of reliable evidence makes an empirical analysis of linkages between rural inequality and wage employment tentative at best, misleading at worst.

This will be followed by Section 3, which will give an overview of main issues and stylized facts emerging from a reading of the main strands of and most influential contributions to the existing literature focused on sub-Saharan Africa on the themes of rural inequality and socio-economic differentiation. The section on rural inequality and differentiation will particularly focus on the farming population, which constitutes a majority of the rural African population. Section 4 will illustrate some of the themes reviewed in the paper with some relevant evidence of rural/village labour market formation, labour market segmentation and diversity, and patterns and drivers of differentiation among wage earners in rural Africa. The final section will summarize some of the main points and will draw some tentative policy implications that may be relevant to issues of rural inequality and wage labour in accordance with the ILO’s Decent Work Agenda. It will then briefly highlight some of the main economic, political and ideological challenges in pursuing the proposed policy agenda.

## 2. Inequality and rural labour market formation

Exploring the linkages between inequality and rural labour market formation requires an understanding of the features of capitalist development from a historical perspective, and in particular of the processes of agrarian transitions associated with capitalist transformations. Unfortunately, ahistorical snapshots are as common in the development literature as references to ‘states’ and ‘markets’ without consideration of ‘capitalism’. Some of the key differences in rural development outcomes and characteristics observed today between regions, countries and regions/states within countries can in fact be explained by the uneven development of capitalism in agriculture and rural areas (Byres, 2003; Bernstein, 2009; see also Table 1).

**Table 1. Diversity in agrarian structures and land concentration in selected countries**

Country	acreage	% of holdings	% of cultivated area
Mozambique	medium-large (> 10 ha)	< 2.0	4.8
Côte d'Ivoire	> 5 ha	24.0	74.0
	> 20 ha	2.8	25.0
Ethiopia	> 5 ha	1.0	6.8
Uganda	> 5 ha	9.2	48.0
South Africa	large farms	13.7	69.0
Namibia	> 5 ha	12.2	30.0
India	> 5 ha	4.8	33.0
UK	> 100 ha	16.7	69.0
Brazil	> 100 ha	11.0	80.0
Mexico	> 5 ha	41.0	97.0
	very large farms ( <i>ejido</i> )	0.6	41.0
USA	> 100 ha	26.5	87.0
	> 800 ha	3.6	52.0
Argentina	> 100 ha	37.8	96.0
	> 5000 ha	1.5	50.0

Source: Author's elaboration from FAO census database.

Whereas capitalist agriculture (whether large or middle-scale) has had a longer history in parts of Latin America, especially in the countries integrated in the so called global grain-livestock complex (Argentina, Chile, Brazil, Uruguay and Mexico)<sup>1</sup>, and in dynamic parts of Asia (e.g. Punjab and Haryana in India and most of Southeast Asia), it has very unevenly developed in sub-Saharan Africa, although the significance of rural capitalism has been somewhat underestimated by much of the conventional literature (Sender and Smith, 1986; Oya, 2007b; Austin, 2005). In sub-Saharan Africa diversity is also very marked, as a contrast between the extremely unequal agrarian structures of Southern Africa, in the so-called former ‘settler economies’ (South Africa, Zimbabwe, Namibia,

<sup>1</sup> The incidence of large-scale plantation farming is much higher in Latin America than in sub-Saharan Africa and South Asia. This partly reflects very different demographic characteristics (with more urban population in Latin America) but also a different history of dispossession during colonization. The degrees of land inequality are thus very different across countries. The FAO agricultural censuses database clearly reflects these contrasts (see Table 1).

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Zambia, among others), and those in Sahelian West Africa, Ethiopia and Tanzania illustrate (Oya, 2007b).<sup>2</sup>

## 2.1. Inequality, capitalist development and wage employment

Unequal (rural) capitalist development is reflected in the extent to which in some African countries neither peasant/smallholder nor large-scale commercial agriculture have sufficiently developed, in comparison with other developing regions and African countries, particularly in some countries that became ‘labour reserves’ during the colonial period, with examples of Malawi and Zambia as significant (see Mkandawire, 1999, on Malawi). Overall agricultural sectors in these countries were often unbalanced and unproductive across a range of farming categories, at least in comparison with other countries and regions. At the same time, the late colonial and early post-colonial experience and the expansion of trade in tropical agricultural commodities saw the active promotion of cash crops that induced processes of agricultural commercialization, growing monetization of rural economies and expansion of wage labour opportunities. Sender and Smith (1986) and Freund (1998) provide substantial historical evidence about these processes, but also highlight their unevenness across time and space.

Despite the historical links between capitalist development, increasing rural social inequalities and the emergence of wage labour, the contemporary literatures on inequality and rural labour markets in Africa seem to have run in parallel, with few connections. It is hard to find studies addressing their relationship and interaction. However, relevant questions to problematize this relationship may be broadly derived from two different levels of analysis.

At a macro level, there are macro-systemic stylized facts that underpin the observed relationship between employment, inequality and growth. Thus historically, as hinted at above, uneven but steady transitions to capitalism entail the coexistence of *growth* (production, productivity, expansion of consumption frontier, improvement in living standards, etc.) with *inequality*, partly along the famous Kuznets curve. For example, the recent sustained economic growth in China comes indeed accompanied by growing inequalities at different levels (Bramall, 2008). It is hard to find situations in which periods of rapid capitalist transition, industrialization and so on are not characterized by increasing levels of inequality for a range of measures, and such connections may have been strengthened during the globalization period (Sutcliffe, 2005). At the same time, dynamic contexts where economic growth is rapid and structural transformations accelerate, with changes between and within economic sectors, experience the creation of a large wage-earning class through labour market formation, historically via processes of primitive accumulation by both economic and non-economic coercion (Akram et al., 2009). The expansion of a wage-earning class is generally concentrated in urban areas and wherever the process of industrialization and urbanization takes place, as China’s experience recently corroborates. However, urban-based (and perhaps ‘formal’) industrial sectors are not the only creators of wage employment (Bremner, 2006; Sender, 2003).

At the micro level, these changes may also be reflected in internal transformations in rural areas that encompass three interrelated processes (Byres, 2003; Oya, 2007b):

<sup>2</sup> See also Ruthenberg (1980) for a more comprehensive account of the variety of farming systems, modes of production and social organization within Africa.

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- a) changes in dominant forms of agricultural production, in particular growing market dependence and integration in national and international markets;
  - b) emergence/development of forms of agrarian/rural capitalism arising from the ranks of small-middle scale farmers (more common in Africa) or from the ranks of established landlords;
  - c) changes in rural stratification associated with increases in rural inequality, both driven by a process of ‘socio-economic differentiation’ of the peasantry into two broad groups: first, mostly-capital owning and accumulating classes and, second, ‘classes of labour’ (more dependent on their labour power only in conjunction with land assets or not);<sup>3</sup> this leads to the gradual and uneven emergence of groups that tendentially depend on wage labour and groups that tendentially employ wage labour to accumulate.

Therefore, inequality trends and patterns of change in rural social structures are central to processes of rural labour market formation and the expansion of rural wage employment. Some scholars have stressed the linkage between the expansion of rural wage employment and the process of commercialisation of agriculture in contemporary developing countries (Bharadwaj, 1985). Of course ‘non purely’ capitalist labour relations may still persist and coexist with capitalist market compulsion, as scant evidence on agrarian structures in many developing regions, especially in Africa, suggests. Thus in contemporary rural Africa, as Section 4 illustrates, a variety of forms of hired labour, including disguised forms under seemingly collective work arrangements, occur, primarily between the ‘poor’ (struggling petty commodity producers or landless rural workers) and agricultural surplus producers.

Various recent studies and surveys of the literature have provided some evidence of these connections (Reardon, 1997; Ponte, 2002; Bryceson, 2002, Raikes, 2000; Sender and Smith, 1990; Cramer et al., 2008; Oya and Pontara, 2008; Mduma and Wobst, 2005). For example, Mduma and Wobst (2005), in their study of rural Tanzania, find that factors such as diversification of economic activities in the village and inequality in both per-capita expenditure and landholding are important determinants of the development of village labour markets, especially when ‘a substantial portion of labour supplied in the rural labour markets is a result of economic distress’.<sup>4</sup>

Indeed, structural characteristics of different African economies and differences in aggregate levels of inequality may be related with some evidence of differences in rural labour market structures. Available official statistics, despite their problems of reliability, suggest that labour markets and wage employment are more developed and more significant, perhaps just more visible, in African countries with higher levels of inequality and more experience of capitalist development, e.g. South Africa and some neighbouring countries like Swaziland, Botswana and Namibia where wage employment accounts for more than 70 per cent of total employment (see Table 2).<sup>5</sup> Small island nations such as the Seychelles, Mauritius and São Tomé and Príncipe, with relatively high urbanization rates, are found in the same category. In contrast, official statistics show a very small proportion

<sup>3</sup> See Bernstein (2009) and Lerche (2010) for a discussion of the concept of ‘classes of labour’ in rural contexts.

<sup>4</sup> A common finding also illustrated by Bryceson (2006), Raikes (2000), Ponte (2002), Mueller (2009), Jayne et al. (2003), Kevane (1994), among many others.

<sup>5</sup> In countries like Zimbabwe and Botswana, wage employment in private households (i.e. domestic workers) are quite a substantial employment category in official statistics (almost 5 per cent of total employment in both countries, see Luebker, 2008: 32, and Central Statistical Office [Botswana], 2008: 20). In contrast, domestic workers do not seem to be captured by labour statistics in many other African countries.

– often less than 20 per cent – of the population reported as being in paid employment in a large number of other African countries, where wage employment generally corresponds to salaried work in the ‘formal’ (urban) sector, including public sector employment. I will come to this important issue and related methodological problems in more detail below.

**Table 2. Employed population by status in employment in selected African countries**

Country (year)	Employed population by status in employment, in %					Refers to employed population aged:
	Wage & salaried workers (employees)	Employers	Own-account workers	Contributing family workers	Not classified and members of producers' cooperatives	
South Africa (2007)	82.4	14.7	2.3	0.4	0.2	15+ years
Seychelles (1987)	81.1	1.2	9.9	..	5.8	12+ years
Mauritius (2007)	79.2	3.2	14.7	2.2	0.8	16+ years
Swaziland (1997)	76.4	1.5	19.6	1.1	1.4	12+ years
Djibouti (1991)	75.8	1.4	16.3	..	5.0	15+ years
Botswana (2003)	73.2	2.7	9.5	2.2	12.3	12+ years
Namibia (2004)	72.8	5.6	16.7	4.4	0.4	15-69 years
São Tomé and Príncipe (1991)	71.2	0.4	26.4	0.8	1.3	10+ years
Ethiopia [urban] <sup>1</sup> (2006)	46.3	0.7	41.8	10.0	0.7	10+ years
Gabon (1993)	45.2	0.6	44.8	3.5	5.8	15+ years
Cape Verde (2000)	38.9	2.5	29.3	10.3	19.0	10+ years
Zimbabwe (2002)	37.7	0.5	49.9	11.9	..	15+ years
Lesotho (1999)	25.7	0.8	4.8	..	68.8	10+ years
Cameroon (2001)	19.2	1.6	57.7	18.2	3.3	15+ years
Zambia (2003)	18.7	0.0	59.7	19.6	1.9	12+ years
Malawi (1987)	16.1	0.0	83.5	..	0.3	10+ years
Uganda <sup>2</sup> (2003)	14.5	0.3	59.1	26.1	..	10+ years
Mali (2004)	13.6	..	71.4	15.0	..	15+ years
Madagascar (2005)	13.4	..	34.1	52.3	0.1	6+ years
Senegal (1991)	11.3	0.6	54.8	28.5	4.8	10+ years
United Republic of Tanzania <sup>3</sup> (2006)	10.5	1.8	76.3	11.4	..	15+ years
Sierra Leone (2004)	7.6	..	74.3	18.1	..	10+ years
Rwanda (1996)	6.0	0.1	61.3	31.2	1.4	15-64 years
Chad (1993)	4.9	0.2	65.4	28.3	1.2	15-64 years
Burkina Faso (1994)	3.6	0.3	26.0	69.2	0.8	10+ years

Note: <sup>1</sup> Refers to urban areas only. <sup>2</sup> Excluding Pader and some parts of Kitgum and Gulu districts <sup>3</sup> Tanzania mainland, excluding Zanzibar.

Source: ILO, Key Indicators of the Labour Market (6<sup>th</sup> edition).

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## 2.2. Globalization, liberalization, rural inequality and the labour market

While the connections between inequality and capitalist development are historically grounded, they are time-specific and can be affected by changes in policy regimes. Thus, equally important are processes of economic and policy change both at national and global levels. *Liberalization* and *globalization*, concomitant processes of the post-1980 period, may have contributed to the reinforcement of growing inequalities, and the acceleration of livelihood transformations and rural labour market formation. Some evidence would suggest that the restructuring of global food regimes and the growing power of agribusiness in the period of neoliberal globalization has come with precarization of working conditions for agricultural workers, albeit unevenly since pockets of dynamism exist (FAO, ILO and IUF, 2005; Weis, 2007; Mwamadzingo, 2003; Damiani, 2003). The evidence for Latin America and Asia is somewhat more consistent than what we know in sub-Saharan Africa (Kay, 2000; Weis, 2007; Ortiz, 1999). In Africa there are some complex interactions, especially because of the opposing tendencies of more agribusiness-driven employment creation and the precarization of producer and worker conditions as a result of liberalization (see e.g. Dolan, 2004; Jamal and Weeks, 1993). For example, the expansion of contract farming schemes can come with the creation of additional employment, especially among commercial smallholders benefiting from access to inputs and credits through vertical coordination with global agribusiness, but without guarantees that working conditions offered to casual labourers meet minimum decent standards.

At the same time, poorer contract farmers themselves become a new class of disguised wage labour who bear the risk of crop failure, while agribusiness command indirect control over their land (Watts, 1994). In South Africa, one of the countries with more developed export agriculture, the post-1994 neoliberal policy period has been characterised by falling investment in agriculture, falling agricultural employment as well as growing casualization of existing employment (du Toit and Ally, 2003). This has more to do with the process of liberalization, orthodox macroeconomic policies and weakening of state support to agricultural producers (and employers of labour) than with the effects of globalization itself, which would have provided ample opportunities for agricultural export growth for fairly competitive countries like South Africa, as some more successful exporters in Asia (e.g. Viet Nam) and Latin America (e.g. Brazil) have demonstrated in the past twenty years.

Another critical nexus in the relationship between capitalist development, inequality and rural labour market formation is *migration*, both in the form of internal (rural-urban and rural-rural) and cross-border migration. The role of migration in rural labour market formation is complex and follows historically specific patterns. For example, historically the development of pioneer fronts of commercial export agriculture has relied much on the availability of migrant labour. This is the case of cocoa and cotton fronts in Ghana (Austin, 2005) and Côte d'Ivoire (Bassett, 2001), groundnuts in Senegal (Oya, 2001, 2007b; David, 1980), palm oil in Nigeria, and horticulture in Kenya (see also Dolan, 2004). The historical evolution of rural labour relations has indeed been shaped by patterns of labour circulation between and within countries, as well as by changes in opportunities for cash crop development in different periods of time.<sup>6</sup> Labour mobility in most of these cases is clearly shaped by regional inequalities and the unevenness of capitalist development in rural areas.

<sup>6</sup> For example, the demise of slavery in Ghana, followed by the expansion of wage labour subsequently in part replaced by the emergence of share-cropping arrangements were all mediated by complex and fluid migration processes (Austin 2005). In Senegal, the gradual move from labour tenancy relations to seasonal wage labour arrangements has been a feature of the more recent liberalization period and largely associated with changes in internal and cross-border migration patterns (Oya, 2007b). See also de Haan et al. (2002) for examples of labour circulation in Mali.

In turn, migration can exacerbate inequalities at the origin insofar as there are economic barriers to migration, so remittances sent to already better-off family members may end up reinforcing existing rural inequalities. Some recent research on geographical and economic mobility suggests that migration of individuals has a significant impact on households in the place of origin and contributes to economic mobility (Beegle et al., 2008). The study shows then that the existence of barriers to ‘exit’, through social and family norms and constraints, also means that not all are equally endowed to take advantage of the opportunities offered by migration. Therefore, poverty is reduced, but unevenly, and this contributes to increasing inequalities and differentiation in rural areas that have been particularly affected by outward migration.<sup>7</sup> This is of course a phenomenon that can have positive effects if the proceeds of migration are re-invested in the communities of origin and agricultural and non-farm employment are created back home, in a causal cycle of inequality, economic mobility, investment and employment creation.

### 2.3. Why is rural wage employment underestimated?

Despite the accumulation of historical and contemporary micro-evidence about the processes and linkages described in this section, a lot of academic and institutional literature on rural Africa, and indeed official published statistics on employment, present a picture in which rural labour markets are either absent or very thin, i.e. something important is missing from ‘official’ statistical pictures.<sup>8</sup> The proportion of people classified as ‘employees’ (wage workers in terms of their ‘main’ employment) is often low, and particularly for rural areas, where the proportion of wage employed rarely exceeds 10 per cent (see Table 2 above for aggregate figures, World Bank 2007, and Sender et al., 2005). There is however substantial variation between African countries in terms of proportion of wage employed and unemployment rates and some of these differences may just reflect methodological problems with current statistical categories and practice. Before we focus on some of these methodological challenges, it is worth briefly addressing some of the conventional explanations for the lack of evidence of rural wage labour in Africa.

**Table 3. Agricultural population per hectare of arable land, by region (persons/ha)**

	1990-92	1995-97	2003-05
Developing Regions	2.6	2.7	2.7
Northern Africa	1.7	1.6	1.6
Sub-Saharan Africa	1.9	1.9	2.0
Latin America and the Caribbean	0.8	0.7	0.6
Eastern Asia	6.2	6.1	5.3
Southern Asia	3.0	3.2	3.4
South-Eastern Asia	2.7	2.8	2.6
Western Asia	0.9	0.9	0.9

Source: FAOSTAT. Note: this refers to population engaged in agriculture.

<sup>7</sup> See also Francis and Hoddinot (1993) for a story of linkages between labour migration and rural differentiation through its funding of investments in education among migrant families.

<sup>8</sup> This has been recently corroborated by the World Bank (2007) as shown earlier in this paper. See also White et al. (2006) and Leavy and White (2003). As an example of studies making these claims, see Binswanger et al. (1989).

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First, some have argued that Africa is characterised by land abundance or high land/labour ratios and processes of accumulation without dispossession (Berry, 1993). Indeed, this may explain why a class of ‘pure proletarians’ has not emerged in rural Africa. But this is not the point. In fact, the same happens in many other developing countries where the incidence of landlessness is marginal (except for parts of India or Latin America, for example). In fact, in previous processes of industrialization and capitalist development, wage employment expanded significantly even though a large proportion of rural dwellers still retained access to land, so ‘pure proletarianization’ has never been rapid or totally inevitable. Available evidence on rural wage workers, as discussed in the final sections of this paper, shows that most of them have access to some land. Table 3 suggests that although labour/land ratios are lower in Africa than in Asia (see also Karshenas, 2001) it is far from clear that Africa is distinct in terms of very low labour/land ratios as reflected by the figures for Latin America, the Middle East and parts of Central Asia, where reported rural wage employment is generally much higher than in Africa.

A second argument is the idea of ‘uncaptured peasantry’ and the seeming resistance of rural people to proletarianization and capitalism.<sup>9</sup> There is some evidence that resistance existed and still exists, but even in the event of ‘subjective’ resistance (i.e. some people would prefer to be ‘independent’ producers), this does not necessarily translate into the possibility of total avoidance of market compulsion to work for wages (Bernstein, 2004 and 2009). Arguably, however, this ‘resistance’ may be more plausible as an explanation in the case of rural men preventing women from working outside the home in wage employment (Oya and Sender, 2009).

Third, very low wages (too similar to or lower than family labour remuneration) could be a reason and, in contexts where poverty is pervasive and potential small-scale employers have little cash to spare, a constraint on wage labour supply. However, there is no convincing empirical evidence about this, partly because it is hard to find studies that systematically and rigorously compare wage rates with net returns to labour in own-account activities, especially farming. While attachment to the land may explain persistence of own-account farming, whether wages are too low to provide incentives to participate in rural labour markets cannot be established without more systematic and consistent micro-level evidence (Kevane, 1994; Sender et al., 2005). Research on wage employment cited in Section 4 of this paper shows that heterogeneity of wage working conditions is marked and that, for many, even low wages are preferable to extremely volatile and low returns to labour in marginal small-scale farming. Finally, an argument about the ‘lack of employers’ is common in surveys that ask overly general questions about employment opportunities. One problem is that respondents frequently associate the idea of ‘paid employment’ with ‘good’ or formal sector jobs and generally stable job-holdings, while they dismiss the much more pervasive forms of casual wage employment as no meaningful employment.

While it is true that capitalist commercial agriculture has not developed as rapidly as in other developing regions, it is undeniable that African agriculture is integrated in markets, that export crops are important and that demand for labour by middle- and large-scale commercial agriculture cannot be ignored (World Bank, 2007). Part of the problem underlying sluggish demand for wage labour is the rural credit squeeze associated with structural adjustment and liberalization, which has impoverished many small and middle farmers in Africa in the past 25 years, leading to poverty traps, and also affected potential employers of farm labour (see for example Dercon, 2009; Havnevik et al., 2007; Oya, 2007a). Scarce and unequally distributed credit can starve more viable middle-size

<sup>9</sup> See Hyden (2006: 138-160). For criticisms of this position see classics like Kitching (1989), also Bernstein (2004) and more recent field-based work in Tanzania like Mueller (2009).

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capitalist business of resources to invest and create employment. Arguably, the latter mechanism could be a reason for the uneven and slow development of more articulated rural labour markets and wage employment in Africa, but by itself cannot explain the wide variation across countries and the low incidence of rural wage employment in many African countries, in comparison with most other developing countries.

### **2.3.1. *The weakness of labour data collection***

Another more plausible explanation is that, in fact, rural wage employment is poorly captured by existing official data and research is done with inadequate, conventional methods and without sufficient attention to the peculiarities of rural labour markets in developing countries, especially in poor African economies (Cramer et al., 2008; Mwamadzingo, 2003, p. 31; White et al., 2006). There are different reasons for the paucity of data on rural wage employment and rural labour markets, which I will briefly address in the following sub-sections.<sup>10</sup>

### **2.3.2. *Shortage of labour force surveys***

Efforts to collect systematic, detailed and context-specific labour market statistics are generally rare in sub-Saharan Africa (Backiny-Yetna, 2003). The scarcity of in-depth (rural) labour force surveys in Africa is striking, especially in comparison with Latin America and Asia (Sender et al., 2005; Mwamadzingo, 2003). The frequency of Labour Force Surveys (LFS) in sub-Saharan Africa is very disappointing and some countries have not had a LFS since the 1970s. Moreover, population censuses only provide very basic and minimal information about employment patterns. Labour force surveys are the main vehicle to collect reliable and sufficiently disaggregated information on employment, but have fallen off the table of priorities for statistical agencies in Africa. This is largely due to the influence of donor agencies on statistical agendas, since much of the funding for data collection in low-income countries comes from international donors.

The World Bank plays a big part in this. As a ‘knowledge bank’, the World Bank has put all its emphasis on income/expenditure surveys and multiple integrated household surveys since the 1980s. For example, the World Bank has funded many Living Standards Measurement Surveys (LSMS), including Household Income and Consumption Expenditure Survey (HICES), Core Welfare Indicators Questionnaires (CWIQ) and Multiple Indicator Cluster Surveys (MICS), and provided much of the technical assistance on data collection (see, for an example, Grosh and Glewwe, 2000). The burden of income/expenditure surveys – in themselves extremely skill-demanding and time-consuming while also potentially affected by large measurement errors – and the effects of multiple donor agendas have led the trend towards organising ‘integrated’ large-scale household surveys in an attempt to save time and money so that more data are collected in a single shot. These surveys have *multiple* aims and scope, and often contain lengthy modules on issues such as health, education, social capital and community development. It is hard to believe that this has not happened at the expense of quality and depth in data collection, especially on employment.

Other surveys, more focused on social development indicators, especially health and education (e.g. Demographic and Health Surveys) have also received consistent support from donors like USAID. This process is partly related to the new focus on ‘poverty’ and how the poverty agenda of the 1990s and beyond has largely concentrated on welfare indicators and measures of poverty, at the expense of other concerns. As a result, funding

<sup>10</sup> See Oya and Weeks (2004), Sender et al. (2005), Cramer et al. (2008) for more details.

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for surveys focused on employment has dried up, as many statistics agency officials have told me and other colleagues in the course of our research in Mozambique, Mauritania, Zambia and Senegal. Agencies like the ILO do not have the financial muscle to fund these efforts in data collection, and perhaps it is not their mandate to do so. Therefore, gradually employment has been dropped from the priority list of statistical agendas and consequently governments put little effort in improving the quality of data collection on employment, despite encouragement from the ILO and frequent meetings on statistical practice.

### **2.3.3. *Problems in employment modules and employment-related questions in conventional household surveys***

Employment modules in conventional LSMS in Africa are generally weak, partly for some of the reasons stated above. While labour force surveys are increasingly marginalized, the integrated and income/expenditure surveys promoted by the Bank and other donor agencies use employment modules that are small, very standardized and generally not adequate to capture the complexity and specificity of rural labour relations in developing countries. Normally, implemented surveys do not even follow the detailed guidelines produced by the World Bank itself (see Grosh and Glewwe 2000, Vol. 1, pp. 217-50) but focus instead on the details of consumption expenditure. It is therefore somewhat striking that the Bank has acknowledged the paucity of data on rural wage employment in the World Development Report 2008 (World Bank, 2007). Sender clearly puts it:

“[In] most developing economies no efforts at all are made to collect time-series data on the wages of those employed in small-scale farm and non-farm rural enterprises, especially on the wages of those who are irregularly, seasonally, or casually employed. In most of these economies, in fact, there is no reliable data on the number of people or households that depend upon earnings in these types of employment; it is simply assumed that the rural poor are, or will become self-employed, [...]” (Sender, 2003: 414).

In addition, other international agencies note that:

“[T]he 450 million women and men who labour as waged workers in agriculture [...] have been largely overlooked to date. These waged workers [...] are part of the core rural poor in many countries [...]. Yet these workers remain invisible in terms of the goals, policies, programmes and activities to eliminate poverty [...]” (FAO, ILO and IUF, 2005: 21).

There are various problems with these inadequate employment modules. One is the excessive reliance on standard questions with a 7-day reference period, which in contexts of strong seasonality, irregularity of activities and occupation multiplicity, introduces potentially damaging statistical biases. Asking a poor rural person what he/she has done in the last seven days is not particularly useful.<sup>11</sup>

Secondly, very crude questions and distinctions on status in employment (with the main distinction between self-employment versus paid employment) may miss out on a range of economic activities which would be classified as paid employment. This applies especially those of a casual nature that are particularly prevalent, precisely because of their diversity, irregularity and sometimes ambiguous nature. Despite the efforts by the International Con-

<sup>11</sup> Increasingly, questions referred to 30 days and 12 months are in use, thereby reducing the biases imposed by the 7-day question. For example, countries like India routinely collect information on both current (short reference period) and usual (12-month) employment situation (for labour participation and status in employment). In Africa, countries like Tanzania also collect both the current and usual labour force status (though only every five years or so).

ference of Labour Statisticians (that is convened by the ILO) to clearly establish distinctions according to the International Classification of Status in Employment (ICSE-93) and, independently from this under the International Standard Classification of Occupations (ISCO-08), their applicability in rural areas of Africa is not always straightforward. The aim of ISCE-93 is to classify jobs “with respect to *the type of explicit or implicit contract of employment* of the person with other persons or organizations”, and the basic distinction is between paid employment and self-employment (under which employers, own-account workers and contributing family workers fall). ISCO-08, which focuses on the tasks and duties undertaken in the job, does not map occupations directly into status in employment.

However, the practice of many enumerators in large-scale data collection processes is often to assume that certain jobs/occupations ‘naturally’ belong to a particular status in employment (self-employment or paid employment). I have observed this in rural surveys where enumerators often assume a self-employment status to typically ‘informal’ occupations (e.g. in trade and transport), without the necessary probing. For example, most jobs listed in Table 4 (in rural Mauritania) were initially considered as ‘self-employment’ by enumerators almost automatically.<sup>12</sup> Once some probing was undertaken, the proportion of paid employment in some of those categories significantly increased. Therefore sometimes the use of supposedly well-defined standard labour statistical categories becomes a problem and a source of possible biases. Part of the problem lies in the standardization itself, and the use of general standard questions across widely different contexts. Partly it lies in the extent to which standard labour categories reflect the labour force approach applied to data collection in the particular context of advanced capitalist countries.<sup>13</sup> For example, the use of the ‘unemployment rate’ as an indicator of labour market performance in very different contexts is highly problematic and can be misleading (Standing, 2006; see also Luebker, 2008, for an application in Zimbabwe). Equally, I would argue, the notion of ‘self-employment’ may carry different meanings in different places unless a detailed explanation is provided in each case.

**Table 4. Ambiguities in the classification of occupations and status in employment (rural Mauritania) (%)**

Activity	Monthly salaried	Daily or piecework wage labour	Commission or profit share	Own-account with own means of production
Working in palm tree / date cultivation	0	43	14	43
Mason / brick maker	0	100	0	0
Trader / shopkeeper	12	0	10	78
Small itinerant trader	0	0	5	95
Processing agricultural commodities or homemade food for sale	14	9	0	77
Teacher (koranic)	65	35	0	0
Traditional healer / midwife	0	0	0	100
Hairdressing	0	0	0	100
Artisan (weaving, dye, tailor, etc.)	0	0	3	97
Fishing	0	14	0	86

Source: Author elaboration from survey data (Rural Labour Market Survey in Mauritania). Also Oya and Pontara (2008) and GIRM and World Bank (2007).

<sup>12</sup> See also Pontara (2009) for a detailed comparison showing large divergences between employment data generated by LSMS in contrast with data produced by alternative methods in village surveys in Mauritania.

<sup>13</sup> Standing (2006) suggests that if current labour force statistical conventions were used in the nineteenth-century Europe we would miss out significant features of the labour market.

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Thirdly, and perhaps this being the most significant problem, employment modules in large-scale household surveys, and even in more carefully designed labour force surveys, rely too much on problematic notions of the ‘main job-holding’. The usefulness of this concept is diminished in contexts of occupation multiplicity, irregularity and strong seasonality, which may lead to respondents’ and enumerators’ biases. They hardly allow mapping the complete set of economic activities in which individuals engage and the relative importance of each of them for their subsistence. This statistical category is particularly misleading in contexts where land is abundant, typically leading either respondents or enumerators to emphasize own-account farming at the expense of other more irregular but perhaps more remunerative activities.<sup>14</sup>

Fourth, in many parts of rural Africa there are stigmas associated with casual wage employment, especially those form that are of the more exploitative nature, which are thus easily under-reported or un-reported altogether. Many of the local words used to describe these occupations indeed reflect the social stigma associated with them. ‘Kibarua’ in Swahili speaking countries (especially Tanzania) is in fact a derogatory term that is used for most forms of casual manual agricultural wage employment; it contains reminiscences of slave forms of labour (Mueller, 2009).<sup>15</sup> Questionnaire wording can introduce very substantial biases in the estimation of people in wage employment and in the correlation between poverty and status in employment. Therefore, at best, the recorded share of ‘employees’ (wage employment) is just a lower boundary for the total number of workers who engage at least occasionally in wage labour.

Fifth, the terminology is also important. Some analytical and statistical categories may be difficult to comprehend by enumerators and respondents, especially when terms like ‘salary’ or ‘wage’ are associated with formal sector ‘well remunerated’ employment such as civil servant jobs, or teacher jobs, for instance. This implies that any question that uses these terms is likely to yield biased responses about participation in local wage labour markets. In general, notions of ‘employment’, ‘gainful activity’ or ‘remunerated activity’ are not unproblematic in rural African contexts (and even in urban areas; see Luebker, 2008b).<sup>16</sup> Many activities may not yield cash income and some forms of wage labour paid in kind (with food) may typically be regarded as forms of ‘help’, whereas the mention of ‘salary’ or ‘wage’ depending on the local terms may be automatically associated with regular stable wage employment. As Hussmanns et al. (1990) argue,

“[t]he concept [of employment] is complex and interviewers’ or respondents’ own subjective understanding of terms like ‘economic activity’ or ‘work for pay or profit’ may differ from what the concept intends to include. Problems of underreporting of economic activity may particularly arise in situations where a substantial part of the population is engaged in activities other than regular paid or self-employment, such as casual work or work of short duration, work remunerated in kind, home-based work, unpaid family work or production for own consumption.” (Hussmanns et al., 1990: 256).

Rather than just asking respondents if they were ‘employed’ during the reference period, it is thus important to operationalize the concept of employment through questions that are

<sup>14</sup> LFS and some HICES and MICS include questions on ‘secondary’ job holding, but virtually all headline statistics refer to the ‘main’ job. While it is best practice to use an activity list to determine whether somebody was employed and the nature of each job, this is not systematically applied or analysed (M. Luebker, personal communication, 11 May 2010).

<sup>15</sup> See also Hill (1968) on how men typically considered wage work for neighbours as a source of shame, being a sign of desperation.

<sup>16</sup> For example, in Harare, almost one half of those considered employed by ILO definition thought of themselves as unemployed (Luebker, 2008b).

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easily comprehensible for respondents. For example, in one of the micro-studies referred to in Section 4, the test of alternative methods to estimate labour force participation rates led to disparate results especially for one village. If a question simply referring to ‘remunerated employment’ was used (for people aged over 14), the resulting ‘employment-to-population ratios’ were very low: around 50 per cent for two villages and only 26 per cent for the most problematic village, precisely the one where *more* economic dynamism had been observed by the team. Instead, when ILO best practice was applied and respondents were asked to report and list all the economic activities that brought more income or that occupied their time on the basis of an activity list (‘did you do any of the following?’ etc.), employment-to-population ratios increased significantly, in the more problematic village (to 70 per cent) and the others (to 85 per cent), more in line with reported labour force participation rates in rural Africa.<sup>17</sup>

Recent experimental research carried out by the World Bank has provided more compelling evidence about the sensitivity of labour market statistics to survey design.<sup>18</sup> Thus Bardasi et al. (2010), after testing designs with shorter or longer employment modules, find significant differences across survey designs and conclude that:

”Our findings suggest that both types of survey design decisions have statistically significant effects on labor statistics. These effects are largest on the measure of labor force participation, but also exist for weekly hours of work, daily earnings, main activity, and type of work. [...] Using the short questionnaire lowers female labor force participation and also affects the distribution of workers across sectors, lowering the share of paid employees among the employed.” (Bardasi et al., 2010: 31).

#### **2.3.4. Defining households and their economic boundaries**

Another source of bias derives from the definition of sampling units, i.e. ‘households’. Arguably, in a context of significant mobility the definitions of ‘household’ and of the economic ‘boundaries’ of the village or ‘community’ are problematic. A residential definition of the household,<sup>19</sup> typical of large-scale representative household surveys, may fail to capture very relevant household members who do not reside (or only sporadically) in the main residence but who may be significant contributors to the expenses of the households or dependants from its income sources. ‘Footloose labour’ constantly on the move in search of jobs, or workers sleeping in work dormitories (also known as labour camps) and temporary accommodation next to their employers’ premises are routinely missed out in conventional household surveys, because of how the primary sampling units and principal respondents are defined and found (Sender et al., 2005; Breman, 1996).

<sup>17</sup> The estimation of labour force participation rates is generally a big challenge in rural contexts of developing countries. Standing et al. (1996) strongly emphasised this difficulty in South Africa and suggested that especially female labour force participation rates followed inconsistent patterns of rural-urban differences across regions and countries.

<sup>18</sup> This kind of survey experiments are much needed to help improve labour market statistics in developing countries and adapt conventional categories to the needs and constraints faced in those contexts.

<sup>19</sup> Typically, a residential definition of the household includes members who have eaten and slept regularly at least for 6-9 months (depending on the survey). Another problem with this definition is that ‘domestic helpers’ who are in fact cheap domestic workers (paid in kind – accommodation and food – and sometimes partly with a very low cash wage) may be considered as members of the household/family, obscuring the labour relation involved in their permanent presence.

### 2.3.5. *Alternative micro-level evidence*

As will be argued in Section 4, more careful surveys of rural employment with a specific focus on rural labour markets manage to capture a variety of forms of rural wage employment – including the most demeaning and oppressive forms – relatively accurately. This is precisely because they were designed to overcome some of the methodological problems and biases described above. So do rural/village labour markets exist? Perhaps one of the toughest tests is a study of villages in remote parts of Mauritania where the typical factors associated with the creation of rural wage employment are absent or marginal. And the test showed that in fact even in such contexts labour hiring is much more common than expected, a finding that is consistent with previous studies of labour relations in other parts of rural semi-arid Africa (see Kevane, 1994; GIRM and World Bank, 2007; and Figure 1 and Table 5 in this text). Oya and Pontara (2008) devise a classification of agrarian structures in rural Mauritania that give evidence of significant incidence of wage labour across a wide range of rural socio-economic groups, both primarily self- and wage-employed (see Table 5).

**Table 5. Wage labour demand, socio-economic status and demographic characteristics by occupation and employment status (rural Mauritania)**

	<b>Socio-economic group</b>	<b>Percentage of sample (%)</b>	<b>Socio-economic status – ratio to average asset index</b>	<b>Average number of adults</b>	<b>Percentage of households hiring in labour (%)</b>
1	Landlord or prosperous farmer, employer	3	1.86	5.3	100
2	Middle peasant farmer (mostly hiring in labour)	12	1.55	6.0	92
3	Small peasant farmer (both hire-out and hire-in or no hire at all)	32	0.70	4.1	29
4a	Agric wage labourer and some farming, mainly wage employed (poorest)	7	0.68	4.4	14
4b	Landless agricultural labourer, only wage employed	5	0.86	3.7	0
5a	Trader/transport/artisan, employer (wealthier)	6	1.56	4.5	100
5b	Trader/artisan/transport petty, self-employed (poorer)	12	0.82	3.9	13
6a	Salaried (non-agriculture), wage employed and employer	5	1.45	5.4	48
6b	Non farming, non-agricultural wage employed	6	0.91	4.7	50
6c	Farming, self-employed and non agricultural wage employed	12	1.01	4.2	48
	<b>Classes of capital (1, 2 and 5a)</b>	21	1.60	5.5	98
	<b>Classes of labour (3, 4, 5b and 6)</b>	79	0.84	4.2	49
	<i>of which, mostly self-employed (3 and 5b)</i>	44 (of total)	0.73	4.0	25
	<i>of which, mostly wage-employed (4 and 6)</i>	35 (of total)	0.97	4.4	35
	<b>Total</b>	100	1.00	4.5	41

Technical note: Total sample of 200 households in three villages representative of three different rural contexts in Mauritania.

Source: Author's elaboration from survey data (Rural Labour Market Survey in Mauritania). Also Oya and Pontara (2008) and GIRM and World Bank (2007).

What this evidence confirms is that labour hiring in rural Africa is not simply limited to rare instances of large-scale commercial plantation agriculture, but rather a fairly common phenomenon even in smallholder farming and across different socio-economic groups. As a result, the diversity of forms of wage employment in rural areas is striking and, although a large proportion of those who depend on wages tend to be among the poorest people, there are some who have access to jobs that place them in much better socio-economic status (Cramer et al., 2008; Oya and Pontara, 2008). There is no doubt that high transaction and supervision costs, exacerbated by poor transport infrastructure, impede a smooth articulation of rural labour markets and constrain labour flows (Kevane, 1994; Rao, 1988). These factors partly result in the village labour market becoming a relevant unit of

analysis, as each village can be seen to constitute a local labour market of its own (Mduma and Wobst, 2005; Kevane 1994), a feature that is likely to be more common in poorer rural areas than those where agricultural commercialization and modernization have proceeded more rapidly.

**Figure 1: Incidence of agricultural wage labour hire in Mauritanian villages, in % of households**



Note: Total sample of 200 households in three villages representative of three different rural contexts in Mauritania. Reference period was 12 months and question related to the employment of hired labour for agriculture. Therefore, percentages refer to proportion of households that have either hired in or out labour in agricultural activities in the past 12 months.

Source: Author's elaboration from survey data (Rural Labour Market Survey in Mauritania). Also Oya and Pontara (2008) and GIRM and World Bank (2007).

Having established some of the most important conceptual and empirical links between inequality, capitalist development and rural labour market formation and some of the reasons why rural wage employment remains poorly captured and understood in studies of rural development in Africa, the paper now turns to one of the key elements driving the emergence of rural labour markets, namely the process of socio-economic differentiation, which is often empirically observed in growing levels of local-level inequality.<sup>20</sup>

<sup>20</sup> It is here important to note that differentiation and growing inequalities in dynamic contexts may be perfectly consistent with overall improvements in living standards and reductions in absolute poverty. The experience of China since the late 1970s is illustrative in this respect. See also Devereux (2005) on whether there is too little inequality in Ethiopia, preventing scope for accumulation and employment creation.

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### **3. Inequality and socio-economic differentiation in rural Africa: main issues and stylized facts**

Much of the literature on inequality in Africa tends to focus on two aspects: (a) rural-urban disparities, in line with the ‘urban bias’ thesis that has exerted so much influence on the policy-oriented literature (see Hyden, 2006: pp. 138-60); and (b) gender gaps, notably unequal access to land, assets and education for women (see Okojie and Shimeles, 2006). These two orientations may be partly justified by some evidence, but are far from being universal truths for the African continent, and have diverted attention from other important issues and facts, notably the extent to which rural inequality is significant and the complex interactions between gender, class, ethnicity and other forms of identity.

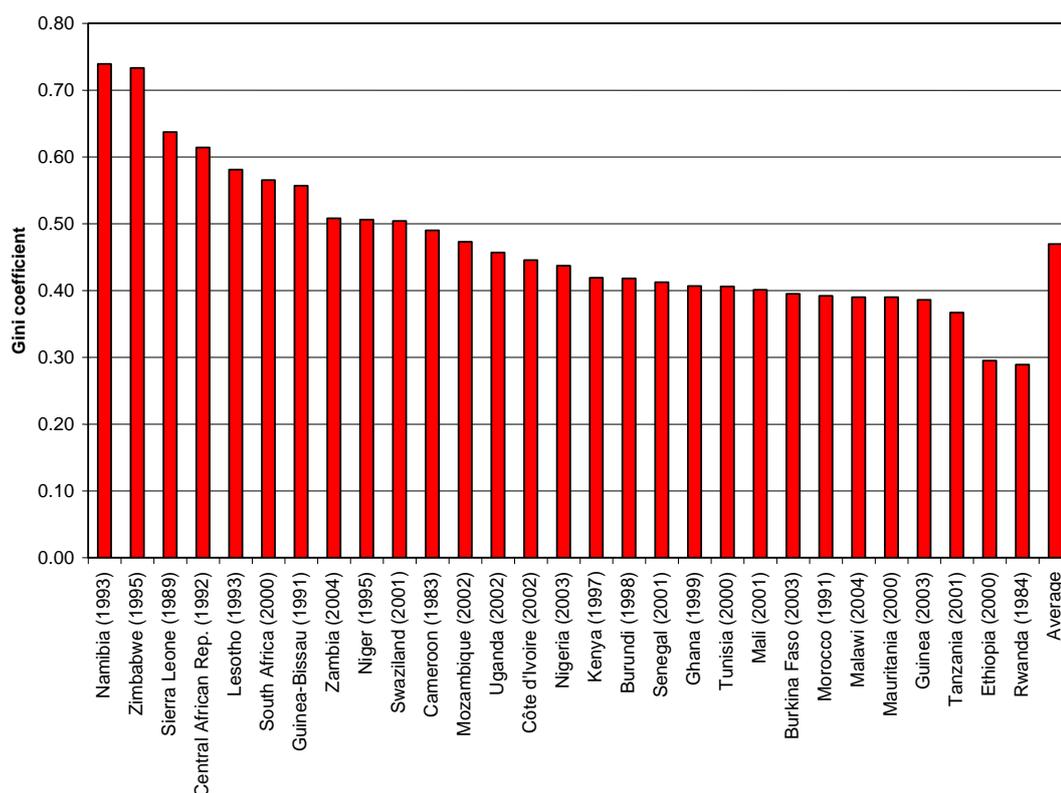
#### **3.1. The nature of inequality in Africa: beyond the urban-rural gap**

There are some issues that have not received sufficient attention. First, the extent to which overall income inequality is high in Africa, and not far below the levels observed in Latin America. In fact, inequality is quite high in Africa despite low levels of average income per capita, which is somewhat counterintuitive. Second, the diversity of inequality outcomes, for a variety of indicators (income, education and health, in particular), and cutting across the usual rural-urban and male-female dichotomies; in other words, social relations of inequality are manifested in several forms (spanning vertical and horizontal inequalities) with different intensities and patterns depending on context.<sup>21</sup> Third, as mentioned above, the extent and implications of rural inequalities beyond urban-rural disparities. Fourth, the relationship between the diversity of inequality outcomes and the extent to which economies are integrated into the global capitalist economy as well as the extent to which capitalism has developed in African countries. Fifth, the shifting patterns of inequality with regard to labour market participation and working conditions, i.e. how changes in labour market structures and the growing informalization have affected inequality, and how vertical or horizontal inequalities shape the participation of different groups in the labour markets. A more explicit linkage between inequality and labour issues is urgently called for. There is a vast literature on the connections between growth, inequality and poverty, but the employment nexus is often ignored or superficially analyzed (Osmani, 2003).

A preliminary look at the evidence of overall inequality levels per country, apart from confirming the relatively high average levels on a regional basis, shows the marked variety of inequality outcomes across African countries (see Figure 2). While generally Latin America is characterized by high vertical and horizontal (especially class- and ethnicity-based) inequality, inherited by a long history of dispossession and capitalist development, and Asia is more known for its relatively lower inequality levels, partly as a result of post-war developments, sub-Saharan Africa represents a mixed context, which includes countries with some of the highest inequality levels in the world (notably in Southern Africa) and some with the lowest levels (e.g. Ethiopia). However, there is clearly a larger number of countries in sub-Saharan Africa with relatively *high* inequality than in Asia (where many countries cluster around Gini coefficients of 0.30-0.38 for rural areas), see Milanovic (2003).

<sup>21</sup> See Stewart (2005) on horizontal inequalities and applications to Uganda and South Africa.

**Figure 2: Variation in inequality in sub-Saharan Africa, Gini coefficients (latest available year, consumption-based)**



Source: UNU-WIDER World Income Inequality Database, Version 2.0c, May 2008.

Sahn and Stifel (2003), in their widely cited work on inequality in Africa, provide comparisons for a range of non-income indicators, including asset indices, as well as education and health outcomes. Their results show the following patterns. First, inequalities are relatively high for a broad range of income and non-income indicators. Second, there is substantial variation in the decomposition of inequality by country. In the case of asset inequality, for example, the contribution of ‘within group’ inequality to overall inequality (when rural and urban are the defined strata) ranges from 34 per cent in Zimbabwe (1999) to 73 per cent in Madagascar (1997). Third, still, the gap in standards of living between rural and urban areas remains very significant, which is far from surprising, but not the main source of inequality. And this is mostly because, fourth, levels of inequality within rural areas are quite high as well (see Table 5 in Sahn and Stifel, 2003).

It is important, therefore, to transcend aggregate measures of inequality and explore the extent to which vertical and horizontal inequalities are present at the lowest levels of disaggregation. The few studies that have in fact attempted to estimate poverty and inequality at the lowest possible levels of disaggregation by combining survey and census information remarkably show that *rural inequality* is often greater than urban inequality and that ‘there should no presumption that inequality is less severe in poor communities’ (Elbers et al., 2004: 1).<sup>22</sup> In other words, they find that inequality at village level is actually very high (the African countries covered include two with generally lower than average overall inequality levels, namely Mozambique and Madagascar). In their inequality decomposition estimates, Elbers et al. (2004) show that most inequality is explained by ‘within-group’ inequality (in a range of 70 per cent to 86 per cent) as opposed to ‘between-

<sup>22</sup> This is consistent with evidence of localized land inequality, sometimes resulting in conflict (Peters, 2004; Jayne et al., 2003).

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group' inequality, suggesting vertical inequality is very important. This means that in order to explain inequality patterns, an exclusive focus on rural-urban gaps may be misleading, albeit ideologically fashionable. Even if one focuses on rural inequality only, most of it – 82 per cent in Madagascar, for example – is explained at lower levels of disaggregation, i.e. at 'within-group' level. Thus exploration of rural inequality patterns and determinants at village-community level is critical to understand poverty and employment dynamics in rural areas. This is why micro-level research assumes significance in the context of studies of inequality and rural labour market dynamics, as is argued in this paper.

### **3.2. Diverse drivers of inequality and rural labour market outcomes: what we know and what we don't know**

Some authors like Milanovic (2003) have pointed out that in the early post-colonial period (1960s), African economies had inherited highly unequal societies in comparison with the world average (ten points higher in terms of the Gini coefficient), as a result of the combination of existing pre-colonial social hierarchies and the effects of colonial regimes in reinforcing them or creating new layers of inequality. The early postcolonial decades (1960s-70s) overall saw a decline in vertical inequality levels (surely related to the expansion of social infrastructure and the Africanization of employment and business). This was reversed from the 1980s onwards, a period in which neoliberal reforms have unleashed the unequalizing forces of market capitalism. Milanovic also finds that interactions between ethnic fragmentation, low per capita income and lack of democratic pluralism are important drivers of inequality in Africa, suggesting that the politics of identity in a context of resource scarcity have exacerbated initial inequality in many countries. This underscores the need to consider the incidence and role of horizontal inequalities in development and underdevelopment as suggested by Stewart (2005).<sup>23</sup>

However, while relations between forms of horizontal inequality and patterns/instances of conflict and socio-political instability can be traced more easily, the same is not true for the implications of horizontal inequalities in processes of rural labour market formation. To an extent, though, as will be argued in the discussion about the rural non-farm economy, the segmentation frequently observed could be linked to entry barriers that reflect horizontal inequalities (notably by ethnicity, caste, clan or location).

As has been argued in this and the previous section, differences in inequality outcomes and labour market structures between African countries (especially some Southern African countries and Ethiopia, for example) are remarkable and defy generalization. What factors explain these massive differences? I have argued that methodological problems in labour data collection are significant. However, there are some important historical and structural factors playing their role. Some are related to existing economic and social structures and the extent to which statistical conventions help capture them. For the first set of factors, histories of colonial dispossession, especially of land, but also other assets and indeed mineral resources, lie at the heart of faster agrarian transitions and development of market and wage dependency by compulsion (see Milanovic, 2003). The examples of South Africa, Namibia, Zambia or Zimbabwe (then Rhodesia) are illustrative of these processes. With regard to rural labour markets, there is no doubt the uneven commercialization of agriculture and indeed the uneven development of capitalist agriculture can explain much

<sup>23</sup> Horizontal inequalities encompass a whole range of disparities between groups defined by some strong form of identity such as ethnicity, geography/origin, class (where boundaries are strong), race, caste and religion. All these aspects do influence inequality in Africa but it is hard to find systematic quantitative evidence, with some exceptions like South Africa or Kenya, for example.

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of the variation in terms of development of rural labour markets and rural wage employment. Thus regimes that politically prioritized equity (albeit amidst poverty) through land reform and other rural development policies, like Ethiopia's *Derg* and Tanzania's *Ujamaa*, did affect levels of rural inequality and constrained rural accumulation and rural wage employment expansion.<sup>24</sup>

An understanding of the linkages between rural inequality and labour market formation requires a closer inspection of processes of socio-economic differentiation in rural areas, which historically have been a defining feature of rapid and slow agrarian transitions to capitalism and rural class formation (Byres, 2003).<sup>25</sup> As shown above, we have evidence that rural inequalities for a range of income and non-income measures are quite significant in Africa. Inequality in land access and related conflicts are also increasingly obvious in some parts of rural Africa (Peters, 2004). But contemporary evidence on these processes has become hard to come by, partly because of the impact of intellectual traditions such as neo-populism and neo-classical economics and the obsession with 'peasants' and 'average representative economic agents'.

One of the problems with neo-populist and mainstream economics' defence of smallholder farming lies in their static view and the related neglect of the importance of socio-economic differentiation and inequalities in the countryside (Wiggins, 2002; Byres, 2003). In particular, the pro-small farmer argument of equity appears less persuasive when socio-economic differentiation and significant and growing inequalities among the smallholding population are observed. Indeed, there is a growing body of literature from within mainstream agricultural economics that has begun to emphasize the heterogeneity among small farmers (Barrett et al., 2001; Jayne et al., 2003).<sup>26</sup> Wiggins (2002), in his review of village studies focused on smallholder farming, finds that the issue of socio-economic differentiation is often overlooked but that, at the same time, evidence from these micro studies clearly shows that smallholders are far from a homogeneous category. A small fraction within this heterogeneous class succeeds in competing for domestic urban food markets and higher value export markets. In other words, marketed surplus tends to be significantly concentrated in the hands of a small upper fraction of the smallholder population. This finding is perfectly consistent with another survey article on land use in Eastern and Southern Africa, which shows significant degrees of land inequality within the smallholding population, with an upper segment who farm relatively larger areas and more

<sup>24</sup> This, however has not prevented the formation of wage earning classes and rural labour markets, especially in Tanzania (Sender and Smith, 1990; Mueller, 2009). See also Devereux (2005) on Ethiopia for a related debate.

<sup>25</sup> As Byres notes (2003), socio-economic differentiation, together with the nature of the landlord class, where this exists, and the role of the state are key determinants of paths of agrarian transition. For early industrializers, rural differentiation had proceeded at the same time as capitalism was making inroads in agriculture but also before, i.e. in pre-capitalist social formations where for different reasons increasing inequality and changes in agricultural practices developed (Byres, 2003).

<sup>26</sup> Heterogeneity is a word now more frequently used by the World Bank to characterize agrarian structures and the diversity of farming systems in developing countries. This new emphasis is obviously a significant step but remains somewhat superficial in analytical and empirical terms.

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capacity for expanded reproduction, i.e. for capital accumulation and further success in agricultural markets (Jayne et al., 2003).<sup>27</sup>

The problem with these surveys and studies is that they do not make the connection between this evidence of differentiation, on the one hand, and the formation of rural labour markets with hired labour among small and middle-scale producers, on the other hand. The smallholder 'stratification' is mostly shown in terms of (a) access to land in terms of quantity and quality (i.e. degree of reliance on marginal lands); (b) access to other assets (including education) and (c) access to markets. Not much is said about labour market implications. These significant differences and growing divergence (and thus socio-economic differentiation) among small farmers were already observed in early processes of agrarian transition (e.g. in the United States and Russia), and are still observed in much of the developing world, particularly in Asia, sub-Saharan Africa and poorer parts of Latin America (Byres, 2003). The accumulated historical experience shows that farmers' differentiation is historically contingent and the factors underpinning it shift over time and space. From an agrarian political economy literature we learn that, apart from access to land and markets, other differentiating factors include: levels of marketed surplus and degree of commercialization of production; reliance on hired labour as opposed to family labour; adoption of technology, including sometimes labour saving techniques to deal with peak labour shortages; crop choice, especially reliance on cash and export crops as opposed to staples, etc. Moreover, many of these differences are not a matter of choice but a result of economic and non-economic forms of compulsion and coercion, which may sometimes entail violence, as it is well documented in the Indian literature (Bhaduri, 1986; Bharadwaj, 1985 and 1989). Unfortunately, it is hard to find reliable and sufficiently disaggregated information on the above mentioned factors for much of rural Africa.

Socio-economic and smallholder farmer differentiation carry various implications for agrarian dynamics and change. Let me highlight two. First, agrarian structures and practices change as a result of differentiation so that an analysis and recommendations based on a particular historical moment may not be relevant for future periods. For example, if agricultural policies designed to promote smallholder farming without any specific targeting (land tenure changes, input provision, credit, etc.) are devised at a particular time, say in the 1970s before globalization, a process of differentiation and growing rural inequalities may make these policies obsolete and inadequate later on. Emergence of larger-scale or middle-scale capitalist farming and a concomitant increase in the proportion of people depending on agricultural or rural wages to survive means that new policies and interventions specifically targeted at those groups are required and 'old' smallholder development packages may no longer be relevant, at least not in their usual form.

Second, differentiation implies that new conflicts of interest and struggles arise as some farmers position themselves favourably to produce for the (global) market, whereas others remain marginalized and become unable to survive on own-account farming, being forced to diversify into non-farm activities and wage labour, following the well-known 'de-peasantization' process (Bryceson, 2002). For example, the usual distinction between commercially-oriented smallholders and 'marginal farmers' in India is important as their needs and priorities may be different and sometimes even contradictory. Such distinctions are analytically and empirically useful in African contexts, too. A poverty reduction strategy could then be focused on the poverty and development implications of alternative forms of support to agriculture, with selective targeting according to what farmer-

<sup>27</sup> Studies in the 1980s also emphasised the importance of heterogeneity and differentiation among smallholders and relatively poor households while stressing the extent to which there were signs of growing concentration of assets (Ghai et al., 1983). Weeks (1990) shows how in Sierra Leone between the early 1970s and the mid 1980s processes of land concentration were under way leading to a growing proportion of quasi-landless households. See also Binns (1987).

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employers offer in terms of ‘decent work’ and what can be done with resource-poor people who both struggle to find jobs and to survive on their own-account farming.

### **3.3. Rural income diversification, differentiation and wage employment**

For the purposes of this paper especially important are the implications of rural differentiation for employment dynamics. If differentiation leads to an ‘up-grading’ of groups of small farmers into middle-scale and more dynamic categories, as well as an emergence of large-scale farming (through foreign or domestic capitalist investors) and if other employment opportunities are promoted in rural areas, including wage employment for the state and non-farm enterprises, the quantity and quality of employment generated may increase markedly in the medium term. This, of course, may happen in dynamic contexts for a range of commodities including traditional exports (coffee, tea), labour-intensive horticultural products, especially cut flowers (e.g. Kenya, Ethiopia), and generally wherever food production for domestic markets and agricultural exports grow faster.

If, on the contrary, differentiation mainly results in an impoverishment of large masses of smallholders without a concomitant expansion of market-oriented dynamic smallholders, middle- and large-scale farmers, the result is likely to be a growing reserve army of labour, which will depress rural wages and lead to migratory pressures. Migratory pressures towards urban areas in a context of de-industrialization or little urban development frequently amount to a process of urban impoverishment and expansion of slums (Davis, 2004). Therefore, in contexts where differentiation is crisis-driven and stagnation the norm (such as several areas in the Sahel) a retreat to the rural non-farm economy or towards distress migration may be more common (see World Bank, 2007; Bryceson, 2002; Kay, 2009). The latter phenomenon seems more common during the era of neo-liberalism and uneven globalization (Bryceson, 2002; Akram-Lodhi and Kay, 2009). The former (dynamic differentiation with employment creation) corresponds to the successful historical agrarian transitions under the label of ‘American path’ of capitalism from below and some of the East Asian success stories (Byres, 2003).

The various changes in the contemporary global agrarian political economy described above and the increasing precariousness of agriculture-related livelihoods in many developing countries have stimulated a process that seems to be well-known by now. This is the increasing importance of the rural non-farm economy and the increasing connections between the ‘rural’ and the ‘urban’, mostly via internal migration and the emergence of a footloose labour force that splits previously agrarian-based households into multiple spaces and livelihoods (see Bryceson 2002; Reardon et al., 2000; de Haan et al., 2002). The employment implications of this process are important and need careful empirical analysis. This is because the expansion of the rural non-farm economy is associated with *both* dynamism and distress, so it is critical to understand what types of jobs fade and emerge in a given context. For example, the growing importance of casual and seasonal wage labour, the low employment intensity of growth processes in some developing countries (e.g. India), and the employment opportunities created by integration in some commodity chains for non-traditional exports in some countries (in Africa, East Asia and Latin America) form part of a variety of outcomes that reflect the interaction of ‘global’ and ‘national’ processes and changes, and their contradictions for different classes of rural people.

While a number of Asian countries like Viet Nam, Malaysia and Indonesia have become dynamic exporters of traditional agricultural commodities like coffee, cocoa, palm oil and cashew nuts amidst growing de-agrarianisation and urbanization, many African countries have displayed forms of de-agrarianisation that appear more distress-driven and co-exist with agricultural stagnation. Several African countries have experienced less marked processes of urbanisation than their Southeast Asian counterparts (although fast

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urbanisation is a reality of most African countries, see Sender et al, 2005) and some de-agrarianisation coinciding with agricultural stagnation or slow growth, as it is the case in much of the Horn of Africa and the Sahel. The loss of market share for traditional exports by African exporters is remarkable and shows the extent to which (agrarian) globalization has been unequalizing (Gibbon and Ponte, 2005; Oya, 2007a). Contrasts between the performance of African and South-East Asian exporters of traditional commodities like coffee, cocoa and palm oil, despite facing the same price trends, are remarkable. They show how internal dynamics and national policies make a significant difference in processes of agricultural export expansion and upgrading.<sup>28</sup> This also means that increases in inequality observed in a wide range of developing countries are compatible with quite different processes of agrarian change and different levels of dynamism and incorporation into global markets.

The development of the rural non-farm economy, especially in its more typical distress-induced form, may also be a reflection of the difficult prospects for smallholder farming, especially in Africa, particularly in relation to the question of market access and the demand side in a liberalized and globalized context (Havnevik et al., 2007). As Wiggins (2002) shows for sub-Saharan Africa, most successful experiences for smallholders in the recent past have had something to do with improved *market access* (to be distinguished from liberalization), either with respect to export or domestic markets. When this does not happen a movement towards non-farm activities and migration appears to be the norm as argued by Reardon (1997).<sup>29</sup> A growing dependence on casual wage employment may also be a consequence, though this also depends on other factors determining demand for unskilled labour in rural areas.

A bit of caution may be necessary in interpreting this evidence as established trends though, and particularly their effects on employment dynamics and inequality. We have snapshots from different types of surveys and data, which suggest *tendencies* interpreted in terms of 'de-agrarianisation'. However, the trends may not be uniform, the intensity of the process is variable and reversals quite possible, i.e. forms of re-agrarianisation, especially in countries like Zambia where the collapse of the mining-industrial complex and the increase in urban poverty have induced a return to the village thereby raising prospects for rural employment creation (World Bank, 2007: 82). Yet, most authors seem to accept de-agrarianisation as an irreversible and conclusive process mostly on the basis of snapshots in the 1990s and comparisons with previous studies (Rigg, 2006; Bryceson, 2002). Livingstone (2002: 259) is less confident about the irreversibility of the process but finally concludes that

"despite problems of measurement, evidence does exist of a *strong* secular trend towards 'de-agrarianisation' in sub-Saharan Africa, involving progressive change in occupational distribution within the rural areas, as well as rural-urban migration of household members or whole households."<sup>30</sup>

<sup>28</sup> See, for example, an account of the impressive development of the refined palm oil processing industry in Malaysia (Jomo and Rock, 1998).

<sup>29</sup> However it is worth reminding that detailed and disaggregated evidence on occupational trends in rural areas, especially in sub-Saharan Africa is hard to come by (Reardon, 1997).

<sup>30</sup> This is an important point, as there is longitudinal evidence collected in Asia (see especially Breman, 1996) showing a growing class of 'footloose' labour straddling rural and urban areas and complicating the boundaries of households. The households of the labouring poor then become contingently linked to rural and/or urban forms of temporary and informal employment depending on the season or the circumstances.

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Another complication is that people precariously surviving in urban settlements may well also depend on agricultural activities. Literature on food security in sub-Saharan Africa has presented evidence of the incidence of agricultural employment among urban residents, either in the form of ‘survival’ gardens for household food security or as wage employment in growing agricultural commercial ventures to serve urban and export markets (Devereux, 2001).

Whatever the intensity of the rise of the rural non-farm economy and the process of deagrarianisation, an important implication is whether rural inequalities increase and socio-economic differentiation accelerates with detachment of livelihoods from the land and the emergence of footloose labour. One methodological problem is of course that the ‘rural non-farm economy’ is an excessively heterogeneous concept that is empirically almost a residual. In that sense it may be difficult to reach solid conclusions about linkages between rural inequality and rural non-farm economy expansion. This is corroborated by several studies, especially by Reardon et al. (2000), who suggest that non-farm employment may have mixed effects on inequality and differentiation if one looks at a broad sample of countries from different regions. However, evidence from African household surveys suggests that non-farm income shares and absolute levels are significantly higher for richer rural households. In fact, most studies show that the poorest segments of the rural population are frequently at a disadvantage in the rural non-farm economy because of the existence of significant entry barriers to many activities, especially those where super-profits arise and which are closely linked to various forms of horizontal inequalities. The results also may reflect the fact that poorer people are more likely to access jobs in agriculture as manual fieldworkers or very poorly paid jobs in non-agricultural activities that are, in absolute terms, way below returns to labour for the richer quintiles. It is however difficult to find any systematic evidence on how these processes affect rural labour markets and wage employment creation. Some of the evidence on rural labour markets, discussed in the following section, accounts for this diversity and unequalizing patterns.

#### **4. Micro-evidence of rural labour market formation and wage workers’ differentiation**

This section presents evidence from a number of micro-level studies in which the author of this paper was involved, in order to illustrate some of the themes discussed in previous sections.<sup>31</sup> Findings are selected on analytical grounds following issues discussed in previous sections, which underscore the importance of understanding the nature of rural labour market formation, their dynamics and links with inequality or processes of socio-economic differentiation. In particular the findings I focus on concern: (a) the diversity of forms of rural wage employment (Section 4.1.); (b) the significance of fragmentation and segmentation in rural labour markets in Africa, with some implications in relation to inequality (Sections 4.2. to 4.4.). The studies<sup>32</sup> in question include:

- a) Perhaps the largest ever *rural wage employment* survey thus far done in Africa. It was a survey of over 2,600 wage workers and their households in rural Mozambique in 2002-03, designed to have an over-representation of female

<sup>31</sup> Some of the findings are already published (e.g. Cramer et al., 2008; Oya and Sender, 2009) and some are in the form of working papers or work in progress (Oya and Pontara, 2008; Oya, 2007c).

<sup>32</sup> Multiple methods were used in all these studies, in a combination of quantitative and qualitative approaches to a variety of issues. Therefore, quantitative sample surveys, based on relatively detailed and long questionnaires, key informant semi-structured interviews, focus groups, life histories and direct observation were all applied in the three studies mentioned.

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labour (almost half the sample) to capture gender aspects of rural labour market participation and to cover a wide range of farm and non-farm activities in rural areas in three populous provinces of Mozambique (see Cramer et al., 2008; Oya and Sender, 2009; Sender et al., 2006; and Massingarella et al., 2005).

- b) Another study done with funding by the World Bank in rural Mauritania in 2004-05 to examine in greater depth the nature of village labour markets and rural livelihood diversification. This work was based on three in-depth village studies, representing three of the most distinct agro-ecological and socio-economic contexts in semi-arid Africa (GIRM and World Bank, 2007; Oya and Pontara, 2008).
- c) Some data collected on seasonal and casual farm workers in Senegal by the author in 1998 and 2006, as part of a research project focused on large and middle-scale farmers in rural Senegal (see Oya, 2001, and 2007b).<sup>33</sup>

In all the studies listed above, there was direct and indirect evidence of the quantitative and qualitative significance of rural wage employment and rural labour markets in a variety of agro-ecological and socio-economic contexts. The studies did not pretend to show whether there is a *tendency* towards more reliance on rural labour markets or expansion of wage employment opportunities since they were not longitudinal in nature (although longitudinal evidence was collected through life histories and focus groups). However, some qualitative evidence from Senegal and Mozambique indicated that most respondents who engaged in rural wage labour were more reliant on wage incomes at the time of the survey than five to ten years before, or in comparison with their previous generations. Many indicated that their parents never worked for agricultural wages themselves before.

Data on participation in rural labour markets in the Mauritanian and Mozambican studies (both through questions on hire-in and hire-out) also suggested that official statistics on rural wage employment underestimate its extent for many of the reasons explored in the sections above (Oya and Pontara, 2008; GIRM and World Bank, 2007; Pontara, 2009; Cramer et al., 2008). In the research on Senegalese groundnut farmers, it became soon clear that a variety of forms of labour hiring – including seasonal wage labour, labour tenants and a gamut of casual wage labour arrangements – were commonplace in most research sites and did not only apply to labour hiring practices among large and middle-scale farmers, but were also common among smallholders. Particularly at peak periods of labour needs, many people perform casual wage work for half-days, either manually or with their own implements, which are then implicitly hired for a higher wage rate (Oya, 2001 and 2007b). This finding was also corroborated by the Mauritanian village studies, especially in the Senegal River Valley, where agricultural intensification has been more marked.

The existence of rural wage labour and its particular significance for some of the poorest segments of rural populations in Africa, despite discrepancies with official statistics on status in employment, should not come as a surprise, as we have seen in Section 2.3 above. That labour markets are alive in rural Africa should not be questioned. However, it is perhaps more interesting and worth exploring the significant heterogeneity of rural labour markets and wage employment patterns across and within countries. Rural wage workers do not constitute a distinct ‘class’ in itself but encompass a wide range of experiences and situations, for which a relationship between poverty and participation in rural labour

<sup>33</sup> The research itself was not specifically focused on rural labour markets, unlike the other two studies, but the principal respondents were all employers of seasonal and casual agricultural labour and much evidence was collected on the nature of these labour arrangements and main changes over time during the period of liberalization (see Oya, 2001 and 2007b).

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markets cannot be easily established.<sup>34</sup> One reason is the very fact that a pure landless proletariat only dependent on wages is hard to find. Most rural people hold a variety of jobs, including own-account farming, though a majority of wage earners must purchase food in markets for a large proportion of their household consumption. Relative dependence on wages is consistent with livelihood diversification, which is always common especially in contexts of strong seasonality, risk and where jobs are usually available on an irregular basis.

#### 4.1. **Diversity in rural wage employment, segmentation and power**

Another important reason and indeed a stylized fact emerging from the studies mentioned above is the high degree of *labour market segmentation*, manifested in the diversity of rural and village labour markets in Africa. The studies covered very different regions, from arid to semi-arid to sub-tropical, spanning a wide range of crops (groundnuts, cereals, tea, cotton, tobacco, horticulture, etc.) and activities (farming, trade, artisanal crafts, transport, domestic service, construction, etc.). Evidently some of the differences found in working conditions and wages have much to do with the specific activity, task and crop involved. In other words, sector/activity segmentation is an important feature of rural labour markets. In agriculture, there were some significant differences in wages and working conditions (including forms of payment) between crops and by task, observed particularly in Mozambique, but also in Senegal and Mauritania. Some labour-intensive crops, especially in horticulture, normally commanded higher wages for equivalent tasks than staple cereals, for example, in the case of Mauritania and Mozambique. This could also be related to the fact that different types of employers specialize in different crops (see below), so that the difference in working conditions could be traced back to the type of employer and the exercise of discretion, and not so much to the crop specificity.

Of course, segmentation along activities and tasks partly emerged because of a range of barriers to entry into these different activities, often defined in terms of skills and ‘aptitude’ (as in the frequently mentioned superiority of women in doing ‘careful’ work like tea plucking), but frequently also socially and culturally determined, especially for what regards specialization along gender lines. Barriers to entry and skill specificities also correlated with class locations, in the sense that the poorest rural wage workers were often restricted to a narrower range of low-skill, very poorly paid manual occupations. In fact, domestic workers, casual (especially female widowed) agricultural workers, and petty vendors working for other traders were among the poorest workers in our samples in Mozambique and also in Mauritania.

The studies also highlighted the importance of *employers’ discretion* and *power relations* at the workplace as correlates of varying working conditions. In fact, for similar occupations and tasks, the Mozambique survey found significant differences in payment methods and wage rates across employers. Strikingly, some of this evidence pointed at discretion used by a single employer to discriminate among his workers (see Table 9 in Cramer et al., 2008), but overall a pattern emerged whereby smaller, resource-poorer employers (e.g. small-scale farmers and small traders) would offer worse working conditions in comparison with larger-scale, more technologically dynamic and productive employers (usually large plantations, sometimes foreign-owned, featuring greater crop specialization and strong links with global markets). Therefore, a scale bias operates in rural labour markets, and especially agricultural wage workers seem better off in larger-scale, more organized farming units (Cramer et al., 2008; Sender et al. 2006). This is far

<sup>34</sup> See also footnote 3.

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from surprising since the levels of productivity of these farms are often superior to smaller-scale counterparts so they can afford to pay higher wages. They are not inherently ‘nicer’ to their workers. Moreover, larger-scale, especially foreign-owned, agribusinesses are much more exposed to monitoring and inspection by local authorities, trade unions, NGOs and different advocacy groups with an interest in labour conditions and globalization. They have more to lose if working conditions in their business are intolerable. In contrast, smaller scale farmer-employers often fall out of the radar of agencies and institutions that monitor conditions of wage employment. In fact, the assumption that small farmers only use family labour often precludes any serious consideration of what is happening to their casual workers. Thus neo-populist views that smallholder farming is desirable and deserves support has blinded many NGOs in their concerns and campaigns about the ‘poor’, so poor casual workers working for small and micro-entrepreneurs are simply ignored (see Rizzo, 2009).

While employer characteristics, discretion and power are significant explanatory factors for differences in wages and working conditions among workers with *similar* characteristics (i.e. very poor, low-skilled and performing manual agricultural tasks), the various studies listed above surveyed a range of occupations and jobs, which allowed to consider a wide continuum of working conditions – from very bad to relatively good (Or ‘decent’) jobs – in rural areas. At the heart of this continuum of heterogeneity is the extent to which rural labour markets manifest *distress* or *emancipation*, or to what extent rural jobs are more determined by either pull (incentives) or push (distress) factors. Not all rural jobs created are examples or manifestations of ‘trickle-down’ in a virtuous sense. In all the studies the poorest workers, who normally also corresponded to the poorest quintiles in the national household representative surveys in terms of simple asset indices (see Sender et al., 2006, and Cramer et al., 2008), generally depended on casual wages in jobs performed for local neighbours, either in farming or personal services.

Many of these jobs were objectively and subjectively (i.e. in workers’ perceptions) purely ‘distress’ activities. They were seen as ‘last resort’ and partly contributing to growing local inequalities and acceleration of ‘social Darwinism’ (see also Bryceson, 2006, on similar occupations in Malawi).<sup>35</sup> However, equally other own-account activities performed by very poor households could also be seen as essentially distress-driven and characterised by serious self-exploitation (or, more precisely, exploitation of the labour of contributing family workers, particularly young women and children). The fact that performing casual and manual wage work for neighbours in rural areas is often seen as a last resort and distress-driven job also reflects the stigmas associated with this type of jobs in comparison to equally horrible jobs that are performed on workers’ own land (see methodological discussion in Section 2.3).

At the other end of the continuum, some of the better agricultural and non-agricultural jobs could be seen as mechanisms of emancipation and ultimately escape from poverty. This is particularly the case for some women wage workers in Mozambique (see below). Workers with access to better jobs were indeed also more ‘empowered’ and confident in joining collective action (strikes) and unions wherever these were present. Sometimes the availability of better job opportunities in their local area meant an opportunity to delink from highly exploitative relations with other local employers who hitherto effectively exerted

<sup>35</sup> Bryceson (2006) notes in her abstract that “*Ganyu*, representing an established form of labour based on mutual economic benefit between exchange agents stretching back over a century, has become synonymous with degradation and despair for the working poor” and that “the highly exploitative contractual terms that employers offered widened the gap between the haves and have-nots”.

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their monopsonistic power to impose very bad working conditions.<sup>36</sup> Overall, however, much of the research undertaken in these countries showed the weakness of collective action and organization for poor rural wage workers, both in terms of the lack of presence of unions and the weakness of government institutions dealing with the monitoring of labour law implementation (e.g. the General Inspectorate of Labour in Mozambique).

More generally, access to ‘better’ jobs in agriculture and non-agriculture (on longer contracts, with higher wage rates and generally more non-wage benefits) was mildly correlated with education levels and skills acquired through previous employment experience (see Cramer et al., 2008, especially tables 12-14). However, the fact of being in an area characterised by more dynamic agriculture, more investment and tighter labour markets made a crucial difference. In other words, favourable individual and household characteristics are not enough. *Labour demand* is a key factor, which underscores the critical importance of incentives to increase labour demand especially for better jobs that may be accessible to poorer workers (Oya and Sender, 2009). In any case, even the scope for improving the quality of ‘good’ rural jobs in Mozambique was significant. In fact, median wage rates for ‘better’ jobs in Mozambique were still *below* the national statutory minimum wage and most of these jobs were of an irregular or seasonal nature.<sup>37</sup> Very few rural wage workers were employed on a permanent basis and most, therefore, were not protected by existing labour legislation, as employers often manipulated the length of contracts to avoid applying labour laws (this included many of the foreign large-scale employers). In sum, the heterogeneity of rural wage jobs reflects context-specific patterns of employer-worker relationships, and result in this work being regarded as either of a distress or of an emancipatory nature.

## 4.2. Fragmented rural labour markets and migration

Another form of segmentation is *location*, which is also due to the uneven distribution of wage labour demand in agriculture and non-farm activities mentioned before. The literature on rural labour markets suggests that the village is indeed a relevant unit of analysis, i.e. that rural labour markets are fragmented by village (Mduma and Wobst, 2005; Kevane, 1994; Rao, 1988). Our research in Mauritania offered some evidence in support to this hypothesis. Wages and working conditions vary, especially *between* villages – wage rates act as local ‘norms’ regardless of relative labour abundance or shortages.<sup>38</sup> These local village-specific ‘norms’ often applied to the poorest segments of the wage-earning classes, indicating collusive behaviour among the few, more powerful, village employers who offered some occasional employment on their farms, houses and petty businesses. The compliance with these ‘norms’, especially in rural Mauritania, also reflected the entrenched personalized power relations at village level, where these payments were often portrayed by their employers as ‘help’ or even as alms, part of their duties towards the local poor, in a typical manifestation of employers’ paternalistic practices and discourses.

<sup>36</sup> On relevant conceptual issues here see Rao (1988) and for a very good illustration of these processes in Latin America see Damiani, 2003).

<sup>37</sup> The median agricultural wage per month for ‘better’ jobs was MZM450,000, approximately US\$19 (monthly), below the national minimum wage for agriculture then set at MZM560,000 per month (in 2002-03), approximately US\$24 at the ongoing exchange rate at the time of the survey.

<sup>38</sup> This is in contrast with evidence in other parts of rural Africa of competitive rural labour markets where wage rates vary responding to seasonal variations in labour demand and supply as well as to differences in labour productivity by gender or age (see Byerlee et al., 1977; Kevane, 1994).

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However, in more dynamic contexts, especially where linkages with markets were stronger and where ‘outside’ investors, national or transnational, appear, there can be a breakdown of local wage ‘norms’. This was observed in rural Mozambique, where the typical wage rate paid by local farmers to casual workers for a range of agricultural tasks was 10,000 Metical (MZM) per day (US\$0.43) at the time of the survey. However, this rate was not respected by newcomers who wanted to attract labour, and who were adamant to pay a daily rate equivalent to the statutory agricultural minimum wage in the country (around MZM21,000 or US\$0.90, i.e. more than double the conventional local rate). In general, therefore it is hard to generalize and analyze these different systems of labour use and wage determination in terms of a demand and supply equilibrium framework as argued by Bharadwaj (1989).

The presence of *migrant labour* also contributes to segmentation by creating fractions of working classes paid and treated differently despite not being very different in terms of skills, experience and productivity. Migrant labour is often used by agricultural employers as a tool to depress wages and create different classes of workers, thereby undermining collective action (Breman, 1996).<sup>39</sup> This can happen for a wide range of employers, including large-scale agribusiness, as in the history of sugar plantations in Mozambique shows (O’Laughlin, 2002). The fast development of tobacco farming in Central Mozambique also owed much to inward-migration, this time of both employers and former farm workers from Zimbabwe, with the ironic twist that many of the latter were actually Mozambican return migrants (who had themselves previously moved to Zimbabwe’s commercial farms and mines during the colonial period and the war in Mozambique in the 1970s and 1980s).<sup>40</sup>

In Mauritania, the effects of migration on rural labour markets were nonetheless contradictory. Whereas in one of the villages, close to the border with Senegal, it was usually reported that migrant workers from Senegal worked for lower wages and depressed wages below local ‘norms’, especially in rice production and horticulture, in the oasis-farming environment of another very different village, daily wages increased with the seasonal wave of migrants coming to work on date harvesting (GIRM and World Bank, 2007). Most of these migrants were coming from other regions and sometimes from towns, so their reservation wages were higher than those of local, very poor workers. Their skills and the importance of timing in these operations meant that local employers would compete for migrant labour and offer higher rates or better conditions (e.g. better meals and accommodation in what is normally a very hostile environment, especially during the *Guetna* season devoted to date harvesting). The Mauritanian study also gave evidence of a virtuous circle of causation between out-migration and employment creation, which in turn fuelled the use of migrant labour in agriculture, particularly in areas with access to irrigation and more labour intensive crops. Thus remittances from urban-based relatives were often used to expand agricultural operations, irrigate fields and therefore increase the demand for labour, which, interestingly, often originated from different villages or even across the border from Senegal.<sup>41</sup> In sum, migration does contribute to rural labour markets segmentation, albeit in a somewhat contradictory variety of ways, depending on local circumstances, relative labour shortages, local power relations and the scale of migrant labour.

In Senegal, a clear segmentation between seasonal and casual agricultural jobs was observed, to a large extent determined by migration and reflecting ongoing processes of

<sup>39</sup> See also Rutherford and Addison (2007) for a good illustration of this in the case of Zimbabwean farm workers in South Africa.

<sup>40</sup> See also Tornimbeni (2005) for an interesting historical account of these complex patterns.

<sup>41</sup> There is also evidence of this in Mali (de Haan et al., 2002).

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differentiation in the countryside. Seasonal wage workers (*mbindane*), all male and hired for six to eight months to perform all sorts of activities (mostly in farming, but also domestic chores), came from the poorest and driest regions of Senegal in search of cash, food and accommodation, i.e. a well established form of internal rural-rural migration. Depending on their origin and whether they had already established links with local employers in previous seasons, they commanded different wage rates ranging from 85,000 to 120,000 CFA Francs (XOF) per season (approximately between US\$140 and 200, i.e. US\$20-28 per month on average, in 1998 exchange rates). This is quite a wide range in comparison with what local casual workers faced, which was fairly standard daily or piece-rates dictated by generally accepted 'norms'.<sup>42</sup> Thus, while migrant labourers faced more competitive labour markets and a wider variation of working conditions, local casual workers met less competitive forms of labour transactions, despite the fact that the potential supply of casual wage labour was very large. This way the scope for more differentiation and higher inequalities among migrant labourers was greater than that for daily and piece-rate casual workers, having implications for rural inequality patterns beyond the areas in which employment takes place. This fact also underscores the need for understanding context-specific labour institutions and practices which are shaped by power and negotiation between differentiated rural classes.

#### **4.3. Agricultural/non-agricultural segmentation: rural non-farm employment**

In a previous section some discussion has been devoted to the rural non-farm economy and the extent to which the expansion of rural non-farm wage employment is accelerating and whether it is unequalizing. The evidence from Mauritania and Mozambique (where information was collected over a range of non-farm jobs) partly corroborates both hypotheses. However, the problem is that, by definition, rural non-farm activities are very heterogeneous and span a wide range of occupations and skills, for which there may be different barriers to entry. Indeed, for a variety of forms of self-employment, skills and capital/credit constraints act as significant barriers and result in the unequalizing effects of non-farm growth. Reardon (1997) finds that for a range of micro-studies, non-farm incomes can be five times higher than farm wage incomes, but fails to offer more detailed disaggregation *within* non-farm occupations. Cramer et al. (2008), in contrast, find that there are some 'bad jobs' in the rural non-farm economy that are reserved to the poorest segments of the rural population, with a strong gender and age bias (i.e. mostly girls and some young boys). These include domestic workers, hairdressing apprentices, market porters, fare collectors and so on. Meanwhile, a smaller proportion of rural wage workers found better jobs, particularly as drivers in local transport business, builders, and petty manufacturers (for household items) where barriers to entry were much higher and male domination almost absolute. It is clear from these studies and other surveys of the rural non-farm economy, that this can be a site of both *accumulation* and *survival*. Therefore, making generalizations about its impact on inequality and poverty may be analytically and empirically problematic and perhaps unnecessary given the fluidity of the concept of the rural non-farm economy.

#### **4.4. Gendered rural labour markets**

Perhaps more straightforward is the segmentation produced by gender relations and the nature of women's participation in rural labour markets. The research in Mozambique (see

<sup>42</sup> Typically amounting to either XOF500 (US\$0.80) or XOF1,500 (US\$2.41), for half-day work depending on whether worker brought his/her own farm implements and animal traction or not.

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Oya and Sender, 2009) paid particular attention to rural women wage workers. A striking, but perhaps not surprising finding was that a large purposive sample of rural wage workers (especially agricultural workers) resulted in a very high proportion (around 40 per cent) of women workers being divorced/separated or widowed, i.e. living in de-facto female-headed or female-dominated households. This finding is consistent with research in other parts of the world (see Drezea and Srinivasan, 1988; Kabeer, 1997) and previous research in Tanzania (Sender and Smith, 1990). The interpretations of such findings relate to the dichotomy distress vs. emancipation mentioned above and point to the complexity of gender relations, patriarchy and labour market participation in developing countries. In the research carried out in Mozambique, it was clear that patriarchy and paternalistic control were significant determinants of women labour supply in rural labour markets. This happened in two ways. First, husbands and fathers are preventing women to actually engage in any form of wage labour outside the household. Second, they are preventing access to particular types of jobs, especially in large-scale workplaces where contact with many other men was particularly feared. In other words, women labour market participation and access to particular jobs were constrained and shaped by patriarchal power and by the bargaining of women within existing “patriarchal bargains” (see Kandiyoti, 1988).

Reproductive stories, and especially childlessness or lack of sons, could also be determinants of relationship break-up and consequent women’s engagement in wage employment to survive. However, one should avoid excessive determinism in these relations as a variety of patterns was observed that could defy generalizations. In a similar vein, despite the fact that women workers were generally discriminated against in terms of the type of job and working conditions in comparison with men after controlling for education and age, it is also true that the sample of women wage workers was quite heterogeneous in itself and reflected the extent to which women in rural Mozambique were not necessarily locked into low-quality highly exploitative agricultural jobs (Oya and Sender, 2009). As noted above, the particular location patterns of rural wage labour demand determined the opportunities available and provided options for women to emancipate through access to more regular and better paid rural jobs. This underscores the importance of macro-economic and sector policies to boost demand for unskilled (female) rural labour.<sup>43</sup>

## 5. Conclusions and policy implications

This paper has explored the evidence on inequality, particularly rural inequality, and rural labour markets in sub-Saharan Africa. It has attempted to provide some analytical linkages between processes of transition to capitalist development, increases in inequality and rural labour market formation. A review of existing evidence reveals two fundamental problems with the quantity and quality of available data. First, evidence on inequality is often too aggregate and fails to account for more complex patterns of differentiation among particular rural groups like smallholders. It was argued that understanding processes of socio-economic differentiation in rural areas is critical for an understanding of rural labour market dynamics and the emergence of wage employment in rural Africa. Second, evidence of rural wage employment is extremely scarce and of dubious quality. The paper has presented some arguments as to why this is the case and suggested ways of overcoming the methodological challenges of collecting data on rural labour markets. The last section has indeed presented evidence of the nature of rural labour markets in several African countries, on the basis of surveys explicitly focused on rural employment issues, which are unfortunately rare in the intellectual landscape of agrarian studies on Africa.

<sup>43</sup> Generally rural labour markets and local employment dynamics cannot be analyzed in isolation of economy-wide processes (Bharadwaj, 1989).

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The evidence discussed from these micro-studies (though some with relatively large samples for rural employment surveys in Africa) and some of the literature on rural inequalities and labour market conditions suggest a number of policy implications that could be more seriously considered in debates on poverty reduction strategies and ways of targeting the most disadvantaged labour market entrants. Effective interventions to contribute to the expansion of decent wage employment in rural Africa could be classified in *four* groups, with some policy options mentioned therein.

### **5.1. Improving data collection on employment, with special attention to rural wage employment for the poorest categories of labour market entrants**

Currently data collection on rural employment in Africa is either patchy or often badly implemented. Good quality and disaggregated data on a variety of rural jobs is essential for policy making in relation to poverty reduction and employment targets. Currently, most African countries do not have statistical systems that provide high quality evidence on rural labour for the reasons explored in Section 2.3. The ILO indeed has frequently stressed the lack of reliable statistics on waged agricultural labour and the need for “comprehensive disaggregated statistics”, since wage employment in agriculture in poor countries is “invisible” in most conventional databases (ILO, 2003: 42). There are various areas of action that require serious attention:<sup>44</sup>

- a) Increasing the frequency and quality of Labour Force Surveys in Africa, perhaps at the expense of other types of household surveys that have received excessive attention and funding in the past 20 years;
- b) Adapting the design of employment-focused surveys to local conditions, while maintaining a minimum degree of standardization for international comparison; however, some evidence that may not be easy to standardize may still be very important for policy makers at national level;
- c) Using employment matrices (or detailed ‘activity lists’), as suggested by best practice in labour force surveys, and avoiding ambiguous terms such as ‘main job’ or ‘secondary job’;
- d) A more systematic use of various reference periods and including questions that may permit a better capturing of the magnitude of underemployment, and therefore estimates of number of effective days of work per active person;
- e) Paying detailed attention to various forms of wage payments, including in-kind payments that may disguise various forms of rural wage employment;
- f) Investing more in the training of enumerators and statistical analysts for employment-focused data collection.

### **5.2. Tightening of rural labour markets through labour demand expansion**

Tightening of rural labour markets through labour demand expansion derives from the importance that the presence of investors, state-led employment creation (through public works, for example) can have in terms of expanding wage labour opportunities, and

<sup>44</sup> See also Luebker (2008b) for a relevant discussion on the collection of statistical information on informal employment in Zimbabwe and necessary action points.

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thereby enhancing the bargaining power of some of the poorest segments of rural working classes. The tightening of rural labour markets can thus be driven by a combination of the following elements:

- a) Infrastructure development crowding in private investment and creating low-skill jobs for significant sections of the footloose labour class in rural areas;
- b) Promotion of more labour intensive crops, such as floriculture and other forms of horticulture, which also often leads to an increasing proportion of regular and more stable seasonal employment as opposed to casual jobs; seasonal employment is part of the category of ‘temporary’ employment but in rural Africa it is often closer in terms of work conditions to permanent contracts and much better than casual/daily forms of employment;<sup>45</sup>
- c) Measures to promote improvements in productivity that can be translated into higher rural wages;
- d) Incentives to organized rural industrialization so that entry barriers to the rural non-farm economy are relaxed;
- e) Credit policy to bring in fresh domestic or foreign investment into labour-intensive agriculture;
- f) Creation of regional/local dynamic poles of development partly to balance internal migration flows and expand range of employment opportunities especially in secondary towns).<sup>46</sup>

### **5.3. Facilitating and organizing labour mobility while protecting migrant workers’ rights**

The available evidence shows the importance of internal and cross-border migration in processes of rural labour markets formation and the need to improve the linkages between investments and labour demand. Measures to facilitate labour mobility, especially through transport infrastructure, and information about job opportunities in different parts of the economy are likely to reduce entry barriers and attenuate some of the unequalizing aspects of rural migration.

### **5.4. Improving working conditions through labour market institutions**

This entails three possible sets of interventions with a need for substantial creativity in all of them:

- a) Strengthening labour market institutions for *unorganized* workers’ collective action;
- b) Enforceable agricultural/rural minimum wages;
- c) ‘Reciprocal control mechanisms’ with employers (sticks and carrots with employment criteria).

<sup>45</sup> Seasonality is very significant in agriculture and seasonal employment quite normal.

<sup>46</sup> This is a policy option stressed by a number of African governments in ‘second-generation’ Poverty Reduction Strategy Papers, for example in Senegal.

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This should not constitute yet another shopping list. What matters is that an integrated policy framework that recognizes the policy needs set out above is put in place and prioritizes those interventions that are likely to create the conditions for faster rural employment creation, while decent standards are more closely monitored.<sup>47</sup> Indeed, conditions for more effective collective action and monitoring of labour standards often depend on the dynamism of labour demand and how labour markets are tightened. In every different context, it is important to understand what the key determinants of workers' bargaining power are and how the underlying factors can change as a result of economic and policy shifts. Therefore, the sequence and relative importance of each of the interventions proposed above is therefore likely to vary between economic, social and political contexts, not least because the *political feasibility* of some of these interventions, both in the short and the long-run should be seriously assessed.

<sup>47</sup> See Damiani (2003) for a useful illustration of the complex interactions between economic factors, labour demand, state intervention and workers' collective action leading to improvements in rural workers' welfare.

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