

END OF PROJECT REPORT

EMPLOYMENT CREATION IN AGRICULTURE AND AGRO-PROCESSING IN THE CONTEXT OF INCLUSIVE GROWTH IN AFRICA



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EXECUTIVE SUMMARY

Background

From March 2015 to June 2016 the Partnership for African Social and Governance Research (PASGR) implemented a research project on wage employment creation in *agriculture* and *agro-processing* sectors. The International Development Research Centre (IDRC) funded about 44% of the total cost of the project. The other 66% came from DFID multi-year funding to PASGR. IDRC considered its funding a 'pilot' with the possibility to expand the project to other countries provided PASGR is able to bring other donors on board. In the research project, PASGR sought to examine the 'how and why' of the constraints to employment creation in the two sectors in the context of inclusive growth in Africa and the extent to which 'political economy and political settlements' analysis could provide new insights to inform policy and practice on productive wage employment programmes in different African political settings. The study was based on the premise that successful promotion of productive wage employment will be driven by complex political settlements involving political parties, economic groups, and bureaucratic organizations. Political settlement analysis relates to the long-term continuities in the way politics works; the way policies are shaped and deals are done. It is about understanding 'the formal and informal processes, agreements, and practices that help consolidate politics, rather than violence, as a means for dealing with disagreement about interests, ideas and the distribution and use of power. This report provides an overview of project implementation, achievement of objectives, intermediate outcomes and the way forward.

Implementation of the project

PASGR selected Ethiopia, Nigeria and Kenya to conduct the pilot studies from a list of 10 pre-selected countries on the basis of different types of political settlements and quality of data on employment creation in the two sectors. The Nigeria team studied rice and textile value chain; Ethiopia, textile and wheat; and Kenya, cut flower and sugar. Prof. Raufu Mustapha of University of Oxford was selected as the principal investigator (PI) to lead the three teams of researchers. From May 2015 to March 2016, the researchers undertook fieldwork, collected primary and secondary data, organized policy engagement meetings, analysed and submitted draft reports for review by the principal investigator, reference group, policy actors, and PASGR. A team of reputable researchers was appointed to provide quality assurance of the study while the final draft report was sent for external review. Based on the reviewers' comments the researchers revised their reports and resubmitted to PASGR by the end of May. At the time of writing this report, the researchers and the Principal investigator were in various stages of publication of the study.

Study Findings

Findings of the Ethiopia study show that the government is playing a leading role in agriculture and agro-processing in a way that is benefiting some interest groups and excluding others with consequences on the potentials for employment creation in the two value chains. The government's interest in supporting large-scale agriculture imposes a difficult choice between different competing usages of land – the small landholders who see land as a matter of equity, and state and commercial farmers that see land as a matter of increasing productivity. The findings show that in the course of pursuing two crucial strategic goals of the state -generating employment and earning foreign exchange, the Ethiopian government seems to have prioritized the latter at the expense of the former. This outcome echoes the jobless growth syndrome that has characterized recent African economies. The Ruling party's prominent role in spearheading growth and transformation demonstrates policies and practices that favour sectors that engage in export activities to the detriment of those producing for the local market; of the higher end of the

value chain over the lower; and of capital over labour. Such biases, while sometimes appear benign to some interest groups hinders the ability of the economy to generate productive wage employment at the various points of the value chain. Fixing this abnormally in a state that is classified 'developmental' requires a political settlement involving larger coalition of interests and long-term horizon goals.

Just like the Ethiopian case, the Nigeria study suggests that employment creation in agriculture and agro processing has not been successful in both clusters. Many rice mill factories have closed down because policies have favoured groups whose interests are inconsistent with local production and job creation. Furthermore in both clusters, smallholder farmers and processors have been 'crowded out' with importation of rice and textiles with dire consequences to employment potentials of the sectors. This according to the Nigeria study is a reflection of the distribution of power in political settlement. While there is potential to generate massive employment in both value chains, the focus of large-scale commercial farmers and large scale processing firms tend to overshadow small-scale holders. The insertion of perverse interest of one actor against the other within government was not coincidence. They are features of competitive clientelistic political settlements where there isn't large coalition of interest groups that share long-term vision of the state except individual interest. While one part of the government (the Customs) allowed importation so as to achieve their own revenue targets, another arm of the state (senate) wants a ban on importation so they could promote local rice growing and milling. The study shows that smallholder farmers are largely 'excluded' from the negotiation by interest groups hence unable to benefit from the backward integration in the rice value chain. Mapping the key actors in the rice value chain reveals that key players in the sector: large importers are the key blockages of the potential of the sector to promote wage employment in the rice value chain. Since the interest of rice importers is contrary to the goals of achieving increasing domestic rice production and self-sufficiency, they are able to influence policies such as waiver on rice imports thereby negatively affecting the backward integration of job creation. For political settlement in the rice value chain to promote employment, the interests of importers need to be captured by way of realigning the structure of incentives. Stakeholders' forum during the course of the study suggested that rice importers should be transformed to domestic producers.

The Kenya case study again shows that employment policies over the years have been anchored on agricultural sector but the potentials of the sector to promote wage employment have not been fully realized because of a number of blockages; among them political interference, low application of technology at the lower end of the value chain, weak institutional framework for supporting the industry, unhealthy competition arising from commodity imports, and existence of cartels that are able to influence policies in the sector for their private interest. Specifically to the sugar value chain, a number of politicians are involved in the industry as lobbyists for importers. Their interest is rent seeking from the industry instead of real production and supporting job creation. Key policy actors and private companies are keen only at the high end of the value chain –trading and importation. Among the key manipulators of the industry are sugar distributors as they double up as importers, and sugar cartels working with political elites. These interest groups are well-connected individuals who do business with political elites in charge of policy and strategic decision making. They use this connection to influence policy interventions in their favour but to the disadvantage of the productive components of the value chain that employs labour. The alliance between distributors and political elites to a large extent contribute to distortions or artificial shortage in the sugar market, resulting in the need to import instead of production. This enables the cartel to rake profit, which in turn affects local factories and sugar cane farmers. In the cut flower industry, the study finds the nature of Kenya's political settlements as key hindrance to the promotion of the full potentials of the horticulture industry to create jobs. In the horticulture

sector, political settlement involving the so called “quartet”—foreign MNCs, international investors as producers, key state bureaucrats and a powerful group of political elites has evolved. The latter two key actors that are supposed to support employment creation have interests of maximizing their profits; hence have diverted state policy away from job creation and worker’s welfare to rent seeking as personal rewards, and foreign exchange for the state. Government has not involved itself with the sector beyond mere policy pronouncements.

All three studies identify the influence of importers as a major blockage to employment creation potentials of the sectors but the nature of their political power varies. Importers appear to have major influence in Nigeria and Kenya (the two competitive clientelistic states) than Ethiopia. This is to be expected given the characteristics of political settlements that are associated with competitive clientelistic states. This may have implications for the type of agricultural policies that are feasible going forward and the extent to which importers can be included in any political settlements involving investments that generate local employment. In the three countries, the study findings as well as stakeholder forums suggest the need to interrogate government policy on structural transformation and the extent to which employment creation is integrated into policy making in agriculture and agro-processing. Currently employment creation seems to take a backstage to economic growth. Employment creation is seen as an automatic result of economic growth programmes instead of deliberate pursuit through government policies. The studies reveal the need for policies and programme to simultaneously target structural transformation and wage employment creation. But that would require consensus building and configuration of large coalitions of strategic actors across interest groups including ruling political and economic elites. The policy making process involves contestation and political bargaining between various interests which often are not necessarily compatible with the proclaimed national agenda.

In summary the study draws attention to four key issues in employment in the agriculture and agro-processing value chain:

- i. Recognition of politics and the pursuit of narrow interest of key actors as a major blockage to employment creation;
- ii. The need for deliberate policies to promote structural transformation in order to increase the potential for wage employment;
- iii. The need to build large coalition of interest groups if employment is to take central position in the pursuit of inclusive growth;
- iv. Developing policies and programmes to deliberately kick-start economic structural transformation will be needed in Africa.

Intermediate Outcomes of the Project

PASGR can now report some of the study’s intermediate outcomes. Throughout the project period national and international policy actors showed enormous interest in the study and further participated in the organizations of PASGR’s facilitated research-policy communities (Utafiti Sera). Currently PASGR is working with these policy actors to ensure that the study findings are widely disseminated at the national level. Second, the political settlements approach to the study has provided interesting and insightful findings that resonate with recent publications that put politics at the centre of inclusive development. During the 2016 African Development Bank Annual Meeting held in Zambia, agriculture employment and inclusive development was a major thematic area that attracted policy attention. PASGR participated in the section as a front row speaker and made the case for African policy makers to incorporate structural transformation and political settlements into efforts to promote inclusive growth. Third, through implementation of the project, like-minded research organizations, national organisations and donors have supported PASGR to implement spin-off projects. Third, the study focus has attracted the Dutch Knowledge Platform

on Inclusive Development (INCLUDE) to support PASGR with a grant of US\$140,000 to establish Utafiti Sera in Kenya and Nigeria to inform discussions on agriculture employment policies and programmes.

Strategic Reflection on Study Findings and Follow up Actions

The key findings arising from the study are likely to put PASGR in the limelight and give the organization a leadership role in governance and public policy research on employment creation in agriculture and agro-processing in Africa. In recent times three major publications¹ have drawn substantial policy attention similar to the study findings. In the coming years, the findings of the study are likely to put PASGR at the centre of governance studies on inclusive development on the continent. Second, PASGR's claim on leadership on governance research on agro-processing is supported by its approach to policy engagement in the sector. PASGR has designed a dedicated and well-thought strategy that enables researchers, policy actors and policy practitioners to engage each other using existing and new research evidence in a unique and innovative approach for policy uptake. With financial support of the Dutch Knowledge Platform on Inclusive Development (INCLUDE), PASGR has set up Utafiti Sera in Kenya and Nigeria to ensure that research evidence emanating from the study and other studies inform and influence employment policy and programmes in agriculture and agro-processing value chains. PASGR is analyzing the policy terrain in Ethiopia to set up Utafiti Sera. While the study findings are likely to put PASGR on the limelight, PASGR would need to build a large body of studies on the subject to claim that leadership role. In the next three years, PASGR wants to expand the case studies to six more countries with different political settlements, value chain clusters and other considerations. Expansion of the study to six additional countries will enable PASGR to develop and synthesise a body of knowledge, and further build a grand theory on the conditions that facilitate employment creation in agriculture value chain under different political settlements. In addition, given that PASGR will establish Utafiti Sera in each study country based on the experience from Kenya and Nigeria, a network of Utafiti Sera on the sector would be created culminating in a potential Regional Apex of Research-Policy Communities.

Following this report, a proposal to expand the project will be developed and presented to IDRC and a number of donors for support. PASGR intends to organise a round table donor fund-raising for its leading role on governance of employment creation for inclusive growth in Africa.

¹ *Why Nations Fail: the Origins of Power, Prosperity and Poverty* (Acemoglu and Robinson, 2012); *The Politics of Inclusive Development* (Hickey, Sen and Bukenya, 2015) and *Business, Politics, and the State in Africa: Challenging the Orthodoxies on Growth and Transformation* (Kelsall, 2013).

1. Background of the Research Project

In March 2015 IDRC approved a grant to PASGR to implement a research project on wage employment creation in *agriculture* and *agro-processing* sectors in the context of inclusive growth in Africa. The grant constituted about 44% of the total cost of the project. The other 66% of the project budget came from DFID multi-year funding to PASGR. The IDRC grant covered Nigeria – one of the three countries that PASGR selected to conduct the research. The study sought to examine the ‘how and why’ of the constraints to employment creation in the two sectors and the extent to which the concepts of ‘political economy and political settlements’ could provide new knowledge to inform public policy on productive wage employment creation in specific types of state. The study was based on the premise that successful promotion of productive wage employment will be driven by complex political settlements involving political parties, economic groups, bureaucratic organizations, and civil society groups; and strategic calculation of each actor’s short and long term interests, motivation, power and capacity.

PASGR selected agriculture and agro-processing sectors for a number of reasons:

- a) Both sectors possess great potential and elasticity to generate wage employment and alleviate poverty in Africa, but have failed (Dercon & Gollin, 2014; Fan et. al, 2009);
- b) The two sectors possess backward and forward linkages with other sectors of the economy unlike the service sector that is mainly based on consumption and non-tradable goods (Eboh, 2011);
- c) Both sectors are main source of structural transformation and economic growth as shown by examples in South East Asia (Van Donge, et. al, 2012; Henley, 2013; Tania Li, 2011);
- d) The two sectors are substantially influenced in Africa by politics, hence amenable to types of political settlements in the country (Poulton, 2012; Poulton & Kanyinga, 2013; Chisinga, 2012; Berhanu, 2012; Rosario, 2010; Action Aid, 2009).

It was the objective of the study to generate high quality research evidence on constraints on employment creation schemes in Africa beyond economic explanations in addition to using the knowledge generated from the study to inform policy discussions with governments, donor agencies and private businesses that are interested in promoting productive wage employment schemes in different African political settings.

IDRC considered its funding a ‘pilot’ with the possibility to expand the project to other countries provided PASGR is able to bring other donors on board. The project was scheduled for completion in May 2016. This report provides an overview of project implementation, achievement of objectives, intermediate outcomes and the way forward².

² Note: This report covers only the technical part of the project. Finance is reported separately.

2. Implementation of Project Activities from March 2015 to May 2016

2.1 *Mapping of Employment Programmes in Agriculture and Agro-processing under Different Political Settlements in Africa.*

PASGR conducted a rapid but intensive mapping of employment creation programmes in agriculture and agro-processing industries in 10 pre-selected countries: Botswana, Ethiopia, Kenya, Nigeria, Ghana, Rwanda, South Africa, Senegal, Tanzania and Uganda since 1960s. The countries were selected on the basis of different types of political settlements. Political settlement analysis relates to the long-term continuities in the way politics works; the way policies are shaped and deals are done. It is about understanding 'the formal and informal processes, agreements, and practices that help consolidate politics, rather than violence, as a means for dealing with disagreement about interests, ideas and the distribution and use of power' (Laws & Leftwich, 2014:1). Based on these features, the mapping exercise categorised the 10 countries under the following types of political settlements (Khan, 2010; Laws, 2012):

Pre-selected study countries

Types of Political Settlements	Pre-Selected Countries
Developmental state regimes	Botswana, Rwanda, Ethiopia, South Africa
Competitive clientelism	Kenya, Nigeria, Ghana,
Dominant party system	Tanzania, Botswana and Uganda
Authoritarian coalition	None, although Uganda fulfils many of the attributes

Based on the richness of data (that is; the number of employment programmes identified in each country) and the need to cover different types of political settlements, three countries: Ethiopia, Kenya and Nigeria were selected for the pilot study. Ethiopia was selected because among the four developmental states (including Rwanda and Botswana), the mapping exercise provided better information to undertake the study there. Typical of a developmental state regime, the government of Ethiopia is directly involved in the promotion of agriculture and agro-processing programmes that aim at creating jobs.

Among the list of competitive clientelistic states, Nigeria and Kenya were selected. While both countries share common features in terms of the way governments' resources, power, and interest intersect with private sectors', resulting in exclusion of other groups in a competitive manner; Nigeria's political settlements and growth are fuelled/mediated by natural resources (oil money) while Kenya is agriculture. The study wanted to ascertain whether this difference could have any effect on employment creation potentials of the sectors under study.

2.2 *Identification and Selection of the Principal Investigator*

PASGR selected Prof. Raufu Mustapha of University of Oxford as the principal investigator from a list of 12 potential researchers. The call for submission of expression of interest was published on PASGR website and also sent directly to people on PASGR networks and other networks. Prof. Mustapha was selected by a jury panel based on his research experience on the subject area and context of the study. He was also flexible in terms of availability to attend both workshops and the duration of the programme.

2.3 Selection of Country Researchers

A call for 'expression of interest' was sent out to PASGR network and also posted on PASGR website for those interested to submit applications. A total of 19 applications were received. The list below shows the final selected teams.

Country Researchers

Teams	Country
1. Prof. Winnie Mitullah (leader) Institute of Development Studies, University of Nairobi 2. Dr. Joshua Kivuva (University of Nairobi) 3. Dr. Paul Kamau (University of Nairobi)	Kenya
1. Dr. Assefa Admassie (leader), Ethiopia Economic Association 2. Prof. Kassahun Berhanu Alemu, University of Addis Ababa 3. Mr. Andreas Samuel Admassie	Ethiopia
1. Dr. Aremu Fatai Ayinde (leader) Institute of Legislative Studies, Abuja 2. Dr. Patrick Vandi Kwaghe (University of Maiduguri) 3. Mr. Daniel Agiboa (Uni. of Oxford) 4. Mr. Saadu Jijji (Oxford Uni)	Nigeria

2.4 Reference Group

The following scholars served on the reference group of the study to provide quality assurance on content and methodology of the study framework paper and country reports:

- Dr. David Booth, Overseas Development Institute, UK
- Dr. Hazel Gray, London School of Economics, UK
- Mr. Gem Agwins-Kodhek (Private sector & policy analyst, Kenya).

Members of the Reference Group were selected based on their experience in the subject area and policy work. Gem who was selected on the basis of Agriculture policy experience was later dropped from the group for not providing substantial inputs to the study.

2.5 Gender and the Selection of Research teams and Reference Group

From the onset the selection process sought to achieve a gender balance in the research teams. Out of the three teams selected one was led by a competent female researcher and a professor in development studies. Similarly, gender balance was achieved with reference to selection of members of the quality assurance group.

2.6 Framework Paper

Based on the initial project outline, the PI developed an elaborate framework paper to guide the study. It identified the overarching research objectives, questions and approaches to the country studies, the analytical framework, project expectations, etc.). See framework paper in appendix 1

2.7 Project Inception Workshop

On 29-30 April 2015 PASGR organized the project inception workshop in Nairobi, Kenya. The workshop brought together 23 researchers and policy actors from the three study countries,

experts/reference group members, the principal investigator, PASGR staff and participants from organizations that support research³. The key objective of the workshop was to build consensus on the analytical issues central to the study, the methodological approach, the case studies that each country study would focus on and the selection criteria, the policy relevance of the study from the perspective of the country policy actors, strategies for involving policy actors at the country level and key project deliverables (see appendix 2).

2.8 *Selection of Case Studies in the Three Countries*

Selection of specific cases to study was based on the need to identify in each country the policies and programmes in agriculture and agro processing related to the creation of wage employment opportunities along the sectors' value chain. The teams were taken into consideration diversity in terms of locations of particular programmes; the main actors (public, private and public-private partnerships); the key beneficiaries of the programme; gender inclusiveness in the job enclave; and the extent to which the programmes provided sustainable productive and wage paying jobs. Emphasis was put on wage paying jobs because the agriculture sector for many years had absorbed greater percentages of the work force in Africa though many of the jobs are unpaid labour. It is argued that inclusive growth requires not only employment but decent wage paying jobs (McKinsey Global Institute, 2012). The Ethiopia team selected two clusters: wheat and food processing; cotton and textile; Nigeria: rice farming and rice milling; cotton and textile industry; and Kenya: sugarcane and sugar milling, and floriculture.

In Ethiopia, the Agricultural Development Led Industrialization Strategy (ADLI) of the current government focuses especially on the rural poor. The basic tenet of ADLI is to bring about rapid and sustained economic growth that guarantees maximum benefits to majority of the people. Ethiopia selected two commercial farms and two agro-processing enterprises on the basis of regional diversity as well as their linkages along the value chain. The food-processing cluster comprised one commercial farm specializing in wheat production (Oromia Region) and a food-processing enterprise (in Addis Ababa City Government) and another corresponding cluster engaged in cotton production (Afar Regional State) and a textile firm (Oromia Region). The selected commercial farms in wheat and cotton production are the Herero Seed Enterprise and the Badhamo Cotton Farm in Oromia and Afar Regions respectively whereas the agro-processing firms include the Kality Food Processing Complex in the outskirts of Addis Ababa and Ayka Addis Textile Group in Oromia. The aforementioned firms were selected by taking note of the fact that they are intrinsically linked in the sense of constituting the higher and lower ends of the value chain that are largely labour-intensive in nature. The team also took into consideration the potential of the clusters to provide forward and backward linkages. One of the reasons for encouraging large-scale commercial farming is high expectation of the government to create employment opportunities for Ethiopians.

The Kenyan team chose two cluster cases in sugar and floriculture industries. Sugar was selected because of the extent of government involvement and the way the industry has performed over the years. In the past, small-scale farmers largely grew sugar cane in Kenya as out-growers under contract and subsidy arrangements with the government. Today the provision of subsidies is no longer guaranteed and farmers have to deal directly with sugar factories. Of greater interest in the case of sugar cane was that it is grown in the regions that are considered constituting opposition to the current ruling government; hence a form of political settlement involving informal deals and manipulations is assumed to take place between the ruling elites and interest groups

³ PASGR invited The Ford Foundation, AGRA, IDRC, The Rockefeller Foundation but only Ford Foundation attended.

associated with the sugar belt. Until 2005, sugar processing in Kenya was state owned. With current demand of 800,000 MTs per year against total production of about 600,000 MTs, about a quarter of sugar consumption in Kenya is imported. Sugar importation is marred by partisan politics due to interests by various political elites. The sugar dealers are well connected politically, and are able to influence government policies to their favour in a way that have consequences for job creation in the sector.

The second case study -the cut-flower industry was included for a number of reasons. First, the industry has grown tremendously since 1990 and is the second leading foreign exchange earner in Kenya, after tea. As opposed to sugar, the industry is largely private sector driven with most firms owned by local and foreign investors. The agricultural and agro-processing elements of the floriculture industry are intertwined; therefore the transition from one end of the value chain to the other is not distinct. The industry has over time experienced minimal government/political interference. However, besides the foreign owned flower farms, the local ones are owned mostly by members of the Kenyan political elites and/or their associates. This could perhaps explain why the industry has received positive political support over time. The industry uses high level of technology but also provides wage employment to thousands of people. The over 2500 flower farms in Kenya employ between 90, 000 to 100,000 workers (of which about 60% are women) and support another 1.2 million, directly or indirectly, working in subsidiary industries, like, transport, packing, input firms or export industries. Therefore, this industry has huge potential for wage employment creation, economic inclusion and poverty reduction in Kenya. Furthermore, with devolution to county governments, this study offers an opportunity to examine the nature of political settlements between elements of the national elite and local interests and how that affects employment in the counties. The flower sector in Kenya offers an opportunity to interrogate how negotiations and settlements take place between local political interests and international capital and to examine the effects of such settlements on production, employment and entry of indigenous entrepreneurs in the sector.

Nigeria's case selection was guided by a number of principles. First, in the selection of the value chains, consideration was given to crops with high labour content in production and value addition. Second, specific attention was paid to geo-spatial reach of upstream and downstream components of the value chain such that activities and employment creation cut across the geopolitics of the country. Third, value chains have been promoted by the government through various intervention policies in areas such as import substitution and employment creation. Fourth, crops whose production or processing had strong international dimension to either enhance or inhibit local production. On the basis of these principles, rice farming and milling, and cotton and textile value chains were selected for the study. Rice is grown in almost all the states of the country through rain-fed and irrigated agriculture. As a major importer of rice from the Far East, Nigeria's rice value chain offers unique opportunity to see the interplay of competing political and economic actors and interests as they negotiate to shape and reshape government policy on importation. Rice cultivation is a high employer of labour both on monthly payments and hourly wages. Although modern integrated rice milling tends to be less labour-intensive, the rice value chain is still dominated by more labor-intensive milling factories in various parts of the country. Cotton is mainly grown in the Northern part of the country but processing is dispersed across various parts of the country. In order to have access to the seaports and the benefits of economies of scale, many textile mills are located in the South. Textile importation and smuggling provides a classic case of the struggles that arise from implementing the WTO protocol, the ECOWAS common tariff agreement, the Nigerian government effort to maximize import duty revenue without sacrificing local production, and the impact of Chinese foray into Africa. Cotton production, ginning

and textile manufacturing are highly labour intensive with significant impact on employment creation along the value chain.

2.9 *Data Collection, Analysis and Reporting*

From May to October 2015, the researchers undertook fieldwork, collected primary and secondary data, organized policy engagement meetings, analysed and submitted draft reports for review by the principal investigator, reference group, policy actors, and PASGR.

2.10 *Study Visits*

As part of the project implementation plan, PASGR staff together with the PI carried out monitoring visits to the three study countries. The monitoring visits presented an opportunity to PASGR staff and the PI to talk to the stakeholders in each country through organized forums; site visits to some of the companies and follow-up discussions with the study teams regarding progress of work. The monitoring visits also enabled PASGR staff and the PI to find solutions to problems that the researchers had identified in the field, and also talked to some key policy actors regarding relevance of the studies to their country policies.

2.11 *Progress Review Workshop*

A review workshop of the draft country reports took place on 12-13 November 2015, in Nairobi, Kenya. There were 19 participants. During the workshop, the researchers presented their preliminary reports and received comments from the PI, the reference group, country policy actors, gender expert and PASGR staff. The policy actors from each of the study countries also commented on the draft papers and further validated the research findings and policy implications for their respective countries. A gender expert was invited to the workshop to critically review the gender dimensions of the study. The workshop also provided an opportunity to discuss strategies for ensuring policy uptake of the study findings using PASGR's concept of 'Utafiti Sera'.

2.12 *External Peer Review*

The reports from Ethiopia and Nigeria were submitted for external review in March 2016. Based on the reviewers' comments the researchers revised their reports and resubmitted to PASGR by the end of May. The table below shows the list of external reviewers and their background. The Kenya team is still working on the final draft report based on comments from the reference group after which it will be sent to external reviewers.

Country	Reviewer 1	Reviewer 2
Ethiopia	Dr. Lindsay Whitfield. An Associate Professor in Global Studies, Department of Society and Globalisation, Roskilde Universitet, Denmark. Her main research area is comparative political economy of development, focusing on the role of the state and business-state relations in economic development. In particular, her research work focuses on what drives states in developing	Dr. Frederick Golooba-Mutebi. A researcher and analyst, Frederick is a political scientist and anthropologist who has undertaken extensive research and consultancy and published on politics, political settlements and post-conflict reconstruction, in Africa's conflict-ridden Great Lakes region. His work has brought him face to face with contemporary international, regional and local debates on governance and political

	countries to implement policies aimed at developing productive sectors in their economies.	reform in Africa, including democracy assistance. He has participated in high-level panels on political settlements, elections, democracy, social and economic rights, governance, peace building and conflict prevention, and security, with international and regional organizations.
Nigeria	<p>Dr. Lars Buur</p> <p>An Associate Professor at the Department of Society and Globalisation, Roskilde Universitet, Denmark. His research focuses on: The Political Economy of Extractive Natural Resource Development; The Political Economy of the New Poverty Agenda: Elites, Production and Poverty; Long termed project Post-conflict state formation and sovereignty in Southern Africa; and, Nation-state formation and truth and reconciliation technologies. He has carried out extensive research on Southern Africa with focus on Mozambique and South Africa. He has carried out the following research projects among others: Elites, Production and Poverty; Markets for Peace? Informal economic networks and political agency; and, hierarchies of Rights: land and Investment in Africa;</p>	<p>Prof. Sam Hickey</p> <p>He is a Professor of Politics and Development at the School of Environment, Education and Development, University of Manchester. He is currently the joint Director of Research within the DFID-funded Effective States and Inclusive Development (ESID) Research Centre and Associate Director of the Brooks World Poverty Institute. His research examines the links between politics and development, including issues of state capacity and elite commitment, natural resource governance, social exclusion and adverse incorporation, citizenship participation and NGOs and the politics of social protection and social justice. He also carries out research and advisory work for international development agencies, including the DfID, UNDP, NORAD, the World Bank and several non-governmental organisations.</p>

2.13 Publication of Project Reports

It was the objective of the project to undertake different kinds of publications from the research. This includes an edited book, journal articles and policy briefs. The table below shows the status of publication activities. The PI will lead publication of the final manuscript with a reputable publisher. See annex 3 for draft outline of the manuscript, policy briefs and working papers).

Publications	Status
1. Manuscript of an Edited Book	The PI is currently putting together the manuscript
2. Journal articles	Researchers are working on draft articles
3. Policy Briefs	The researchers are working on the Policy Briefs
4. PASGR Working Papers	PASGR is currently editing 2 working papers

3. Study Findings

We present this section into two parts: (a) country specific findings and (b) cross-country findings

3.1 Country Specific Findings

Ethiopia

Findings of the Ethiopia study show that the government is playing a leading role in agriculture and agro-processing in a way that is benefiting some interest groups and excluding others with consequences on the potentials for employment creation in both food and textile value chains. In both study clusters, government appears to provide more support to the high end of the value chain as against those at the lower end. In agriculture for instance, government provision of land to large-scale commercial farming seems to affect negatively smallholder farming. The Ethiopian government has a strong expectation that the expansion of large-scale commercial farming would create substantial employment opportunities. In line with this objective, the Government is transferring 3.5 million hectares of land to commercial agriculture investors. The government's interest in supporting large-scale agriculture imposes a difficult choice between different competing usages of land – the small landholders who see land as a matter of equity, and state and commercial farmers that see land as a matter of increasing productivity.

Second, agro-processing firms that export their products outside the country enjoy preferential access to credit facilitated by the government unlike those located at the lower end of the value chain and producing for domestic market. So while wage employment creation is important for the government the prevailing priority is to earn foreign exchange.

Third, while both the textile and food processing sectors experience inadequate supply of quality cotton and wheat respectively, hence affecting production and employment creation potentials, again the role of the government is a blockage. Within the cotton-textile value chain, local cotton producers are unable to find adequate market for their products yet the government imports cheap subsidized cotton from abroad and further ban export of raw cotton. Again this shows a policy bias in favour of the higher end of the value chain, yet cotton growing provides more jobs at the lower end of the value chain. Even within the textile manufacturing, only those that enjoy close and preferential access to policy makers and state officials are allowed to import unverified quantity of cotton. Locally produced cotton faces quality and certification problems but the government is not providing that support, preferring rather to import raw material from abroad thereby inadvertently discouraging local cotton growing.

The findings of the two study clusters in Ethiopia show that in the course of pursuing two crucial strategic goals of the state -generating employment and earning foreign exchange, the Ethiopian government seems to have prioritized the latter at the expense of the former. So as the government pursues growth with the aim of obtaining foreign exchange and balancing the budget, employment creation is lagging behind; echoing the jobless growth syndrome that has characterized recent African economies. The Ethiopian Peoples' Revolutionary Democratic Front (EPRDF), which is a coalition of four ethno-nationalist groups, has embarked on several policy reforms that aim at reorganization of the role of the Ethiopian state, market and society. The

Ruling party's prominent role in spearheading growth and transformation demonstrates policies and practices that favour sectors that engage in export activities to the detriment of those producing for the local market; of the higher end of the value chain over the lower; and of capital over labour. Such biases, while sometimes appear benign to some interest groups hinders the ability of the economy to generate productive wage employment at the various points of the value chain. Fixing this abnormally in a state that is classified 'developmental' requires a political settlement involving larger coalition of interests and long-term horizon goals.

Nigeria

Using agriculture as a vehicle for creating employment has been the objective of Nigerian governments over the years. In the rice farming and milling cluster, the overall policy of the government is to ensure self-sufficiency in rice production largely because of the cost of food imports. Boosting domestic production will conserve the dwindling foreign exchange and generate employment. Rice accounts for a significant proportion of food import and several policy attempts to curtail it have failed. Just like the Ethiopian case, the insertion of the perverse interest of one actor against the other within government is not coincidence. They are features of competitive clientelistic political settlements where there isn't large coalition of interest groups that share long-term vision of the state except individual interest. While one part of the government (the Customs) allowed importation so as to achieve their own revenue targets, another arm of the state (senate) wants a ban on importation so they could promote local rice growing and milling. In the end, the interests of importers prevailed and the objective of self-sufficiency in rice production and employment generation in the value chain deferred. Rice production is confronted with two fundamental constraints. First, it is highly fragmented along the value chain from production to marketing. The downstream component that is smallholder farmers dominates rice farming with weak political influence. Second, it lacks industrial demand to drive the value chain unlike other crops like sorghum and cassava that are driven by large private breweries and pharmaceuticals respectively. The study shows that smallholder farmers are largely 'excluded' from the negotiation by interest groups hence unable to benefit from the backward integration in the rice value chain. Mapping the key actors in the rice value chain reveals that key players in the sector: large importers are the key blockages of the potential of the sector to promote wage employment in the rice value chain. Since the interest of rice importers is contrary to the goals of achieving increasing domestic rice production and self-sufficiency, they are able to influence policies such as waiver on rice imports thereby negatively affecting the backward integration of job creation. For political settlement in the rice value chain to promote employment, the interests of importers need to be captured by way of realigning the structure of incentives. Stakeholders' forum during the course of the study suggested that rice importers should be transformed to domestic producers.

Cotton growing is one of the most labour intensive agriculture production in Nigeria estimated to employ 150 man-days per hectare per year. The cotton-textile revival strategy envisaged to create about 125, 000 jobs by 2015. With 175 textile mills in operation, the cotton-textile cluster in the past employed over 600,000 people. Today there are less than 24 mills left and the sector employs less than 28,000 people. The employment potential of the cotton-textile industry value chain has become a mirage because of policy inconsistency –that is whether to ban or lift importation of textiles from abroad. Banning importation enables domestic cotton production and textile mills to expand and employ people while permitting importation enables the customs to rake revenue for the state. Interest groups within and outside the government lobby to either lift or impose a ban. In recent time, while the government was pursuing strategies to revive the cotton-textile industry, the ban was lifted when it was obvious that the reversal has serious

consequences at reviving the sector. The ban was lifted in order to satisfy powerful political interest groups that are alleged to have supported the new regime.



A textile factory in Kaduna, Nigeria that uses less than 50% of its installed capacity because of importation of Chinese Textile

The Nigeria study suggests that employment creation in agriculture and agro processing has not been successful in both clusters. Many rice mill factories have closed down because policies have favoured groups whose interests are inconsistent with local production and job creation. Furthermore in both clusters, smallholder farmers and processors have been 'crowded out' with importation of rice from abroad with dire consequences to employment potentials of the sector. This according to the Nigeria study is a reflection of the distribution of power in political settlement. Powerful political elite owns large milling factories. The nature of the political contestations demonstrates the actors with high influence and interest, and those with low influence and interest. While there is potential to generate massive employment in both value chains, the focus of large-scale commercial farmers and large scale processing firms tend to overshadow small-scale holders.

A surprising gender finding in the Nigeria study was that in the rice milling sector, some of the female employees did not receive cash for their labour but were paid in broken rice – leftovers from the processing of rice - while their male counterparts were paid in cash.

Kenya

The Kenya case study again shows that employment policies over the years have been anchored on agricultural sector but the potentials of the sector to promote wage employment have not been fully realized because of a number of blockages; among them political interference, low application of technology at the lower end of the value chain, weak institutional framework for supporting the industry, unhealthy competition arising from commodity imports, and existence of cartels that are able to influence policies in the sector for their private interest. Specifically to the sugar value chain, a number of politicians are involved in the industry as lobbyists for importers. Their interest is rent seeking from the industry instead of real production and supporting job creation. This is a dilemma that the industry faces which also contributes to the poor enforcement of regulations. Application of technology, which is important for efficient production, remains very

low, with farmers relying on manual production and casual labour. Key policy actors and private companies are keen only at the high end of the value chain –trading and importation. Among the key manipulators of the industry are sugar distributors as they double up as importers, and sugar cartels working with political elites. These interest groups are well-connected individuals who do business with political elites in charge of policy and strategic decision making. They use this connection to influence policy interventions in their favour but to the disadvantage of the productive components of the value chain that employs labour. The alliance between distributors and political elites to a large extent contribute to distortions or artificial shortage in the sugar market, resulting in the need to import instead of production. This enables the cartel to rake profit, which in turn affects local factories and sugar cane farmers. Legally, importation of sugar is limited to filling a gap in local production but given that cartels have captured the market, the filling gap policy appears unworkable.

In the cut flower industry, the government appears to have left the private interest groups to govern its production in the value chain. Although government bureaucrats and key political elites have invested in the industry, many of them are in partnerships with foreigners and seem to be driven more by profits and foreign exchange than job creation. The absence of explicit government policy and programme support in the sector has had serious negative effects on job creation: no extension services, farmers lack credit facilities and have difficulties adopting international market standards. While flower producers would like government support especially direct access to US flower market to enable them expand production, the government has been hesitant to intervene because of US compliance requirement that it feels it cannot provide. The study finds the nature of Kenya's political settlements as key hindrance to the promotion of the full potentials of the horticulture industry to create jobs. In the horticulture sector, political settlement involving the so called “quartet”—foreign MNCs, international investors as producers, key state bureaucrats and a powerful group of political elites has evolved. The latter two key actors that are supposed to support employment creation have interests of maximizing their profits; hence have diverted state policy away from job creation and worker's welfare to rent seeking as personal rewards, and foreign exchange for the state. Government has not involved itself with the sector beyond mere policy pronouncements.

Women form the majority of the employees in the flower production because of the so called ‘nibble fingers’ that is needed in the industry. Though the wages they receive are above the government minimum wage (they also receive better working conditions than many private sector organization that are not well regulated because of the numerous labour codes associated with the flower industry), about 33% of the workers are casual labourers. The strict labour codes have also deprived smallholder producers the opportunity to export their flowers, forcing them to sell to middlemen that underpay them.

3.2 *Synthesis of cross-country findings*

In all three countries, getting the backward linkages to work in a way that is conducive to employment has been elusive. This reflects in part the relative power of different interest groups. All three studies identify the influence of importers as a major blockage to employment creation potentials of the sectors but the nature of their political power varies. Importers appear to have major influence in Nigeria and Kenya (the two competitive clientelistic states) than Ethiopia. This is to be expected given the characteristics of political settlements that are associated with competitive clientelistic states. This may have implications for the type of agricultural policies that are feasible going forward and the extent to which importers can be included in any political settlements involving investments that generate local employment.

While the three study countries have had impressive economic growth over the past decade, the labour force employed in wage-paying jobs in agriculture and agro-processing industries remained low. There is very little transformation as far as productive employment creation is concerned. Agriculture continues to absorb much of the labour force but productivity of the sector has not changed much in a way that will increase wage employment. Given that productivity in the agriculture sector is still low irrespective of the type of state, there hasn't been structural transformation that will enable agro-processing industries to provide wage employment to surplus labour. As a developmental state, Ethiopia's government has started deliberate structural transformation in the agriculture sector through commercial farming, displacing small land holders to create surplus labour but without expansion of the manufacturing sector and retooling of labour, wage employment creation in non-agriculture will continue to elude the government. Creating wage employment in agriculture and agro-processing value chain requires conscious state industrial policy that is linked to productivity increase in the agriculture sector. Experiences from South East Asia and that of industrial revolution of Europe and USA indicate that as countries register economic growth, the share of the labour force engaged in agricultural activities declines and the share of workers engaged in non-agricultural activities like manufacturing and services grows very rapidly. The structural transformation in these regions did not happen by chance, there was state deliberate policy. Based on the findings of the three country studies, there is evidence that long-term risks associated with jobless growth have not been mitigated. Inclusive policies that promote employment require support of large coalitions of strategic actors across political and economic elites and small landholders. Building such coalition demands a governance mechanism that takes into consideration the interest of economic and political elites and those of small landholders.

In the three countries, the study findings as well as stakeholder forums suggest the need to interrogate government policy on structural transformation and the extent to which employment creation is integrated into policy making in agriculture and agro-processing. Currently employment creation seems to take a backstage to economic growth. Employment creation is seen as an automatic result of economic growth programmes instead of deliberate pursuit through government policies. The studies reveal the need for policies and programme to simultaneously target structural transformation and wage employment creation. But that would require consensus building and configuration of large coalitions of strategic actors across interest groups including ruling political and economic elites. The policy making process involves contestation and political bargaining between various interests which often are not necessarily compatible with the proclaimed national agenda. In other words, the policy process is seldom neutral and entails some delicate balancing act between competing and often conflicting interests that are championed by various power blocs within the sectors. The process involves shifting resources among actors through either adoption or abolition of one policy or another, or implementing a policy to favour narrow interest groups instead of broad coalition of actors. In some cases, the policy bargaining process pitches the interests of agro-processors against farmers. This scenario plays out in both rice and cotton value chains in Nigeria and, food processing and textile in Ethiopia.

In summary the study draws attention to four key issues in employment in the agriculture and agro-processing value chain:

- v. Recognition of politics and the pursuit of narrow interest of key actors as a major blockage to employment creation;
- vi. The need for deliberate policies to promote structural transformation in order to increase the potential for wage employment;

- vii. The need to build large coalition of interest groups if employment is to take central position in the pursuit of inclusive growth;
- viii. Developing policies and programmes to deliberately kick-start economic structural transformation will be needed in Africa.

4. Intermediate Outcomes of the Project

The project was designed in such a way that during implementation PASGR was able to assess short to intermediate impacts. We list some of the intermediate outcomes of the study so far:

4.1 Policy Traction of the Study

The organization of the study inception workshop brought key country policy actors and researchers together to discuss the research project and the channels through which policy uptake will materialize in the study countries. Throughout the study period the policy actors showed enormous interest in the study and further participated in subsequent forums to disseminate the study findings and pushed for policy uptake. PASGR has since followed up with the policy actors and the channels they suggested for policy uptake leading to organization of research-policy communities (Utafiti Sera). Currently PASGR is working with these policy actors to ensure that the study findings are widely disseminated at the national level. In the coming years, the policy actors will be key in informing and influencing their colleagues for policy uptake of the study findings

4.2 Study Resonates with Contemporary Development Challenges

The political settlements approach to the study has provided interesting and insightful findings that resonate with recent publications that put politics at the centre of inclusive development (Hickey et al, 2015; Kelsall, 2013; Acemoglu & Robinson, 2012). During the 2016 African Development Bank Annual Meeting held in Zambia, agriculture employment and inclusive development was a major thematic area that attracted policy attention. PASGR participated in the section on agriculture employment as a front row speaker and made the case for African policy makers to incorporate structural transformation and political settlements into efforts to promote inclusive growth. Other front row speakers from diverse organizations such as African Economic Research Consortium (AERC) and European Centre for Development Policy and Management (ECDPM) supported PASGR's research findings.

4.3 Collaboration with Likeminded Research Organizations and Donors

Through implementation of the project, like-minded research organizations, national organisations and donors have supported PASGR to implement spin-off projects. In Nigeria and Kenya, through the establishment of research-policy communities (Utafiti Sera), PASGR has facilitated a network of practitioners from state and non-state actors in the agriculture sector to work towards policy uptake. The study focus has attracted the Dutch Knowledge Platform on Inclusive Development (INCLUDE) to support PASGR with a grant of US\$140,000 to establish Utafiti Sera in Kenya and Nigeria to inform policy discussions on agriculture employment policies and programmes.

5. Strategic Reflection on Study Findings and Follow up Actions

Based on the study findings in the three countries, PASGR has identified three strategic areas to pursue in the years ahead:

- i. Leadership in governance research in Agro-processing value chain for employment creation and economic inclusiveness in Africa;
- ii. Creation of Research-Policy Community (Utafiti Sera) on employment creation in agri-business in a number of African countries;
- iii. Expansion of the study to six countries in the next three years.

5.1 Leadership in Governance Research on Employment Creation in Agro-processing Value Chain

The key findings arising from the study are likely to put PASGR in the limelight and give the organization a leadership role in governance and public policy research on employment creation in agriculture and agro-processing in Africa. There have been a number of studies on *political economy of agriculture policy in Africa* (Poulton, 2012; Poulton & Kanyinga, 2013; Chisinga, 2012; Berhanu, 2012; Rosario, 2010); Buur, et al, 2012; Buur & Whitfield, 2011) but none of these studies has focused on employment outcome of the relationships that exist between the key actors in agro-processing sectors. Second, none of the studies that PASGR is aware of has taken a cluster approach that straddles agriculture and agro processing value chain and critically analysed the formal and informal institutions, politics, and interest of the actors, and how they have used that to influence government policies and programmes. Third, contemporary studies that use political settlements have focused on conflict and fragile states and hardly on development policies across different types of states. The study findings that point to the need to recognise politics and put that in the centre of inclusive development is likely to put PASGR in the limelight.

In recent times three major publications that have drawn substantial policy attention similar to the study findings are *Why Nations Fail: the Origins of Power, Prosperity and Poverty* (Acemoglu and Robinson, 2012); *The Politics of Inclusive Development* (Hickey, Sen and Bukenya, 2015) and *Business, Politics, and the State in Africa: Challenging the Orthodoxies on Growth and Transformation* (Kelsall, 2013). As PASGR prepares to publish the study findings it has had the opportunity to present the study findings in a number of fora including the recent African Development Bank Annual Meeting in Lusaka. The study findings appear to resonate with the experiences of many policy practitioners in and outside Africa. In the coming years, the findings of the study are likely to put PASGR at the centre of governance studies on inclusive development on the continent. However, PASGR would need to expand this study to a number of countries and build a body of knowledge from a number of country studies to confidently claim that leadership role on the subject.

5.2. Facilitation of Utafiti Sera (policy-research community) on employment creation in Africa

PASGR's claim on leadership on governance research on agro-processing is supported by its approach to policy engagement in the sector. PASGR has designed a dedicated and well-thought strategy that enables researchers, policy actors and policy practitioners to engage each other using existing and new research evidence in a unique and innovative approach for policy uptake. With financial support of the Dutch Knowledge Platform on Inclusive Development (INCLUDE), PASGR has set up Utafiti Sera in Kenya and Nigeria to ensure that research evidence emanating from the study and other studies inform and influence employment policy and programmes in

agriculture and agro-processing value chains. PASGR is analyzing the policy terrain in Ethiopia to set up Utafiti Sera in Ethiopia.

Utafiti Sera represents communities of researchers and policy actors that work together to ensure that appropriate policy actions and uptake occur either through programmes, legislations, policies or administrative and other actions around an issue for which research has provided evidence- in this case, employment creation and inclusiveness in the study countries. Utafiti Sera is a combination of many things that ensure and enhance policy outcomes. It is a 'process', 'place', 'forum', 'platform', or a 'vehicle' for transforming research evidence-based knowledge for policy uptake. As a 'process' Utafiti Sera involves sequences of activities that enable the building of a community of interests and practice from where existing and new ideas and evidence flow from members of the community resulting in collective action and interventions to improve employment creation policies and programmes.

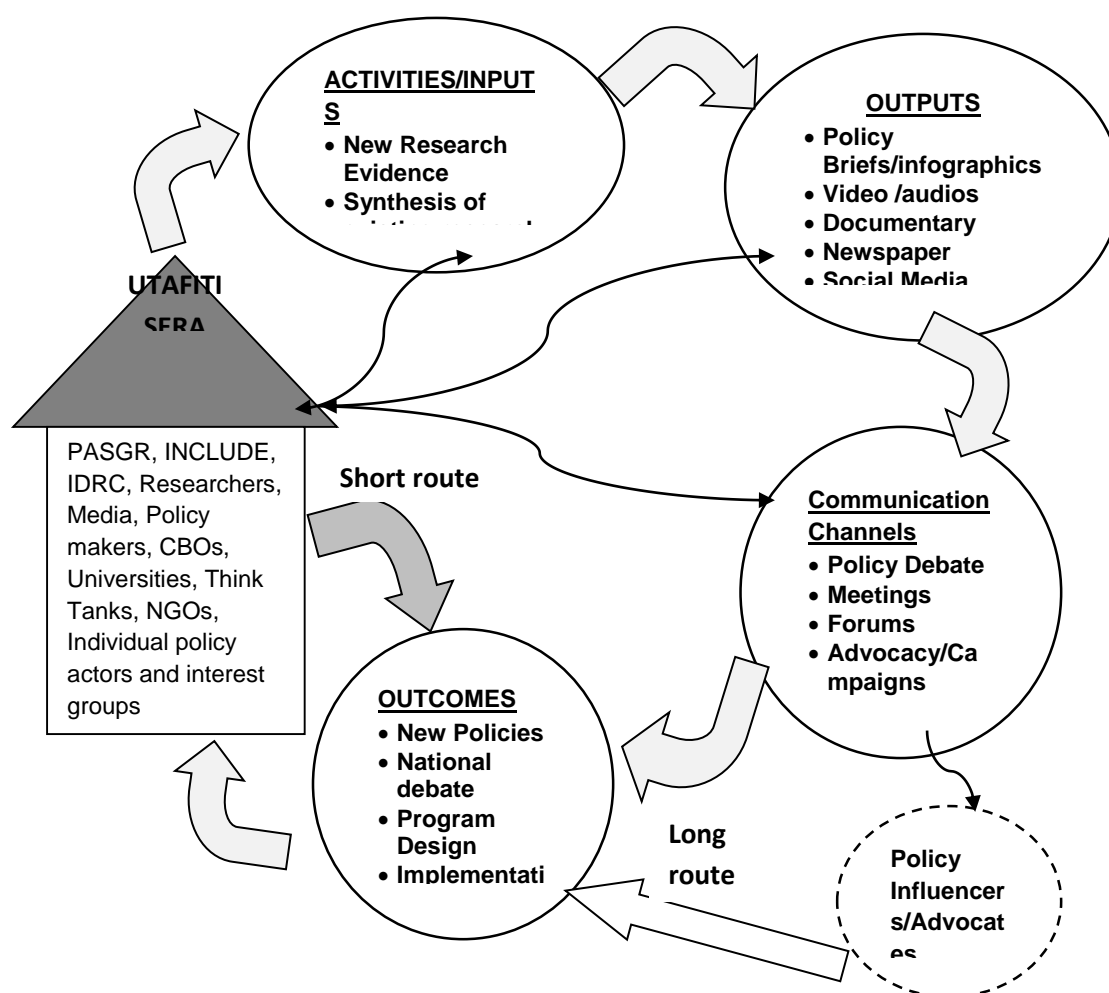
As a 'place' Utafiti Sera provides a space for key stakeholders with interest, power, capacity and motivation to build political settlements or consensus to act in diverse ways to ensure that there is a coalition of research and policy actors to use research evidence to make informed policy decisions and practices. As a 'forum', it provides a non-partisan platform for knowledge engagement, 'outreach' and 'in-reach' by different members of the community irrespective of theoretical and ideological differences, in order to build bridges and work together for the pursuit of agreed upon goals. And as a 'vehicle', Utafiti Sera constitutes transmission belts or channels for shared knowledge (common areas on which there are agreements and consensus), and experiences to influence policy uptake. Utafiti Sera constitutes an innovative mechanism to inform and positively influence and contribute to appropriate and relevant policies and programmes that address inclusive development and the wellbeing of citizens through research evidence. A key element is to transcend the different interests, power, capacity and motivation to work out consensus to promote employment creation, inclusivity and advance social justice.

There is no fixed template for Utafiti Sera. It builds on contexts and the existing mix of actors and communities. It of course has foundational elements such as: i) an issue or development problem; ii) researchers and knowledge actors interested or working on the issue; iii) policy actors across all spectrum engaged with, concerned about or working on the issue (these could be politicians, bureaucrats, NGOs, CBOs, communities, media, etc). The means of constituting Utafiti Sera are multiple but in this case, we are concerned with what we term the short or long routes. Where circumstances permit such as the presence of most of the actors and conditions, Utafiti Sera may take a shorter route towards ensuring policy uptake. In contexts that require more preliminary work of bringing the different players and actors together, facilitating contacts, networks and interests; it is more of a longer route of communication, building bridges, working out advocacy plans, facilitating ownership, and identifying and mobilizing collective and individual champions. This involves a more detailed set of incremental activities. There are therefore different time frames, starting points and steps in making Utafiti Sera work. The scheme below depicts possible short and long routes. Utafiti Sera begins with building a community or an imaginary house (a space) where all stakeholders converge for building consensus or political settlement (see the scheme):

The overarching goal of Utafiti Sera is uptake of research evidence defined as influencing design of new national/sub-national policies, setting agenda for national or sub-national debates, and changing programme design and implementation. The intermediate outcome is to inform public policy actors through programme outputs such as making available new and existing research evidence to policy actors in the forms of policy briefs; info-graphics, video and audio documentary,

newspaper reports, forum and breakfast meeting etc. The scheme below explains how Utafiti Sera works.

Schematics of Utafiti Sera (Research for Policy Community)



In Kenya, PASGR has identified key stakeholders and analysed their interest, power, capacity and influence on employment creation in the sector. It has also undertaken a mapping of studies on employment creation in agriculture and agro-processing and further organised a one-day forum. The forum provided opportunities for researchers, policy makers and practitioners to discuss some aspects of the study that needed policy actions. Specifically the first forum

discussed the role of the state in wage employment creation in agriculture and agro-processing value chain; the role of county governments in wage employment creation at the local level; and Youth employment creation in agro-business. The forum brought together about 35 key policy actors, practitioners, and researchers from the sector Ministries, County Governments; Development Partners; Private Sector Organisations; Civil Society Organizations; and institutions involved in employment creation policies and research in Kenya. Through the first forum PASGR is beginning to set short to medium term objectives in the utafiti Sera programme in Kenya.



Members of the Utafiti Sera House during the First Forum in Nairobi

In Nigeria, the initial forum to discuss employment creation in the two research clusters brought together 43 participants made up of 7 representatives of cotton and rice farmers associations and groups; 7 representatives of textile and rice millers association; 4 researchers; 13 senior policy makers (bureaucrats, politicians and legislatures); agro-industrial banking and finance officers; and journalists.



Members of the Nigeria research team and key policy actors (Permanent Secretary of the Ministry of Agriculture and former governor of Ekiti State (Now Federal Minister) during the forum on research on employment for policy uptake in Abuja.

In Nigeria PASGR is collaborating with Nigerian Institute of Legislative Studies (NILS) to ensure that the study findings and that of similar findings are translated into policy uptake. Recent conversations with NILS indicates the potential for a successful policy engagement, as the institute is currently engaged with the Nigerian National Assembly on work related to the diversification of the economy. From this NILS is required to prepare policy briefs on job creation and unemployment. This will inform engagements between the legislature and executive on a dialogue. Hence there is the potential for policy traction.

5.3. *Expansion of the study*

As indicated earlier, while the study findings are likely to put PASGR on the limelight, PASGR would need to build a large body of studies on the subject to claim that leadership role. Given resource constraints, only two types of political settlements (competitive clientelism states and one developmental state) were selected for the pilot study. The three case studies were conceptualized as pilot. In the next three years, PASGR wants to expand the case studies to six more countries with different political settlements, value chain clusters and other considerations:

- i. Two dominant party states;
- ii. One competitive clientelistic state
- iii. One developmental state;
- iv. One fragile state;
- v. One Francophone.

It will also take into consideration sectors that offer youth employment especially agro-business sectors. Expansion of the study to six additional countries will enable PASGR to develop and synthesise a body of knowledge, and further build a grand theory on the conditions that facilitate employment creation in agriculture value chain under different political settlements. In addition,

given that PASGR will establish Utafiti Sera in the study countries based on the experience from Kenya and Nigeria, a network of Utafiti Sera on the sector would be created culminating in a potential Regional Apex of Research-Policy Communities.

Following this report, a proposal to expand the project will be developed and presented to IDRC and a number of donors for support. PASGR intends to organise a round table donor fund-raising for its leading role on governance of employment creation for inclusive growth in Africa.

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