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Agrarian Social Pacts and Poverty Reduction

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Three out of four people in developing countries live in rural areas, most depend on agriculture for their livelihood, and many live in extreme poverty (World Bank 2007, 1). Consequently, any effort to address poverty must consider the central place of agriculture in the developing world. For some, agriculture holds great promise in this regard. According to a recent World Bank study, *World Development Report 2008: Agriculture for Development*, “today’s agriculture offers new opportunities to hundreds of millions of rural poor to move out of poverty (Ibid.)” GDP growth originating in agriculture is at least twice as effective at reducing poverty as GDP growth originating in other sectors (Ibid, 30).¹ In some countries, poverty rates in rural areas declined dramatically in the past decade, most notably in China where rural poverty rates fell from 76% in 1980 to 12% in 2001 (Ibid., 3, 46).² Impressive reductions in rural poverty occurred in other countries as well, such as Vietnam, Bangladesh, and Ghana. Overall, however, rural poverty rates outside China declined only modestly, from 35 to 32% in the past 10 years. At the same time, gaps between rural and urban income levels have widened (Ibid, 45-47).

This stubborn persistence of rural poverty stems in part from domestic and international policies that conspire against agricultural growth in developing countries. Underinvestment remains a major problem with the lowest levels of public spending on agriculture in those countries where the share of economic activity from farming is highest (Ibid, 41). In part, this reflects a longstanding pro-urban bias in the politics and policies of developing countries. In an effort to maintain urban political control and support, governments often pursued policies geared toward industrial development and low food prices. This resulted in overvalued currencies and industrial protection measures that operated as an effective tax on agriculture, further stunting agricultural growth (Bates 1981). Compounding this problem, wealthy countries heavily subsidize their farmers, depressing world commodity prices and contributing further to low returns on agriculture in the developing world (Stiglitz and Charlton 2005, 57-65). However, there are some indications of change. The effective tax on agriculture in many sub-

¹ See also Hasan and Quibria (2004) who find that industrial growth was the principal instrument of poverty reduction in East Asia, but agriculture had a greater effect in Latin America, South Asia, and Sub-Saharan Africa.

² Rural poverty is defined as the share of the rural population living on less than \$1.08 (1993 PPP).

Saharan countries declined considerably in the past twenty years. And although subsidies to agriculture in industrialized countries have dipped only slightly, hope remains that a successful conclusion of the Doha Round of multilateral trade negotiations will reduce this further. Meanwhile, an interesting trend has emerged with some developing countries such as India and Indonesia increasing protection for their agricultural producers (World Bank 2007, 96-102).

These developments underscore the importance of agricultural policies for poverty reduction strategies. Indeed, a stated purpose of the *World Development Report 2008* is to “reverse years of policy neglect...in agriculture” and promote an “agriculture-for-development agenda (Ibid, 2).” This agenda might take various forms, and must be sensitive to the great diversity of agricultural conditions in the developing world. Where agriculture occupies a large share of GDP and most of the poor reside in rural areas, as in sub-Saharan Africa, the *Report* envisions policies that increase the productivity of smallholder farming so that agriculture may become the basis for economic growth. Where agriculture is no longer a major source of growth but high rural poverty remains, as in India, policies should address urban-rural income disparities by encouraging high-value agriculture and easing the transition to nonagricultural employment through rural social measures. In countries where agriculture typically contributes a smaller share of overall growth and more than half the poor reside in cities, as in many Latin American countries, the *Report* recommends that agricultural policies promote environmental sustainability and link producers to urban markets and agroindustrial sectors. Although some might criticize the *World Development Report 2008* for its focus on growth and development within a neoliberal framework, many have welcomed the report for highlighting agriculture’s role in poverty reduction.

Policy debates aside, however, a fundamental question remains about how any development agenda in agriculture is to be pursued. What is often lacking in discussions about poverty reduction measures, in other words, is the political context in which policy decisions occur. Too often, in fact, policy elites ignore questions of politics, focusing instead on the technical merits of policy prescriptions. Although important, technical feasibility will not guarantee success. The authors of the *Report*, for example, acknowledge the importance of state capacity “to coordinate across sectors and to form

partnerships,” adding that “civil society empowerment, particularly of producer organizations, is essential to improving governance at all levels (Ibid.).” Yet, the authors of the *Report* do not unpack these relations between state and society sufficiently, nor is any attention paid to the historical antecedents that might shape whether such partnerships can develop.

This paper hopes to address this shortcoming through a discussion of agrarian social pacts and their relationship to agricultural policies in the developed and developing world. It operates from the premise that a distinct political economy characterizes agricultural policy: that the economic features of commodity production create particular policy challenges as well as political opportunities for farmers. More precisely, it describes how efforts to solve the collective action problems endemic in agriculture can lead to the creation of producer organizations responsible for policy coordination with the state. This, in turn, can have spillover effects that result in the political incorporation of farmers and magnify the influence of producers in politics. In the developed world, for example, close links between farmers, politicians, and bureaucrats was historically a key feature in the evolution of agricultural policies that insulated farmers from the vagaries of market forces. Today, in fact, these close relations between farmers and the state are a major obstacle to reaching political agreement on the reduction of agricultural subsidies in wealthy countries. In the developing world, relations between farmers and the state look much different with very few examples of producer political incorporation or stable arrangements of policy coordination built around agricultural associations.

However, there are some exceptions to this pattern that are suggestive for understanding the conditions in which agrarian social pacts might emerge. In parts of India, for example, policies designed to increase dairying helped to promote producer cooperatives. In policy terms, the program has been a success with a pronounced increase in per capita production of milk over the past decades (Kurien 2004). But there are also indications that cooperative members, many of them women, have become politically influential as a source of votes in local, state, and national elections. Meanwhile in Eastern Europe, agrarian political parties have been influential players in the post-communist transition in several countries. In Poland, where 20% of the labor force is employed in farming, agrarian parties have competed successfully for the rural

vote, frequently earning a place as a junior coalition partner in the Polish government (Batory and Sitter 2004; Jasiewicz and Jasiewicz-Betkiewicz 2007). Finally, in Senegal, local peasant organizations, producer cooperatives, and other farmer associations came together in the early 1990s to create the *Conseil national de concertation et de cooperation rurale* (CNCR). With a membership that reached more than 3 million farmers by 1995, the CNCR plays a central role in the elaboration of government policies toward agriculture. One close observer described the CNCR as “a full participant in a range of programs and policy problems (McKeon 1999, 4).”

These examples of producer organizations responsible for policy formation and coordination, as well as the political incorporation of farmers in rural-based parties and as an object of political competition evokes clear similarities to the kinds of agrarian social pacts characteristic of industrialized countries. But how do such relationships take shape? As described below, historical legacies matter a great deal, especially with regard to the character of agricultural policies, the development of rural organizations, and the structure of macro political institutions. In addition, however, the experiences of industrialized countries as well as the examples from India, Poland, and Senegal each took place within a context of democratic politics. Although generalizations are difficult, this paper argues that *competitive elections are a necessary condition for the emergence of agrarian social pacts*. This is because the capacity for agricultural associations to shape sectoral policies depends on the political value of farmers as an influential source of votes. However, an important caveat must be noted as well: *farmers do not always or necessarily vote qua farmers*. Where regional, ethnic, or religious cleavages are the basis of political identities, it will be more difficult for producers to become influential in politics and, accordingly, influence policy.

In the next section, I describe the evolution of agrarian social pacts in the developed world, and especially what I call the “agricultural welfare state” that emerged through the creation of government income support policies and the political incorporation of farmers into national politics. I pay particular attention to the distinct political economy of agriculture and how the unique challenges of agricultural policy can lead to the creation of producer organizations that simultaneously augment farmers’ political clout. Next, I describe rural agrarian conditions in the developing world, the

institutions and actors in agrarian settings, and the interactions and negotiations among them. I then turn to a discussion of the three examples mentioned above: dairy cooperatives in India, rural-based parties in Poland, and peak producer associations in Senegal. Finally, I draw some conclusions about the relationship between agrarian social pacts and democratic politics, especially competitive elections. I close with a consideration of the contribution of agrarian social pacts to poverty reduction strategies.

The Political Economy of Agricultural Policy³

As a policy domain, agriculture presents several unique challenges. Most farm commodities are highly inelastic with respect to demand and supply: both the consumption and the production of food are relatively insensitive to price. As a result, small changes in output can produce large swings in price. At the same time, the asset and factor specificity of agricultural inputs, plus the constraints and uncertainties of the growing cycle, prevent farmers from simply adjusting production levels to meet demand. Consequently, agriculture is subject to boom and bust cycles that can leave farm incomes highly unstable and agricultural investments exceptionally risky.⁴ These challenges are exacerbated by the atomistic nature of agricultural production. The farm sector is typically composed of millions of individual producers. Collectively, farmers have an interest to cooperate: together, they can lift prices by limiting production or by spreading out the marketing of their crops over several months. However, the temptation to defect from such collective arrangements is very high since an individual farmer can reap windfall profits by selling more than her prescribed amount or unloading his crop earlier than the prescribed time. Moreover, monitoring compliance to prevent such defections is costly due to the large number of individual producers. Knowing this, and fearful that they will be left with large stocks as prices drop, farmers have an incentive to rush their product to market come harvest time, resulting in the glut in supply and decline in price farmers collectively hope to avoid.

Historically, most industrialized countries sought to address the income volatility in agriculture through a variety of government policies. When commodity prices dropped precipitously during the worldwide depression of the 1930s, for example,

³ This section draws heavily from Sheingate (2001).

⁴ The classic statement is in Schultz (1953), pp. 175-194.

governments in Europe and the United States instituted programs that limited production, controlled prices, and regulated the marketing of farm commodities. Such policies, however, posed challenges for these governments since the capacity to intervene successfully in agricultural markets still depended on the actions of millions of individual farmers. Farm-level production controls required adequate surveillance of planting and harvest, as well as the capacity to sanction those who exceeded limits. Government price controls for basic commodities would fail unless the state or its agents controlled distribution networks and public officials possessed the capacity to punish individuals who bought and sold in the underground economy. In addition to these administrative challenges, governments faced political challenges as well. Although most farmers welcomed efforts by government to lift farm incomes in the 1930s, many producers viewed their loss of autonomy over basic production decisions with a mix of skepticism and hostility.

Corporatist arrangements between governments and farm organizations were a particularly attractive way to address the collective dilemma in agriculture, the technical complexity of regulation, and the political acquiescence of farmers necessary for policy success (Keeler 1987, 256-258). Under corporatism, “interest groups, licensed, recognized or encouraged by the state, enjoy the right to represent their sector of society and...work in partnership with the government in both the formulation and implementation of policy (Wilson 1990, 22).” Through such partnerships, bureaucrats gained critical assistance from farm organization in the implementation of government programs. In addition, corporatism had distinct advantages as a political strategy. By designating an official representative of farmers as an agent of government policy, politicians could allay fears that government regulations on prices or production were a statist encroachment on farmer autonomy. Farmers and farm organizations, themselves, benefited as well. Producers gained access to and influence in the creation of policies that affected them directly. And in accepting the role of a corporatist client, farm groups could use their influence over policy as an incentive to attract membership or as a means to achieve a competitive advantage over rival organizations.

As agricultural policies in wealthy countries matured after World War II, politicians came to appreciate the electoral benefits of corporatist relations between

farmers and the state. In addition to their role in the agricultural policy process, farm organizations could help mobilize rural votes on behalf of politicians. Through close ties between producer associations and political parties, farmers became a core constituency of the postwar political regime in several countries, their political power and policy influence mutually reinforcing each other.

A striking example of this can be found in postwar Japan where government controls over rice prices depended heavily on a system of producer cooperatives responsible for the collection of rice on behalf of the government as well as the distribution of payments received by producers. At the same time, the cooperative association operated as the principal representative of rice farmers in matters of policy, most important of which was the annual negotiation of the official rice price set by the government. Finally, with the consolidation of party politics in Japan, the cooperative association became the key element in a rural political strategy of the Liberal Democratic Party (LDP) by mobilizing votes on behalf of LDP candidates. Farmers became a bastion of LDP support, and a crucial reason for the party's dominance of Japanese politics throughout the postwar period. And with many LDP politicians dependent on the support of rural votes, farmers enjoyed a loyal bloc of legislators eager to defend farm policy expenditures from austerity-minded finance ministers and channel various benefits and pork-barrel projects back to their rural districts. In sum, agricultural policies in Japan were built upon a firm set of political arrangements between farm organizations, bureaucrats, and politicians.

The Japanese example points to the emergence of an *agricultural welfare state* that provided farmers significant policy benefits within advanced industrial countries. Central to its development was the creation of a durable arrangement of policies, organizations, and politics linking farmers and the state (Keeler 1996). In policy terms, the agricultural welfare state provided a sector-specific safety net designed to insulate farm incomes from the vagaries of agricultural markets. These policies took the form of direct cash transfers, minimum support prices, and various other subsidies to production. They also included rural development policies that increased opportunities for non-agricultural employment and environmental policies that provided transfers in connection with conservation or environmental protection measures. In organizational terms, the

agricultural welfare state depended on corporatist, or quasi-corporatist, arrangements between producer associations and agricultural bureaucracies. Often this took the form of a single peak association that enjoyed a representational monopoly in the policy process, although not necessarily so. In the United States, for example, commodity organizations carry greater influence in policy discussions than do the general farm organizations. In many European countries, multiple producer associations organized along regional, religious, or economic lines represent farmers in policy discussions.⁵ Finally, in political terms, farmers became important electoral constituencies. Sometimes, these political ties linked farm organizations to parties of the center-right, as in Japan and France. Other times, farm organizations became core constituencies of the center-left, as in many Scandinavian countries. Although the specific policies, organizations, and political components varied, the agricultural welfare state provided farmers with a steady stream of benefits, access to policy, and attention from politicians.

The rise of an agricultural welfare state contributed to a dramatic transformation in the sector as government subsidies helped underwrite a profound change in agriculture in the decades after World War II. With the higher, more stable incomes afforded by price supports and government loans, farmers increased capital expenditures on new technologies such as hybrid seeds, machinery, and chemicals. In the United States, the use of tractors more than doubled between 1930 and 1970, and applications of agricultural chemicals increased tenfold. With the adoption of hybrid seeds, corn yields more than tripled (Cochrane 1979, 128-131). In Japan, agricultural output also increased with higher capital expenditures on machinery and chemicals (Hayami 1975, 55, 105). In France, wheat yields nearly tripled between 1945 and 1975, transforming the country from a net importer of food into the second largest agricultural exporter in the world (Roudié 1985, 93-96).

However, government regulations also rewarded specialization and intensive farming practices—the more farmers produced the more support they received from the government. Many farmers, unable to afford the high capital costs of intensive production, left agriculture. In the United States, the proportion of the male labor force employed in agriculture declined from over 15 percent in 1950 to less than 5 percent in

⁵ For a sense of this variation, see the contributions in Halpin (2005).

1980. Change was even more dramatic in France and Japan, where between 30 and 40 percent of the male labor force was in agriculture in 1950. By 1980, the agricultural share of the labor force in both countries plunged to less than 10 percent, and by the late 1990s farmers constituted less than 5 percent of the workforce.⁶ Those farmers who remained either worked large enough farms to afford the high production costs of intensive agriculture or turned to part-time, non-farm employment to augment their incomes.

Similar developments are evident in late-industrializers, such as Ireland and Spain, where sizeable portions of the population worked in agriculture through the 1970s. As indicated in figure 1, agriculture's contribution to GDP in Ireland declined from 15% in 1970 to less than 5% in 2005 while the agricultural share of the labor force declined from 18% in 1980 to 6% in 2005. Over the same intervals, agriculture's contribution to GDP in Spain declined from 11% to 3% and the agricultural share of the labor force dropped from 19% to 5%.

Moreover, during this period of dramatic change in Irish and Spanish agriculture, relations between farm organizations, the government, and politicians took on some of the characteristic features of the agricultural welfare states in other industrialized countries. In Ireland, for example, relations between farmers and the state were occasionally hostile in the 1960s, but in advance of Ireland's entry into the European Community in 1973, agricultural policy making developed into a corporatist framework of close consultation between the government and the main farmer associations (Greer 2005, 60-61). The success of this consultative system is encouraged further by the way agricultural policy making in Ireland takes place within a larger framework of social and economic policies at the national level. Consequently, the main farm organization, the Irish Farmers' Association, enjoys "the status of social partner alongside government, employers, and trade unions," and is considered by the government to be "the crucial social partner for rural interests (Ibid., 61)." According to Greer (2005), this negotiated style of policymaking "is facilitated by the localism of the political system, personal ties and informal patterns of interaction between relatively small political and professional elites (Ibid.)." This localist political culture is coupled with an electoral system that

⁶ See <http://faostat.fao.org/site/431/default.aspx>, accessed 15 January 2008.

employs a single transferable vote in multi-member districts. Because multi-member districts require parties to successfully field multiple candidates in the same district, it encourages a personalistic style of politics built around local ties and constituency relations. This helps keep agricultural issues salient in elections and makes farmers a powerful and significant constituency for the two main parties that have dominated politics in the Irish Republic since the 1940s (Ibid., 53).

In Spain, the history of agricultural politics was shaped by the restrictions on free association during the Franco dictatorship. This changed with the re-establishment of democratic politics in 1977. By the time Spain entered the European Union in 1986, however, a vibrant organizational landscape had taken shape in Spanish agriculture. “Today, the farm interest group system in Spain is no different from that of other European countries (Moyano-Estrada 2005, 117).” The three main farmer associations are organized around economic lines, representing the interests of large commercial farmers, livestock farmers, and smallholders, respectively. According to Moyano-Estrada (2005, 117-118), these farm groups “actively participate in decision-making processes regarding agricultural policy.” However, in Spain, much of the responsibility for the implementation of agricultural and environmental policies resides with 17 regional governments. This poses certain challenges that have shaped the structure of agricultural associations and their relations with political parties. First, the two largest farm organizations operate through a federated structure built upon regional associations. Second, given the political diversity of the regional governments where some are governed by left, right, or nationalist parties, the three main farm groups have largely eschewed identification with any particular party (Ibid., 134).

The examples of Ireland and Spain suggest that late industrializers can also forge close partnerships between farm organizations and the state where agricultural associations enjoy official recognition in policy discussions and help implement policies directed toward agricultural modernization. However, the experiences of Ireland and Spain also suggest that these arrangements might take various forms, that the distinctive features of the agricultural welfare state is shaped by the broader historical and institutional context in which it develops. At the level of institutions, the distribution of policy making authority among regional, national, or supranational levels (in the case of

the EU) will shape the opportunities for policy negotiation and the organizational strategies of agricultural associations, for example whether to organize as a federated or unitary body. Similarly, electoral rules and party systems influence the relative political influence of farmers and the political strategies of agricultural associations, for example whether to develop close (even clientelistic) ties with political parties or to adopt a relatively non-partisan stand. Finally, distinct historical paths, such as legacies of democratization in Spain or lasting cleavages built around republicanism and civil war in Ireland, shape politics and policy in agriculture in both countries.

The diversity of national experiences is important when considering whether the agricultural welfare states of industrialized countries provide any meaningful lessons for countries at lower levels of structural transformation, or as a mechanism for poverty reduction in developing countries. The next section, therefore, examines the varied place of agriculture within developing countries. The paper then turns to the range of institutions and actors currently found in agrarian settings.

Rural Livelihood Conditions

As mentioned above, the development of producer organizations, their roles in agricultural policy, and their relations with political parties are profoundly shaped by the larger institutional context and historical legacies of each particular country. These factors must be kept in mind when considering the relationship between agricultural policies, politics, and poverty reduction strategies. In addition, the characteristics of agriculture itself and how it fits into the larger economy also matters, and it also varies considerably even among countries at similar levels of structural transformation. This section briefly addresses this diversity before moving to a discussion of institutions and actors in agrarian settings.

At a general level, agriculture remains the predominant economic activity in the poorest countries of the world. Table 1 divides countries into low income, lower middle, upper middle, and high income countries using the categories employed by the World Bank.⁷ As indicated, the poorest countries are mostly rural, most of the economically active population is engaged in farming, and agriculture is a sizeable share of the

⁷ Countries are divided according to 2006 GNI per capita, calculated using the World Bank Atlas method. Low income have per capita incomes of \$905 or less; lower middle income, \$906–3,595; upper middle income, \$3,596–11,115; and high income, \$11,116 or more. See World Bank (2007), p. 333.

economy. At the other end of the spectrum, the richest countries are mostly urban, only a very small part of the active population is employed in farming, and agriculture contributes relatively little to the overall economy. Taken together, table 1 suggests a rather straightforward association between agriculture and structural transformation at various income levels.⁸ It would be wrong to conclude, however, that a firm causal relationship exists between agriculture and structural transformation. In most of Sub-Saharan Africa, for example, the share of agriculture in the labor force has declined dramatically over the last four decades with very little growth in per capita income. The same is true in Latin American countries, such as Brazil, where poverty is increasingly urban in nature (World Bank 2007, 27).

As indicated in figure 2, moreover, which plots agriculture's share of GDP against per capita national income, important variation exists within these country groupings. As expected, the contribution of agriculture to national wealth declines as we move from lower to higher income countries. Whereas agriculture contributes around 3% of GDP in high income countries such as Spain and Ireland, agriculture is around 18% of GDP in low income countries such as India or Senegal. In Poland, an economy in transition, agriculture is a declining feature of the economy, with farming currently making up around 5% of GDP. Most of the countries fall close to the predicted line in figure 2, indicating a fairly strong association between income level and the share of agriculture in GDP. But it is also clear that a great deal of variation exists, particularly among countries at lower income levels. This is indicated by the wide spread in the economic contribution of agriculture among countries at lower income levels. For example, agriculture's share of GDP ranges from around 18% in Senegal to 66% in Liberia. Among lower middle income countries, the range is between 3% of GDP in Jordan and 31% in Guyana. This suggests that agriculture, in fact, plays a variety of roles in the economies of countries at lower levels of structural transformation; it is a simplification to characterize all of them as "agricultural."

This variation is further illustrated in Figure 3, which plots the share of agriculture among the economically active population against per capita national income. Again,

⁸ There is a fairly strong correlation with per capita income as these measures as indicated by the following pairwise correlation coefficients: agricultural employment (-.54), share of agriculture in GDP (-.50), and rural share of the population (-.57), each significant at $p < .01$.

there is wide variation among countries at various income levels. Among low income countries, the share of agricultural employment ranges from around 23% in the former Soviet Republic of Kyrgyzstan to more than 90% in the West African nation of Burkina Faso. Although agriculture contributes roughly the same to the economies of Senegal and India, there is a much greater share of the population engaged in agriculture in the former (72%) than the latter (58%). There is also a great deal of overlap among countries at different income levels: Pakistan, Indonesia, and Turkey each have roughly 45% of the labor force employed in agriculture even though, based on crude comparisons of per capita national income these countries are at different levels of structural transformation.⁹ Finally, the relationship between agricultural employment and per capita income is less straightforward. In Poland and Ireland, for example, agriculture's share of the labor force is 20% and 9%, respectively, higher than expected given the income levels in both countries. This suggests that further rural transformation is likely in these countries in the future.

In order to better capture this variation in agriculture within countries at similar levels of structural transformation, it is helpful to consider the distinctions used by the authors of the recent *World Development Report 2008* (Ibid.). As the report's authors note, there is a persistent gap between agriculture's share of GDP and employment, with many countries retaining a sizeable share of the population in agriculture even as the sector contributes less to national wealth. This suggests that although nonagricultural growth is accelerating in many countries, "many of the rural poor remain poor (Ibid., 28)." To better capture these dynamics, the *Report* describes "three worlds of agriculture for development (Ibid., 31)": agriculture-based countries, transforming countries, and urbanized countries. In agriculture-based countries, both a large share of economic growth and poverty comes from agriculture and the rural sector. In transforming countries, a small share of economic growth comes from agriculture but a large share of overall poverty is rural. In urbanized countries, both a small share of economic growth and poverty comes from agriculture and the rural sector.

⁹ Using the World Bank classification, Pakistan is a low income country, Indonesia is lower middle, and Turkey is an upper middle income country.

Figure 4 illustrates these three worlds using a classification similar to that of the *World Development Report 2008*.¹⁰ Agriculture-based countries are defined here as those where agriculture contributed to more than 20% of growth between 1990 and 2005 and the rural poor make up more than 60% of overall poverty in the country. Transforming countries are those with more than 60% of overall poverty in the rural sector but agriculture contributed to less than 20% of growth. Urbanized countries are those where rural poverty is less than 60% of the total and agriculture contributed to less than 20% of growth. Ghana, for instance, is illustrative as an agriculture-based country with roughly 30% of overall growth from agriculture between 1990 and 2005 and nearly 75% of overall poverty in rural areas. India may be considered a transforming country, with only around 12% of overall growth originating in agriculture but a largely rural-based poverty with about 75% of the total poor living in rural areas. Finally, Brazil offers an example of an urbanized country where agriculture contributed around 10% of overall growth but the rural poor contribute only 30% of total poverty in that country. Table 2 provides some summary statistics for the “three worlds” of agriculture and development. As one might expect, transforming and urbanized countries tend to be wealthier and agriculture is a smaller share of the economy and the working population than agriculture-based countries.¹¹

These differences are important because they can have implications for the kinds of policies governments may undertake as they attempt to promote agricultural growth and improve rural livelihood conditions. In most agriculture-based countries, such as those in Sub-Saharan Africa, agricultural production is dominated by a staple crop, such as cassava or yams that is consumed almost entirely domestically. This is often coupled with a smaller sub-sector of commodities produced for an export market. Given the factor-endowments of most agriculture-based countries, productivity increases can

¹⁰ The contribution of agriculture to economic growth is calculated by taking the average annual growth in agricultural value added between 1990 and 2005, multiplying it by the average share of agriculture in GDP over the same period, and dividing it by the average annual growth between 1990 and 2005. Rural poor as a share of total poor is calculated using the poverty headcount ratio at rural and urban poverty lines. Data is taken from the World Development Indicators Online, available at <http://devdata.worldbank.org/dataonline/>, accessed January 22, 2008.

¹¹ Because of data limitations, only 70 countries could be classified as agriculture-based, transforming, or urbanized. For clarity of presentation, table 2 excludes several outliers, notably countries where agriculture contributed more than 80% or less than 0% of overall growth.

benefit agriculture and development, but in distinct ways for these subsectors. In the case of domestic staples, advances in productivity will increase the food supply and reduce food prices. This may help reduce poverty among poor food-buying households. Due to the price inelasticity of demand, however, farmers may only benefit from productivity increases when they occur faster than the price declines (Ibid., 32-33).¹² In the case of export commodities, productivity increases may allow agriculture-based countries to make better use of their comparative advantage and generate foreign exchange that can be used to finance development. The experiences of industrialized countries suggest that higher farm productivity and the completion of internal markets for agricultural commodities can help promote structural transformation. From a policy perspective, therefore, this points to the value of government investments in agricultural research and dissemination through extension services and infrastructure policies such as roads and irrigation (Ibid., 35). In fact, these kinds of promotion programs were characteristic of agricultural policies in the United States, France, and Japan during the late nineteenth and early twentieth centuries and the period of rapid industrial growth (Sheingate 2001).

The situation is different in transforming countries where a sizeable share of the population (and the poor) continue to reside in rural areas and work in farming, but agriculture is contributing less to economic growth as the country becomes more industrial and urban. For agriculture, this development may place greater pressure on natural-resource use as competition for land and water increases. It may also lead to a widening gulf between rural and urban incomes. As indicated in table 3, for example, the rural poverty rate in transforming countries is on average nearly 2.5 times greater than the urban poverty rate. This urban rural divide is greater in transforming countries than either agriculture-based or urbanized countries. Despite these challenges, there are opportunities for agriculture in transforming countries as well. Although staple crops remain the largest agricultural subsector, rising urban incomes increase demand for livestock products and high-value crops. Policies that encourage production or enhance the productivity of these products, for example promotion of dairying, may be successful at raising farmer incomes. In addition, policies that encourage non-farm rural

¹² However, there is some evidence that where rural households are net food-buyers, they benefit as well (World Bank 2007, 32)

employment are also important. These may be related to agriculture, for example, in building employment opportunities for downstream sectors such as food processors (World Bank 2007, 36-37).

These features of agriculture and employment are even more pronounced in urbanized countries. Here, the main policy challenge may be addressing widening income gaps within agriculture, between, for example, an export oriented, high value added subsector heavily integrated with downstream processors and a “traditional” rural sector. It is unclear whether these “two agricultures” can coexist, or if rapid growth in the export sector will lead to profound rural dislocation as smallholders find themselves unable to compete in an increasingly capital-intensive agriculture. Brazil, for example, has become an agricultural export powerhouse. In ten years, between 1995 and 2005, Brazil’s share of world soybean exports increased from 10% to 35%. At \$5.3 billion, Brazil is second only to the United States in soybean exports and ranks 8th in the world overall in farm trade.¹³ However, this agricultural boom contributed little to the reduction of rural poverty (Ibid., 38). It also accelerated a process of land consolidation and urban migration that has contributed to widening inequalities in wealth and land distribution Brazil, and it has given rise to formidable peasant protest by the Landless Laborers Movement (MST) (Welch 2006, 37). In Mexico, another urbanized country, a dual agricultural sector exists as well. Implementation of the North American Free Trade Agreement (NAFTA) led to an influx of imports and compliance with NAFTA required Mexico to dismantle policies that had protected agriculture. However, domestic production of staple commodities continues even after NAFTA and it is interesting to note that a policy of direct income transfers to producers of basic commodities was created just before the treaty took effect. This provided an income safety net for farmers and may have helped maintain domestic production of certain crops (Yunez-Naude and Barceinas Paredes 2004). At the same time, however, Mexico has also faced rising political tensions in the countryside. This suggests that a major policy challenge facing urbanized countries is ameliorating the social dislocations that accompany structural transformation.

¹³ Trade data is taken from TradeSTAT, available at <http://faostat.fao.org/site/342/default.aspx>, accessed January 23, 2008.

One final point must be made in this survey of rural livelihood conditions. For large countries especially, there is a great deal of regional variation such that several “worlds” exist within a single country. Within India, for example, Uttar Pradesh may be classified as an agriculture-based state using the criteria described above, whereas Tamil Nadu may be considered an urbanized state. Similar degrees of regional variation can be found in other large countries such as Mexico or China (Ibid., 33). This not only cautions against broad generalizations, but also suggests that the location of policy authority in agriculture, national versus regional or local governments, is an important consideration for policy evaluation.

Actors and Institutions in Agrarian Settings

Just as there is great variation both among and within countries in the characteristics of agriculture, so too is there a range of actors and institutions operating within an agrarian setting. This section attempts to survey this range and also describe some of the interactions and negotiations that take place among the various actors and social forces in agricultural production and policy. Because a comprehensive treatment of the subject is beyond the scope of this paper, this section offers a broad survey of actors and institutions, along with some examples of how they relate to one another. This will provide some background to a more detailed discussion of the experiences of several countries in the next section.

In mapping the institutional landscape of agriculture across the developed and developing world, there are three interrelated sets or types of organizations: private sector firms, public sector institutions, and non-profit sector organizations. Private sector firms include, most prominently, upstream suppliers of inputs such as seeds, chemicals and machinery as well as banks and other sources of financing for agricultural investment. Also important are downstream processors and wholesalers of agricultural commodities as well as transportation and exchanges for marketing products. In addition, some firms vertically integrate the production and processing of agricultural commodities either by contracting production to farmers or employing wage labor in agro-industrial estates. Finally, a recent development has been the integration of specialty and value-added commodities, such as organic products, in global production chains. Private firms that

provide third party certification for product quality and safety standards increasingly are central players in these growing global food markets (Ibid., 128-131; Friedberg 2004).

Public sector institutions include a broad range of government entities that may be involved in a variety of policies. Here it is useful to distinguish sectoral policy institutions from territorial or broadly geographic ones. Sectoral policies refer to programs that specifically target agriculture, with agricultural ministries and departments in the developed and developing world responsible for their implementation. These may include, but are not limited to, market price support policies that raise domestic prices above world prices, input subsidies that lower production costs, direct payments and other income transfers, government-run crop insurance programs that hedge against weather related and other crop losses, agricultural trade policies that tax or subsidize agricultural imports and exports, credit policies that spur agricultural investment, and research and extension services that develop and disseminate productivity-enhancing technologies for agriculture (OECD 2007). Territorial or geographic policies refer broadly to programs that target rural areas and populations such as infrastructure development, land reforms, environmental programs, or rural poverty measures. Whether these broader rural development programs are housed inside or outside of an agricultural ministry is significant as a political matter for the way it signals government priorities for various kinds of policies.

For example, the creation of agricultural departments and ministries in industrialized countries in the late nineteenth century was in part a symbolic act by governments wishing to recognize agriculture as a distinct economic sector, as well as farmers as an influential occupational group (Sheingate 2001). Interestingly, in the wake of recent food scares and scandals, some industrialized countries have eliminated their agricultural ministries and reorganized policy responsibilities within a broader food ministry. In Britain, for example, the Mad Cow disease crisis of the late 1990s prompted widespread criticism of the Ministry of Agriculture Fisheries and Food for failing to warn the public about the dangers of British beef (Jasanoff 2005). Perceived as being overly attentive to the concerns of the beef industry, the British government reorganized responsibilities into a new Department for Environment Food and Rural Affairs that

symbolizes how agriculture is to fit within a broader set of policy priorities that includes, but is not subordinate to farming.¹⁴

Finally, the non-profit sector includes a diverse array of producer organizations, agribusiness associations, and non-governmental organizations (NGOs) operating both nationally and as transnational actors in policy and advocacy. As mentioned above, the development of strong producer organizations working in close partnership with the state in policy formation and implementation was an important component of the rise of an agricultural welfare state in industrialized countries. Producer organizations also exist within developing countries in various forms as well, and there is some evidence from West Africa that the penetration of producer associations at the local or village level has increased dramatically over the last twenty-five years (Mercoiret 2005). In some of these countries, national federations of producer organizations have emerged as important actors in agricultural policy. Interest in producer organizations among donors and development agencies has also increased dramatically in recent years. Beginning in the late 1990s, the World Bank began to focus heavily on the potential role of rural producer organizations in development and established a goal that all Bank-funded agricultural services projects would include a producer organization partnership component by 2001 (Bosc, Eychenne, and others 2002, 2-3).

The defining feature of producer organizations is that they are individual membership bodies. This distinguishes them from NGOs, which generally lack members, and agribusiness or trade associations in which members are firms rather than individuals. Producer organizations may take various forms including informal farmer groups, agricultural associations and federations, and chambers of agriculture or other representative assemblies of farmers (Stockbridge et al. 2003, 1). Agricultural cooperatives are another important type of producer organization. Cooperatives are distinguished from other types of producer organizations by their joint ownership structure and democratic governance arrangements. Profits generated by cooperative operations are reinvested and/or distributed to members generally based on the amount of business members conduct with the cooperative. Cooperative management is generally the responsibility of an elected board of directors chosen through direct or indirect

¹⁴ <http://www.defra.gov.uk/>, accessed January 23, 2008.

election based on one person, one vote. In contrast to parastatals or compulsory farmer organizations, a cooperative is autonomous from the government (although it may work closely with it) and membership is voluntary. Cooperatives have a long history in agriculture. As mentioned above, cooperatives have long been the lynchpin of Japanese agricultural policy. In the United States, cooperatives control approximately 80% of dairy production. Cooperatives are also active in developing countries: there are 100,000 dairy cooperatives in India with a membership of 12 million farmers (U.S. Overseas Cooperative Development Council 2007, 3-10).

Producer organizations assume various functions as they endeavor to mediate “between rural producers and others who act in their economic, institutional, and political environment (Rondot and Collion 2001, 2).” For example, organizations can assume an advocacy or policy function, as when farmer associations represent producers in government negotiations or lobby on behalf of its members. Producer organizations also perform economic and technical functions, for example when cooperatives provide members with information, access to inputs, credit, storage, or processing and marketing services. Finally, producer organizations also frequently engage in local development activities, including the provision of the kinds of public or social services performed elsewhere by local governments (Ibid., 2-3).

This range of functions illustrates the complex mix of political, social, and economic functions characteristic of agricultural policy and the rural sector more generally. Consider, for example, the varied organizational and institutional landscape of Brazilian agriculture. In terms of public sector institutions, the Ministry of Agriculture and Food (MAPA) is responsible for the general formation and implementation of agricultural policies. Within MAPA, several agencies manage the implementation of price support policies. MAPA also oversees a national agricultural research and extension service. Alongside MAPA, two other ministries have significant involvement in food and agriculture issues. The Ministry of Agrarian Development, created in 2000, oversees the support and promotion of smallholder farming, land reform programs, and rural development. The Ministry for Social Development and Combat Against Hunger was created in January 2004 as part of the Lula government’s Zero Hunger Program begun in 2003. The creation of these ministries partly reflects the political and social

tensions that have accompanied the rapid growth in Brazilian agriculture since the 1980s. At the organizational level, producer interests are represented through a variety of associations including the national Confederation of Agriculture (CAN), the National Confederation of Agricultural Workers (CONTAG), the Organization of Brazilian Cooperatives (OCB), and the Landless Rural Workers' Movement (MST). There is also a powerful set of agribusiness associations, commodity organizations, and others that represent the powerful agro-exporters and upstream and downstream sectors in Brazilian agriculture. A variety of government and public councils such as the National Council on Agricultural Policy and the Agribusiness Council bring together various organizations and stakeholders in agricultural policy discussions (OECD 2005, 72-73).

One final category of institutional actor in agrarian settings that deserves mention are political party organizations, particularly agrarian or rural based political parties that draw most of their electoral support from the countryside and focus predominately on rural policy issues in party platforms. Drawing from the *Database of Political Institutions*, table 4 lists the rural or agrarian parties that secured parliamentary seats in competitive elections at any time between 1976 and 2006 (Beck and others 2001).¹⁵ As indicated, some of the earliest agrarian parties were formed in Scandinavia where they joined in a “red-green” coalition with labor parties and together promoted the expansion of social welfare programs, including those that targeted agriculture (Esping-Anderson 1990, 26-32). Many continue to be an important feature of electoral politics in these countries, often by widening their political appeal and adopting a more centrist position on the political spectrum (see the Appendix for dates of rural parties in government and opposition). The other notable pattern in table 4 is that agrarian or rural based parties formed in a number of former communist countries of Central and Eastern Europe. In Poland, for example, the Polish People's Party (PSL) served as a junior partner in government between 1992 and 2005, with a populist rural party, Self-Defense (*Samoobrona*), filling the same role in 2006. Following elections in 2007, the PSL earned a place again in the governing coalition as well as the portfolios of deputy prime

¹⁵ The database authors identified those parties that contained “rural” or “peasant” in their name, or if sources listed rural issues as a key component of the platform, or if farmers were a key party constituency. Competitive elections are defined as those in which the largest government party secured less than 75% seats in the lower chamber. For a description of the variables and coding, see Keefer 2007.

minister and agriculture, among others.¹⁶ In some ways, the PSL has reproduced the political success of the Scandinavian agrarian parties. By maintaining electoral support in the countryside while occupying a centrist position on the political spectrum, the PSL can secure enough seats in the 460-member Polish *Sejm* to be an attractive coalition partner. Of course, farmers may be a powerful influence in political parties without an explicitly rural or agrarian based platform.¹⁷ As noted previously, both major parties in Ireland, *Fianna Fail* and *Fine Gail*, compete effectively (and tirelessly) for rural votes.

Agrarian Social Pacts: Three Country Cases

As described above, a range of actors and institutions are active in rural settings. Their interactions include a mixture of policy negotiations and political alliances. In order to gain a better understanding of these relations, this section offers several examples of rural collective action in which farm organizations have emerged in partnership with the state and farmers have become politically influential in the context of competitive elections. In West Africa, there has been a proliferation of local producer organizations pursuing a variety of functions on behalf of its members. In Senegal, a kind of sector-wide corporatism has emerged through a national federation of farmers working closely with public officials in agricultural policy. In India, the world's largest democracy, agricultural policies became a source of rural collective action and a central component of party political competition. In the case of dairy cooperatives, agricultural policies had important political feedback effects. As cooperatives became an organizational fixture in certain parts of India, they became important political actors in state and national elections as well. In Eastern Europe, rural political parties have emerged as important actors in the politics of post-communist transition. There is some evidence that where these parties have been electorally successful, as in Poland, farmers have secured greater attention from the government in addressing rural concerns. Although these cases are not unequivocally "successes", they do offer insights into the potential for agrarian based parties, producer organizations, and rural protest movements

¹⁶ For ministerial portfolios, see <http://www.state.gov/r/pa/ei/bgn/2875.htm#political>, accessed January 25, 2008.

¹⁷ For example, the Janata Party in India had a significant rural constituency and a pro-agriculture ideology. In essence, Janata was a coalition of several parties that included Lok Dal the leader of which, Chowdhry Charan Singh, was a powerful peasant figure who held high positions in the government when Janata was in power. See Varshney (1995), 101.

to influence policies and politics in a manner that may improve rural livelihood conditions.

Producer Organizations in Senegal

There is evidence of dramatic growth in the penetration of local producer organizations in several countries in West Africa. A study of Burkina Faso, for example, found that the number of villages with at least one producer organization increased from 22% to 91% between 1982 and 2002; the same study found an increase of local associations in Senegal from 10% to 65% of villages over the same period (Bernard and others 2007, 10). There is also fragmentary evidence of rapid increases in the number of producer organizations in parts of Benin, Ghana, Cameroon, as well as countries in other parts of Africa such as Tanzania, Chad, and Kenya (Mercoiret 2006, 3-4). Part of this growth can be attributed to international donors who helped promote producer organizations through the 1990s. However, the effects of these organizations on poverty reduction remain something of a puzzle. The same study of producer organizations in Burkina Faso and Senegal noted that although economic growth rates increased since the mid 1990s, rural poverty rates have seen little decline (Bernard and others 2007, 6).

However, some notable reductions in poverty have occurred. In Ghana, hailed by the recent *World Development Report* as “Africa’s breaking story of poverty reduction,” real GDP has grown at 5% a year since 2001 and the rural poverty rate fell from over 60% in 1991 to less than 40% in 2006 (although inequality rose during this time) (World Bank 2007, 45-47). Agricultural growth has been impressive during this period, fueled by productivity gains and higher prices for cocoa and a growing export market for pineapples. Both commodities are based on smallholder production. At the same time, per capita food production has increased and food prices have declined (Ibid).

Although these agricultural productivity gains are impressive, it is interesting to note the particular historical legacies in Ghana that shaped local institutions and social development policies in distinct ways. These distinctive features become apparent when comparing Ghana to neighboring Cote d’Ivoire, a country with very similar economic, cultural and social similarities, but a very different colonial history and structure of local institutions. In Ghana, British colonial rule built decentralized political institutions on the existing structure and authority of the local chieftains. In Cote d’Ivoire, French colonial

authorities established centralized political institutions that did not use local chiefs as functioning sovereigns with their own authority (Morris MacLean 2002, 69). These differing patterns of colonial state formation produced contrasting social policies in Ghana and Cote d'Ivoire that continue today (Ibid, 70). After independence, social policies in Ghana built upon and encouraged local, informal institutions organized around extended family and community systems. By contrast, policies in Cote d'Ivoire focused on the extension of bureaucratic authority from the center to the periphery, targeting individuals rather than collectives. Moreover, decentralization efforts in Ghana after independence successfully created local governance structures built upon representative assemblies, as opposed to Cote d'Ivoire where decentralization achieved little in the way of local democracy and instead simply deconcentrated authority by creating local offices of the national government (Ibid, 74-75).

With the structural adjustment programs of the 1990s, these differing legacies had further implications for the capacity of governments in both countries to cope with the dislocations of liberalization. Officials in Ghana could build upon existing informal social support systems of the community in promoting social policy innovations in education, health care, and poverty reduction. Such alternatives were basically foreclosed in Cote d'Ivoire (Ibid, 80-84). It is interesting to note that in addition to the economic and policy developments in Ghana described above there has also been a consolidation of a multi-party democracy there. At the very same time in Cote d'Ivoire, however, a military coup in 1999 descended into a full-scale civil war by 2002 fueled by ethnic and regional rivalries. There is further evidence that differences in the character of local organizations may explain these differences in political stability as well (Morris MacLean 2004).

The contrasting cases of Ghana and Cote d'Ivoire illustrate the way historical legacies shape organizational trajectories and with it the capacity for certain kinds of social policy developments. It also points to the importance of political stability, as both a cause and a consequence, for the development of a vibrant associational nexus. Senegal provides another example of how organizational development and political stability may be mutually constitutive of one another. As in Cote d'Ivoire, French colonialism profoundly shaped agriculture and state in Senegal. At independence, Senegal remained

heavily dependent on the cultivation and export of groundnuts, first introduced by the French in the late 19th century. A state-imposed cooperative system attempted to organize production and marketing of groundnuts, as well as provide agricultural extension services, but with little success. By the 1970s, the system was in deep crisis following France's entry into the European Community and a drop in world groundnut prices (McKeon, Watts, and Wolford, 8-10).

In the midst of this crisis, however, a number of new peasant associations began to develop in Senegal independent of the state-controlled cooperatives. Encouraged by a former Senegalese extension service official who was president of a local NGO, twelve associations joined together in a national federation in 1976. With the help of international donors active in West Africa, the associations continued to develop. When structural adjustment programs in the 1980s forced the Senegalese government to end most of its policy interventions in the countryside, the associations pursued a more active role in providing agricultural production and marketing services to its members (Ibid, 11-13). As these activities grew, membership expanded to 24 associations of 2000 village groups and over 400,000 members. Meanwhile, the federation leadership pursued recognition from the Senegalese government and a role in the ongoing negotiations over structural adjustment policies in agriculture. Taking advantage of an upcoming national election in 1993, the federation drew attention to their concerns and organized a forum with a range of producer organization, government officials and donors around the theme, "What Future for Senegal's Peasants (McKeon 1999, 3-4)?" Three months later, seven national organizations that had participated in the forum created the *Conseil national de concertation et de cooperation rurale* (CNCR, National Council for Rural Dialogue and Cooperation). Over the next five years, CNCR became "a single, authoritative interlocutor...a full participant in a range of programs and policy forums (Ibid, 4)." Central to this development was the forging of a consensus among the CNCR organizations "around a lobbying platform aimed at creating a favorable policy environment for family farming and directing resources and appropriate services to producers (McKeon, Watts, and Wolford, 15)."

Evidence of the growing importance of CNCR is illustrated by their influence over the Agricultural Structural Investment Program promoted by the World Bank in the

mid 1990s. Senegal was one of the few Sub-Saharan countries that included producer organizations in the negotiations of the program and its implementation. In 1996, however, CNCR walked out of the negotiations in protest of the slow pace and the government's failure to take action in time for the growing season. Significantly, the World Bank refused to continue negotiations without CNCR at the table. Four months into the stalemate, Senegal's president Abdou Diouf intervened, and a meeting between the president, his ministers and 150 CNCR representatives produced an agreement to cut agricultural credit interest rates, remove import taxes on agricultural inputs, issue a five-year moratorium on farmers' debts, and institute a series of regular meetings between CNCR and the agriculture ministry. Negotiations resumed and ultimately concluded with a significant component of the final agreement devoted to strengthening producer organizations and incorporating them directly in extension services and other activities. This part of the final agreement, "reads as though it emerged from a CNCR pen (Ibid, 15-16)."

Several factors likely contributed to the success of the CNCR in Senegal, notably the enterprising efforts of local organization leaders, the timely support of donors, and the withdrawal of the Senegalese state from much of its role in agricultural production and marketing. But other distinctive features of Senegal's political culture likely contributed as well. The most important of these are the Sufi Muslim brotherhoods that have been at the center of political and economic life in Senegal since the nineteenth century. Under French colonial rule, Sufi religious leaders (*marabouts*) became collaborators in the creation of groundnut plantations, emerging as a rural elite with firm control over agricultural labor in the countryside. After independence, Senegal became a one party state and the *marabouts* continued their role as the most powerful social and political force in the countryside: in exchange for state patronage in the form of rural development projects, the *marabouts* issued religious edicts instructing its followers to vote for the dominant Socialist Party (Galvan 2001, 57-58). Throughout one party rule, however, many civil liberties remained intact in Senegal and opposition parties flourished even though they never achieved much electoral success. Senegalese democracy survived, in part, due to the *marabouts* who created "a system of social organizations outside the state and a range of possible responses to the actions of that state which have served as an

effective counterbalance to its weight (Villalon 1995, 15).” The state predation that has characterized many African nations did not develop in Senegal. Instead, “the Senegalese state has been curbed quite effectively because a unique form of civil society [the Sufi orders]...has been organized in such a way that the exercise of state power must be tailored to societal structures (Ibid, 260-261).”

This had important political consequences that likely shaped developments in agriculture as well. In the late 1980s, structural adjustment policies forced the Senegalese state to withdraw from its role in agriculture, as we have seen. This ended the patronage flows to the *marabouts* as well as the religious edicts that had sustained Socialist Party control in the countryside for so long. With the *marabouts* withholding their support for any political party, opposition politics flourished in Senegal, culminating in the 2000 election of longtime opposition leader Abdoulaye Wade. At the same time, the new producer organizations developed and the CNCR emerged as a voice for agriculture. Critically, the CNCR was able to navigate these shifting political conditions and build alliances with local elected representatives; many farmer leaders in fact “are involved individually in regional and local politics (McKeon, Watts, and Wolford 16).” Like Ghana, then, the successful creation of an umbrella organization of farmers in Senegal depended on a stable political climate and a distinctive associational pattern at the local level. Again, the contrast with Cote d’Ivoire, “Senegal’s colonial sister state and postcolonial reference society,” is notable as well (Galvan 2001, 51).

In sum, the development of a peak association of farmers in Senegal officially recognized as the voice of agriculture and as a partner in policy deliberations built upon a particular political and associational milieu at the local level. In somewhat similar fashion, successful social policy innovations in Ghana also built upon existing associational opportunities at the local level, albeit very different ones than in Senegal. As figure 5 indicates, although overall poverty rates remain high, they did decline in both countries during the 1990s. By contrast, poverty rates remained largely unchanged over the same period in Cote d’Ivoire. Although one should not draw a causal claim from these data, it would appear that the mutually reinforcing relationship between political stability and associational strength is important for poverty reduction.

Agriculture and Democracy in India

The experiences of Senegal and Ghana suggest, as least tentatively, that rural political power is possible were democratic consolidation occurs. It is too early to tell whether the institutional and organizational innovations of West Africa will contribute to development and poverty reduction over the long term. However, the experience of India, the world's most populous democracy, provides further evidence that competitive elections can provide opportunities for farmers to wield political influence over agricultural policy decisions, perhaps even on par with their counterparts in industrialized countries. In India, "a democratic system introduced *before* an industrial revolution has empowered [the] countryside (Varshney 1995, 5)."

At independence, Jawaharlal Nehru and his Congress Party embarked on a set of institutional reforms that aimed to enhance agricultural productivity and address the very serious shortfalls in availability of food grains. These reforms centered on land reforms, producer cooperatives, and local self-government at the village level (*Panchayati*). For a variety of reasons, including Nehru's own political limitations vis-à-vis his Congress Party, these reforms were only partially fulfilled by the time of his death in 1964 (Ibid, 31-48). Yet a dramatic turnaround occurred in agriculture and agricultural policy over the next three years. Between 1964 and 1967, institutional reforms were abandoned in favor of policies that sought to increase production through price incentives. Beginning in 1965, India instituted a system of price supports that would stabilize commodity markets and thereby encourage productivity-enhancing investments in agriculture such as high yield variety seeds, agricultural chemicals, and irrigation (Ibid, 52-63). With the new price policies in place, food imports declined considerably and Indian grain output rose from 74 million tons in 1966 to 108 million tons in 1971 (Ibid, 48).

The new price policy also contributed to a notable transformation in agricultural politics. Annual decisions on agricultural prices became a visible measure of government support for agrarian concerns and the focal point of rural political organization. Whereas struggles over land reform had been dominated by class, tenants versus landlords, struggles over prices were sectoral in nature, rural versus urban. At the same time, the share of Lower House representatives claiming an agricultural background increased from around 30% in 1967 to nearly 40% in 1980 (Ibid, 89). In 1977, parliamentary elections brought the first non-Congress government to power under the leadership of the

Janata Party, a coalition of opposition parties that included Lok Dal, a party with a strong base of support among the peasant castes of North India. Lok Dal's leader, Chowdhry Charan Singh, was a powerful peasant leader who became a central figure in the Janata Party and presided over some of the most important ministries between 1977 and 1979, including a short stint as prime minister (Ibid, 101). Charan Singh's capacity to mobilize large peasant protests had important consequences for agricultural policy as well as his own political fortunes. After being sacked from the government in 1978, Charan Singh organized a rally in which an estimated one million peasants descended on Delhi and issued a 20-point charter of demands. Less than a month later, Charan Singh was brought back into the government where he took charge of the Finance Ministry portfolio (Ibid, 104-105).

Charan Singh's success brought agricultural policy "beyond the cloistered confines of interbureaucratic struggles: it now had to respond to the visibility of rural interests on the streets (Ibid, 102)." As finance minister, Charan Singh reduced taxes on agricultural inputs, lowered interest rates for rural loans, and increased subsidies for irrigation (Ibid, 105). Overall, rural protests increased public attention to issues of agricultural prices as well as demands for the formal representation of farmers on the Agricultural Prices Commission, the body responsible for recommending government grain prices. This was accomplished in 1976 with the appointment of one farmer to the APC, along with three economists or technical experts. Rural representation was enhanced further in 1988 with the renamed Commission of Agricultural Costs and Prices that contained three farmer representatives, and four technical experts (one of whom served as chair) (Ibid, 142). More telling perhaps is that between 1970 and 1982 the government set the wheat procurement price above the APC recommendation eight times (Ibid, 110). Through the 1980s, peasant mobilizations demanding higher agricultural prices maintained pressure on the government and pushed Indian political parties across the spectrum, including those with a mostly urban constituency, to adopt a position in favor of higher prices (Ibid, 138-139).

The Indian case illustrates how agricultural policies produce political feedback effects. Put simply, policies can create politics.¹⁸ The creation of agricultural price

¹⁸ On the phenomenon of policy feedback effects more generally, see Pierson (2000).

support policies facilitated rural collective action by establishing a visible target around which producers could mobilize. A focus on prices also helped farmers organize on a sectoral rather than a class basis. Unlike land reforms or other redistributive issues, all farmers large and small saw benefits in higher prices. Agricultural policies also had organizational consequences that facilitated collective action. Policies not only create interests, they also can create organizations that enable its members to promote their goals or work as conduits for political parties seeking electoral support.

An example of the organizational consequences of agricultural policies can be seen in the milk cooperatives of India. The first dairy cooperative was established in 1946 in Anand in Gujarat in an effort to improve the market position of producers in the supply chain feeding the Bombay milk market. Among those influential in its creation was future Janata prime minister Morarji Desai. Gradually, the number of local cooperatives spread, and operations expanded to include procurement, processing, and marketing of milk products under the brand name, Amul. The success of the Anand cooperative and Amul attracted the attention of the government, which was eager to expand dairy production in India. In 1970, the government inaugurated Operation Flood. In its early stage, the government used proceeds from the sale of donated skimmed milk powder to underwrite the formation of local and district level cooperatives throughout India patterned on the Anand model. Within ten years, India had 43,000 cooperatives with a membership of more than 4 million producers. Milk production grew from 20 million tons in 1970 to more than 50 million tons in 1990. By the late 1990s, 57,000 village level cooperatives had been organized into 172 district level producer unions and 22 state-level federations. The National Dairy Development Board (NDDB), which operates at the national level overseeing cooperative development, aided in the implementation of Operation Flood programs on behalf of the government. Indian dairy cooperatives have been a tremendous economic success: the Amul brand today holds the largest market share in virtually every dairy product in India (Kurien 2004; World Bank 1998).

But the cooperatives are also a political success, empowering groups such as women and lower castes that previous rural development strategies faced difficulties reaching. As part of Operation Flood, the NDDB created the Women Dairy Cooperative

Societies. These women's cooperatives reached a membership of 2.5 million in 2001. Members of the women's cooperatives have also gone on to sit on local councils, benefiting from a set of 1993 amendments to the Indian Constitution that requires one third of seats in local government must be held by women (Pande 2000). Moreover, the multi-level organizational structure of the cooperatives creates a formidable political organization as well. Cooperatives became influential at the local level in funding candidates and coordinating campaigns. Political support by directors of a state cooperative board helped candidates garner votes. More recently, state cooperative officials have entered politics themselves, capitalizing on their personal networks to build electoral support (Parmar 2007). In this way, as the former head of the NDDDB observed, cooperatives are "schools of democracy (Kurien 2004, 16)."

In sum, the political power of India's dairy cooperatives and its members lends further support the conclusion that "India's democracy not only leads to a ruralization of the power structure; it also facilitates rural collective action (Varshney 1995, 199)." Peasant mobilization flourished because democracy imposes constraints on the repressive capacity of the state. This produced political successes as well since farmers themselves have become well represented at the upper tiers of the polity. As explored below, the experience of Eastern Europe further suggests that as the repressive powers of the state recede during the process of democratic transition, farmers find new opportunities for political organization and influence, especially within multi-party political systems.

Agrarian Parties and Agricultural Policy in Eastern Europe

In 1989, the former Communist countries of Eastern Europe began a process, sometimes wrenching, of economic and political transition. In many places, a sizeable share of the workforce remained in agriculture and, in some cases, farming continued to contribute a significant portion of GDP. To varying degrees, communist governments in Eastern Europe had collectivized agriculture. Consequently, many countries went through a fairly rapid period of land privatization, leading to the creation of a sector predominantly comprised of small farms (Sharman 2003, 453). Meanwhile, as democratization occurred and competitive elections took place, agrarian based parties emerged in several countries of Eastern Europe including Bulgaria, Hungary, and Poland (see table 4 and appendix). Like many other parties active in the immediate transition

period, these agrarian parties often were reconstituted from communist-era political organizations (Grzymala-Busse 2002).

Just as colonial legacies in West Africa shaped the political and policy developments in those countries, distinct features of the communist past in Eastern Europe influenced agricultural policy and politics in the transition period after 1989. This is illustrated clearly in the case of Poland. Although agriculture contributes less than 5% of GDP, 38% of Poles live in rural areas and the farm sector employs 20% of the economically active population. Unlike many Eastern European countries, however, Polish agriculture did not experience large scale collectivization; instead, private farms made up most of the Polish agriculture sector under communism (Gorlach and Mooney 1998, 265). This had important consequences for agricultural politics before and after 1989.

Lacking collective farms, the communist regime had fewer instruments to control the peasantry and guarantee an adequate food supply. The importance of agriculture for the maintenance of social control, especially in the cities, meant that peasants enjoyed a greater degree of leeway than other groups in Polish society. In particular, the government tolerated certain forms of rural protest. When the Solidarity movement developed in 1980, these rural protest movements formed several distinct peasant organizations under the Solidarity banner. However, with an increasingly militant Solidarity movement in the cities, the communist regime needed rural support even more. Following the declaration of martial law in 1981, the government curried favor among the peasantry by channeling state resources to rural Poland. In addition, the communist-dominated United Peasant Party formed in 1949 as the official representative of peasants took on a greater role in political activities and the state-sponsored Union of Agricultural Circles became an official representative of farmers in price and income negotiations with the government. In some ways, these were symbolic acts designed to preempt more serious peasant opposition (Ibid, 266-270). Nevertheless, these developments contributed to a collective identity and a distinct set of rural institutions under communism and within the Solidarity movement. “These institutions provided some of the materials that Polish peasants brought to the post-communist era that facilitated their capacity to represent their interests more clearly (Ibid, 264).”

With the fall of communism and the initiation of economic reforms, conditions in rural Poland became very difficult: agricultural terms of trade (the prices farmers receive versus the prices they pay for goods) deteriorated, prices for farm products declined, and farm income dropped by nearly half. In response, a wave of peasant protests took place throughout the country between 1990 and 1993. Some of these protests gave rise to new peasant organizations. Among them, the Committee of Farmers' Defence, later renamed Self Defence (*Samoobrona*), emerged as an important force as it organized sit-in strikes, road blockages, street demonstrations, and even a hunger strike in front of the Polish Parliament. Self-Defence organized spectacular and occasionally violent protests throughout the 1990s, helping its populist leader Andrej Lepper become a rising figure in Polish right wing politics (Ibid, 273-276; Sharman 2003, 464-465).

Meanwhile, the communist era United Peasant Party was reconstituted as the Polish Peasant Party (PSL) and quickly established itself as the most successful party in rural Poland. The PSL won 48 seats in the 1991 parliamentary elections, besting the other rural based parties that had grown out of the organizations of the rural Solidarity movement. Over the next two years, PSL consolidated its place as the leading political party in the countryside; in the 1993 parliamentary elections it won 15% of the vote and 132 seats. The PSL joined in a coalition government and its leader, Waldemar Pawlek, became Prime Minister (Szczerbiak 2001a, 560-1). Although PSL suffered a political setback in the 1997 parliamentary elections when its national vote share declined by half to 7%, the party still garnered 17% of the rural vote and 38% of the farmer vote, more than any other party. Much of the decline in the PSL's national vote total reflected its lack of support outside of rural Poland (Ibid, 573-574). Identifying as a narrow sectoral party, however, has had advantages. As Polish party politics consolidated around left and right electoral blocs, the PSL secured a successful niche between the two and a place in various governing coalitions (Batory and Sitter 2004, 528).¹⁹

In explaining the electoral success of the PSL in the countryside, observers have noted its organizational structure and local network ties throughout rural Poland.

Although the United Peasant Party was disbanded and some of those affiliated with it

¹⁹ In 2006, Self-Defence occupied this role by earning 11% of the vote and 56 seats in parliament and joining a right-wing coalition with the Law and Justice Party. See Jasiewicz and Jasiewicz-Betkiewicz (2007).

discredited for their association with the communist regime, the organization still enjoyed “extensive local networks” through volunteer fire brigades and other local associations that enabled the PSL to “funnel considerable material resources...under the guise of providing necessary local services.” This “clientelistic mobilization,” helped the PSL secure the support of rural voters (Grzymala-Busse 2002, 125). Another advantage was that rather than start an organization anew, former members of the United Peasant Party could simply indicate their willingness to “continue” as members of the PSL. Party membership in 1998 was 150,000. Although such numbers are likely inflated, it is still more than the reported total membership of the next four largest parties combined (Szczerbiak 2001b, 169). A more effective measure of party strength is the number of organizational units. According to data from the late 1990s, the PSL had party offices in each of Poland’s 49 provinces and local branches in 79% of rural communes, more than any other party (Szczerbiak 2001a, 575-576).

The PSL has also benefitted from a concerted effort to establish links with other social and cultural organizations, such as cooperative banks, farming organizations, volunteer fire brigades, local chapters of the rural youth association, and others. The PSL is also very active in organizing elections of its members to the local or commune council (Szczerbiak 2001b, 176, 185). Finally, the success of the PSL in elections has given the party access to state subventions that further enhance its organizational presence at the local level. After 1993, the party used its public campaign funds to help local chapters purchase the buildings that housed their headquarters. Another source of financial assistance comes from the parliamentary allowances intended to help elected officials provide constituency services. Although Polish law prohibits the use of these allowances for party finance, it is difficult to separate funds used for constituency work from local party activity. One analysis found that 49 provincial headquarters of the PSL were in the same building as the parliamentary office (two more shared the same phone number) (Szczerbiak 2001a 581-582).

Although the political and organizational successes of the PSL are impressive, the consequences for rural Poland or poverty reduction are far from clear. By some accounts, Polish farmers have been successful at defending their interests, perhaps more than their counterparts in other Eastern European countries. Every Polish farmer owning more than

.3 hectares of land qualifies for state support. The Agricultural Marketing Agency, the government agency responsible for price supports and an object of steady agitation, raised support prices in response to farmer protests on several occasions. According to OECD figures, quantitative measures of agricultural support were higher in Poland through the 1990s than in Bulgaria or Romania, two other transition countries with large agricultural sectors (Sharman 2003, 465). Between 1996 and 2001, agricultural policy expenditures nearly doubled, with farmer pensions (the Agricultural Social Security Fund) accounting for most of the increase (European Commission 2002, 27-28). Perhaps most important, the PSL is in a strong position to defend producer interests within the European Union, which it joined in 2004. As a member of a governing coalition, the PSL is usually rewarded with the agriculture ministry portfolio. This, in turn, assures that a PSL leader will sit on the important Agriculture and Fisheries Council of Ministers in Brussels and cast Poland's votes on various matters including those pertaining to the operation of the Common Agricultural Policy.²⁰

On the other hand, rural poverty rates in Poland remain among the highest in the region at 31%, with rural poverty contributing 58% of the total poor in Poland (World Bank 2006, 20). Moreover, unlike most of the countries in the region, poverty (rural and urban) has increased in Poland due to a combination of slow growth and rising inequality (Alam and others 2005, 54). This raises some important questions about whether a vibrant political movement in the Polish countryside has benefited rural populations broadly, or if the gains from policy victories are concentrated among the most prosperous farmers within the sector.

Democratic Consolidation and Agrarian Social Pacts

In each of the examples discussed above, political conditions figured prominently in the capacity for producers and their representatives to influence policy. Democratic transitions and the consolidation of multi-party politics generated opportunities for the emergence of an umbrella farm federation in Senegal, the "ruralization" of the power structure in India, and the establishment of a successful agrarian party in post-communist Poland. The reasons for this would appear to be twofold. First, the repression of rural

²⁰ Under the rules for qualified majority voting in the Council, Poland has 27 votes, which is the same as Spain and more than any other country except Germany, France, Italy, and the United Kingdom. A qualified majority is 232 votes out of a possible 321.

protest movements is much less likely in democratic states. Second, farmers are a valuable source of votes in systems with competitive elections. In exchange for rural political support, farm organizations can secure policy concessions in the form of higher support prices or increased budgetary allocations for agriculture.

Given the political roots of agrarian social pacts, recent trends in democratization would appear to be beneficial for farmers in countries at lower levels of structural transformation. Figure 6 indicates an impressive increase in the number of low and middle income countries holding competitive elections where the largest government party secured less than 75% of seats in the lower chamber.²¹ In 1975, India was the only low income country to hold competitive elections. In 2006, thirty-two low income countries held competitive, multi-party elections. Overall, the number of low and middle income countries holding competitive elections increased from 15 to 89 between 1975 and 1976. Although there are other, perhaps more important measures of democracy, party competition appears to be particularly important for agricultural policy and politics. Indeed, the continued power and influence of farmers in developed countries amid continuing declines in their numbers is clearly related to their electoral value as a political constituency. This is because, where farmers vote together they can potentially tip the scales between evenly balanced parties, or in the case of agrarian parties in systems with proportional representation they can play the role of kingmaker in forming a governing coalition.

But one cannot assume that farmers will vote together. Party affiliations can be built upon a number of competing and cross-cutting cleavages including region, race, gender, ethnicity, and religion. In India for example, democracy magnifies rural political power, as we have seen, but it also limits it by giving expression to parties organized around ethnic and religious cleavages (Varshney 1995). As Figure 7 illustrates, low income countries are the most divided along ethnic and linguistic lines.²² Moreover, ethnic and linguistic differences become less pronounced at higher levels of income (although religious differences are minimal).

²¹ These are countries with a GNI per capita less than \$11,116 in 2006. See footnote 7 for details.

²² These fractionalization scores capture the probability that two individuals will be of different ethnic, linguistic, or religious groups. See Alesina and others (2003).

Given the potential for social cleavages to shape partisan attachments, the history and development of producer organizations—cooperatives, farmer unions, and other forms of association—loom larger in the political development of agriculture. In addition to their role partnering with governments in the formation and implementation of policy, producer organizations can articulate agricultural interests in a manner that encourages farmers to identify as farmers. Such conditions may incline producers to conceive of their political selves in occupational terms, or perhaps attenuate the force of other social cleavages in shaping partisan attachments.

Conclusion: Agricultural Policy and Poverty Reduction Strategies

Agriculture across the developed and developing world shares certain commonalities. Farmers everywhere must cope with the vagaries of the market and the uncertainty of the weather. Producers may improve their conditions through cooperative efforts, but the obstacles to effective collective action will remain high. Governments will see benefits in working through farmer associations, cooperatives, and other producer organizations in their pursuit of agricultural policies, but only if a willing social partner can be found. Politicians and political parties will pursue farmers as a valuable source of votes, provided they operate in a context of competitive elections.

But agriculture is far from monolithic, and the unique experiences of individual countries make it difficult to draw generalizations, particularly when comparing countries at different levels of structural transformation. Agriculture does decline as a source of employment and in its contribution to national wealth as countries industrialize. Yet the paths countries follow may differ markedly, and agricultural employment may lag considerably behind the decline in the overall contribution of agriculture to the economy. Among those countries at lower levels of structural transformation, the position of agriculture may vary as well: in some countries agriculture continues to be a main source of growth and poverty, in others agriculture has declined but rural poverty stubbornly remains, in still other poor countries economic activity and poverty has become mostly industrial and urban.

Although the structural features of agriculture and its place in the larger economy are important for developing poverty reduction strategies, policy makers must also remain sensitive to the distinct historical legacies in each country that shape the

institutional and organizational context in which they work. In India, democratic politics shaped agricultural policies, which in turn shaped the organizational landscape of rural India. In Poland, the distinctive features of Polish communism laid the groundwork for a powerful agrarian party. In Senegal, French colonialism bequeathed a rural power structure that partly sheltered the countryside from the predatory inclinations of the state. These case studies illustrate how traditions of democratic politics, post-communist pathways, or the colonial past of a country matter for agricultural politics and policy. In particular, the distinct histories of each country influenced whether and how farmers came together to articulate their interests before the government.

However, the effects of these legacies and developments for poverty reduction are far from clear. This is because the effective articulation of agricultural interests, their incorporation in social partnerships with the state, or their expression in party platforms does not guarantee that policy outcomes will be equitably shared among farmers themselves. The example of price support policy is illustrative in this regard. As mentioned in the case of India, a switch to price supports from land reforms and other institutional policies facilitated rural collective action because it suppressed class cleavages between the landed and landless. However, the benefits of price support policies are not evenly distributed. Support policies raise the price per unit of a commodity. Thus, the amount of subsidy a farmer receives will depend on the total output: the more farmers produce, the more subsidies they receive. Consequently, the benefits of support policies will be concentrated among the largest farms.

Support policies also create incentives to increase yields through investments in capital-intensive inputs such as machinery, chemicals, or high-yield seeds. In developed countries, farmers often find themselves in a debt spiral as a result: to reap the benefits of government policies they must borrow to afford capital intensive inputs, which narrows the profit margin on their crop, which generates more pressures to increase yields, which requires them to borrow more money to purchase inputs. Because per unit subsidies disproportionately benefit larger producers, it is unlikely that smallholders will survive the debt spiral without finding sources of non-farm employment to supplement their incomes. Even then, many small farmers have left agriculture, unable to compete, their land consolidated into ever larger holdings.

Rural power structures reinforce these tendencies where the largest commercial farmers dominate agricultural organizations, and therefore enjoy a privileged position in the negotiation of programs and policies with the government. In this way, agrarian social pacts may accelerate the movement of labor out of agriculture and facilitate the transition toward a competitive, market-oriented sector. In some cases, this may be the stated purpose of agricultural policies. Such a transformation may even reduce rural poverty as marginal farms are consolidated into larger operations that substitute capital for labor in the production of agricultural commodities. Even then, however, the effects on poverty as a whole may be minimal. In the United States, the Great Migration of African-Americans from the agricultural South to the industrial North may have hastened the demise of sharecropping and other exploitive forms of tenant farming, but it also contributed to the rise of an urban underclass and pockets of deep poverty that still exist in American cities today (Lemann 1991).

The lesson of this is to remain attentive to the way power relations pervade policy decisions, even those that appear highly technocratic in their operation. In the case of agricultural policy, this recommends a policy process that is broadly representative of the diversity of production methods and scales within agriculture. Indeed, political scientists have long noted that broadening the scope of actors involved in policy decisions is the best way to insure that any benefits are distributed widely and that “the private interests most immediately involved shall not prevail (Schattschneider 1960, 38).” In the context of developing countries where a pro-urban bias in policy has long had stifling effects on agriculture, these insights point to the potential value of democratic politics for farmers and the cautious hope that the free and fair pursuit of rural votes may in fact give farmers a greater voice in the policies that affect them.

Table 1: Agriculture in the economy by income level

	Per Capita National Inc. (Current US\$)	Agric Share Employment (Percent)	Agriculture Share GDP (Percent)	Rural/Total Population (Percent)
Low Income	426	65	32	68
Lower Middle	1943	31	16	50
Upper Middle	5508	19	7	35
High Income	31340	5	3	23
All Countries	8439	33	16	47
N	162	161	147	161

Source: World Development Indicators, FAOSTAT

Table 2: Varieties of Agriculture and Development

	Per Capita Nat. Inc. (Cur. US\$)	Agric. Share Growth (Percent)	Rural/Total Poor (Percent)	Agriculture Share GDP (Percent)	Agric. Share Employment (Percent)
Agric. Based	705	37	75	29	62
Transforming	2589	11	76	14	41
Urbanized	3374	8	47	10	24
All Countries	1881	23	67	20	46
N	61	61	61	58	61

Source: World Development Indicators, FAOSTAT

Table 3: Poverty Rates by Place and Country Type

	Rural Poverty Rate	Urban Poverty Rate	Rural-Urban Ratio
Agriculture-Based	0.50	0.33	1.79
Transforming	0.41	0.20	2.45
Urbanized	0.44	0.28	1.72
All Countries	0.46	0.28	1.98
N	69	69	69

Source: World Development Indicators; FAOSTAT

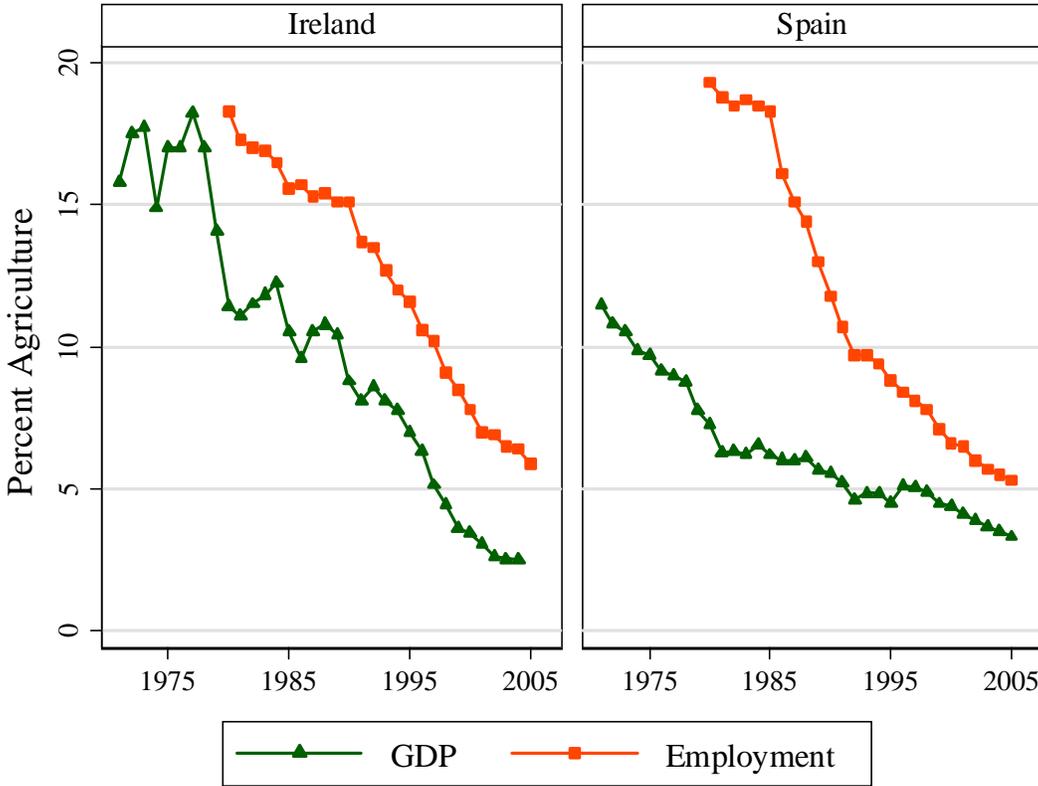
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Table 4: Rural Parties in the Database of Political Institutions

Country	Party	Date Founded
Australia	National Party of Australia	1916
Belarus	Agrarian Party of Belarus	1992
Bulgaria	Bulgarian Socialist Party/Allies	1990
Bulgaria	Union of Democratic Forces	1989
Croatia	Croatian Peasant Party	1904
Denmark	Liberal Party	1872
Estonia	Estonia Center Party	1991
Estonia	Moderates	1990
Finland	Finish Rural Party	1966
Finland	Center Party of Finland	1906
Hungary	Independent Smallholders	1988
Iceland	Progressive Party	1916
India	Lok Dal	1979
Latvia	Latvian Farmers Union	1994
Latvia	Union of Greens and Farmers	2002
Luxembourg	Christian Social People's Party	1914
Malaysia	Pan-Malaysian Islamic Party	1951
Norway	Center Party	1920
Poland	Polish Peasant Party	1989
Poland	Self-Defense	1993
Russia	Agrarian Party of Russia	1990
Slovakia	Movement for Democratic Slovakia	1991
Slovakia	Common Choice	1994
Sudan	Southern Sudanese Political Association	1986
Suriname	Party for National Unity	1947
Sweden	Center Party	1922
Turkey	Nationalist Movement Party	1969
Ukraine	Peasant's Party of Ukraine	1992

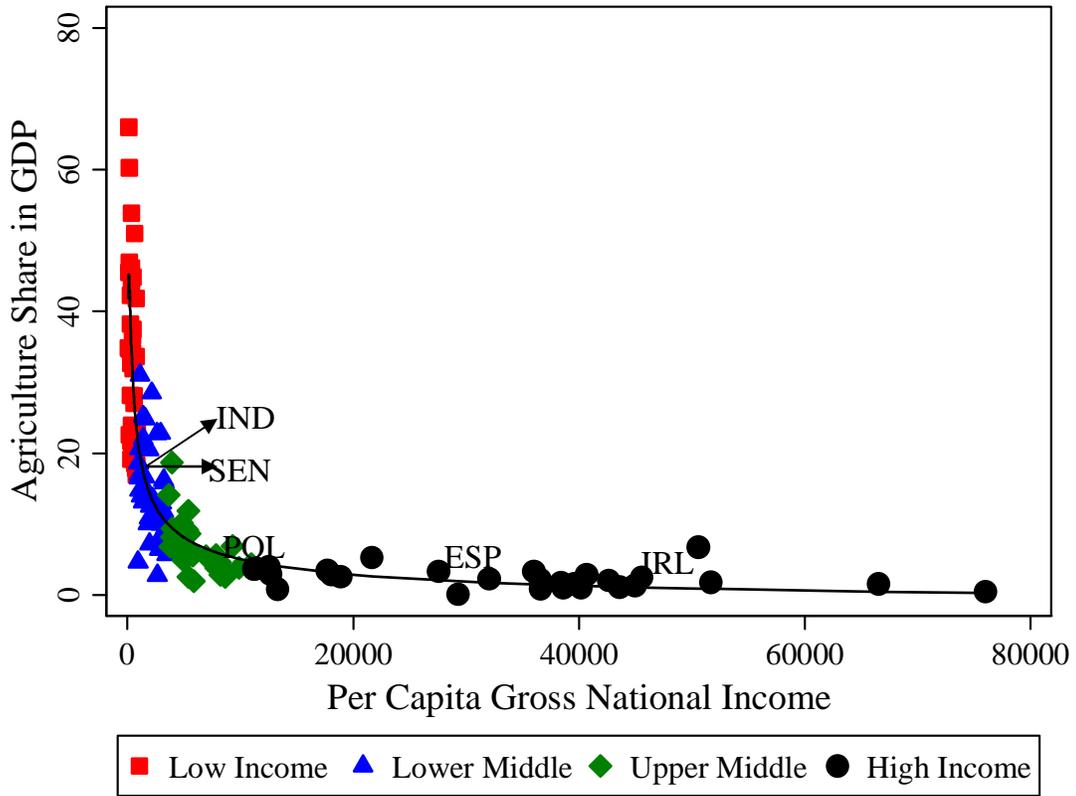
Source: Beck and others 2001.

Figure 1: Declining Role of Agriculture in Ireland and Spain



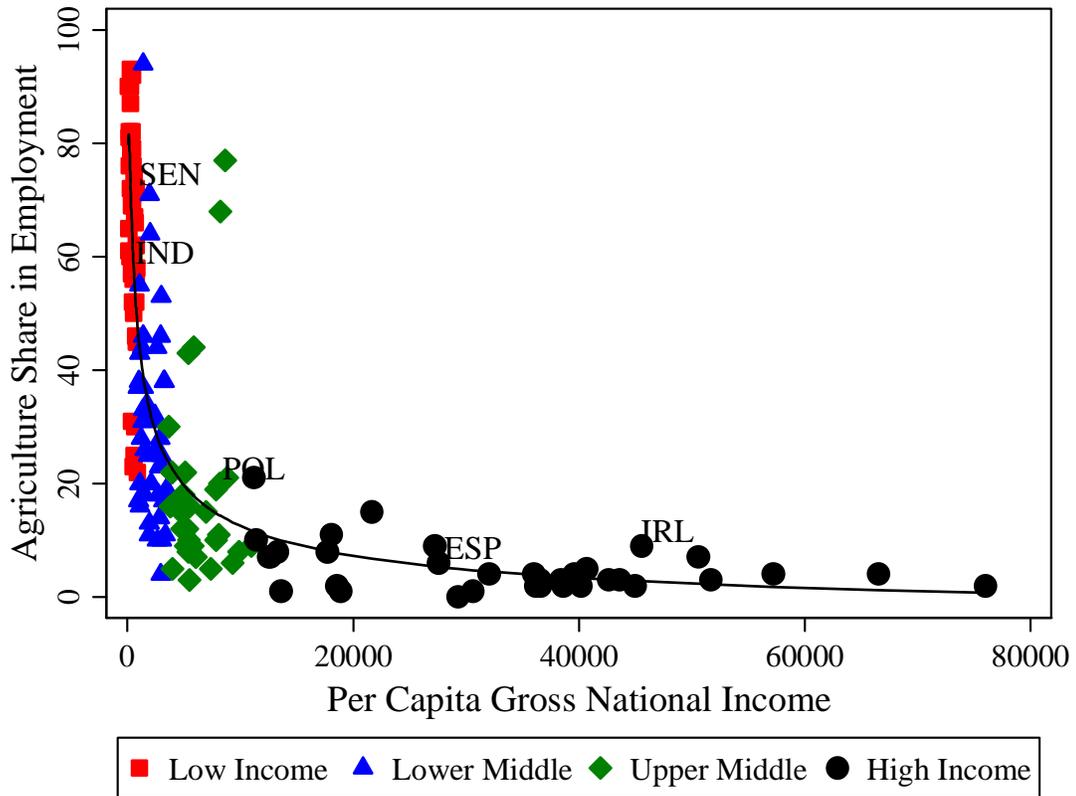
Source: World Development Indicators, FAOSTAT

Figure 2: Agriculture Share in GDP by Income Level



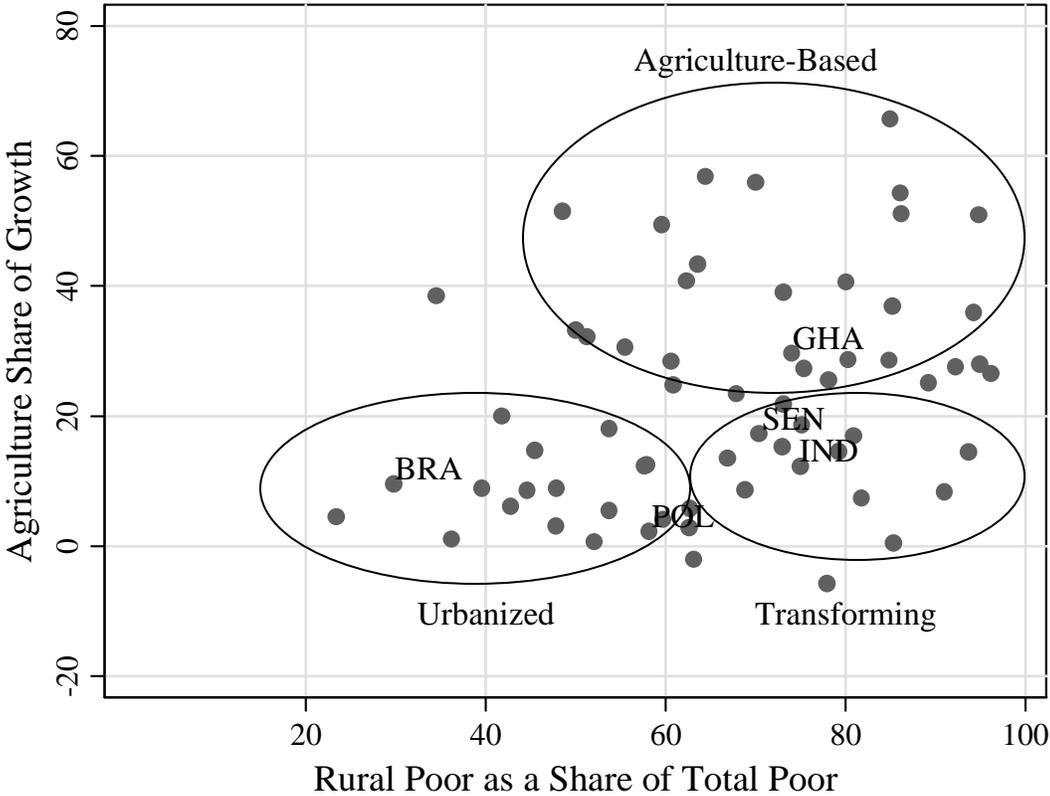
Source: World Development Indicators, FAOSTAT

Figure 3: Agriculture Share in Employment by Income Level



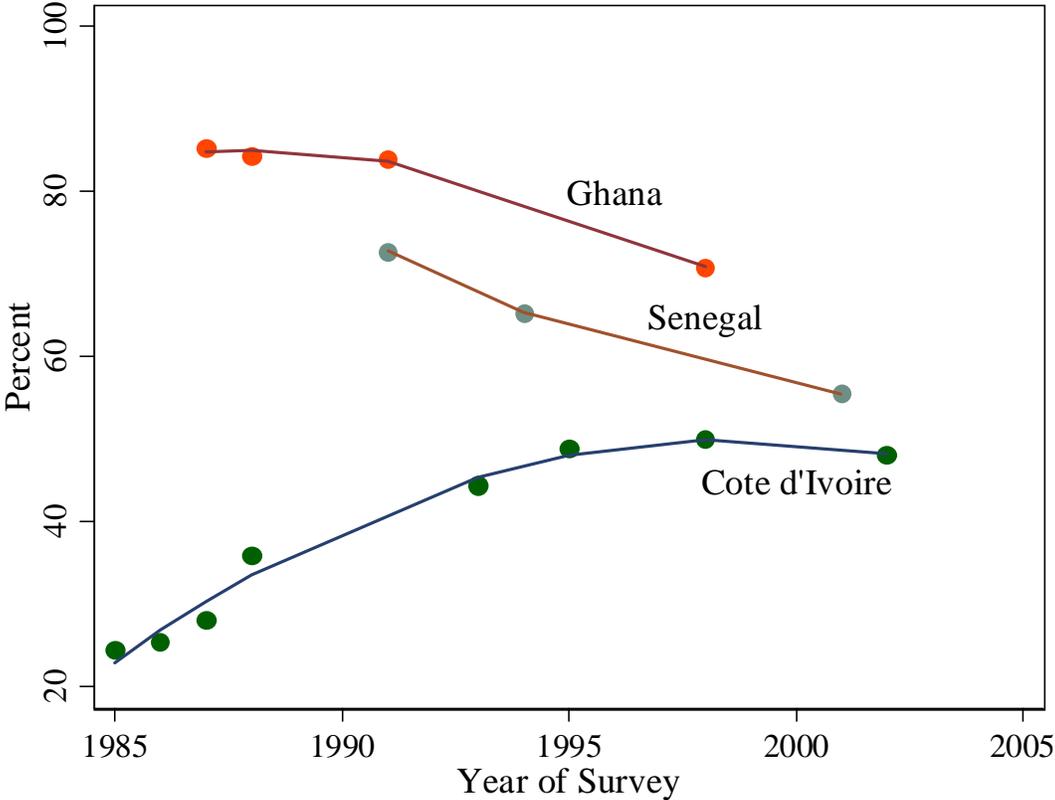
Source: World Development Indicators, FAOSTAT

Figure 4: Agricultural Growth and Rural Poverty



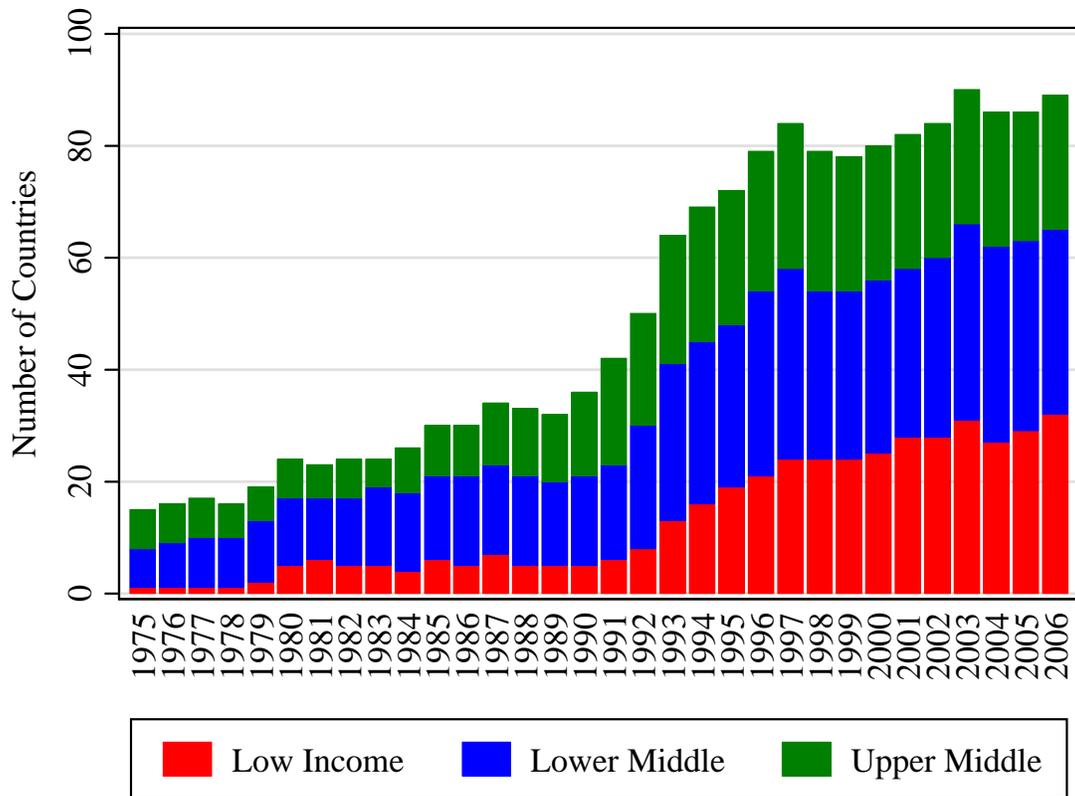
Source: World Development Indicators

Figure 5: Population Living below Poverty Line



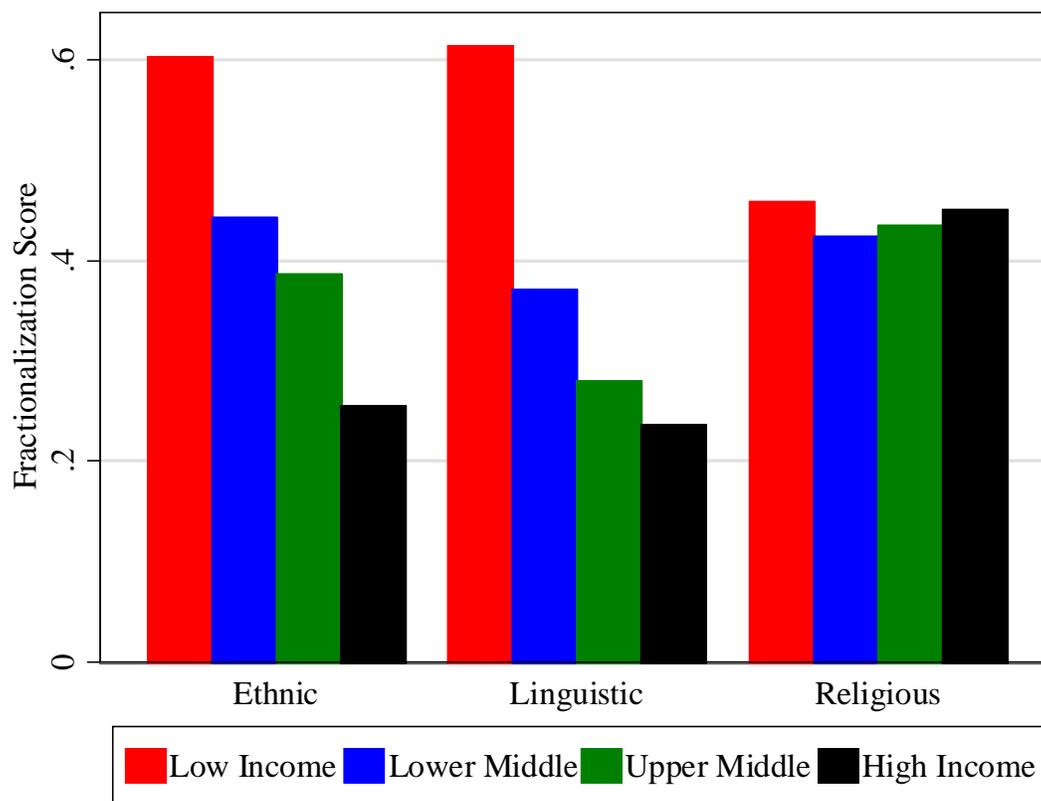
Source: PovcalNet; Poverty line is US\$2 per day at 1993 PPP

Figure 6: Competitive Elections in Low and Middle Income Countries



Source: Beck and other 2001

Figure 7: Fractionalization by Income Level



Source: Alesina and others 2003, World Development Indicators

Appendix: Rural Parties in Government and Opposition, 1976-2006

Country	Party	Main Government	Minor Government	Main Opposition	Minor Opposition
Australia	National Party of Australia		1976-1983		1984-1996
Belarus	Agrarian Party of Belarus	1997	1996		
Bulgaria	Bulgarian Socialist Party/Allies	1995-1996			
Bulgaria	Union of Democratic Forces	1997-2001			
Croatia	Croatian Peasant Party		1993-1995, 2000-2003		2004-2006
Denmark	Liberal Party		1979, 1983-1993	1995-2001	1977, 1982, 1994
Estonia	Estonia Center Party	1996-1999			2000-2001
Estonia	Moderates		1993-1999		2002-2003
Finland	Finish Rural Party				1976, 1978-1982
Finland	Center Party of Finland	1977, 1991-1995, 2003-2006	1976-1987	1988-2002	
Hungary	Independent Smallholders		1991-1994		1995-1998
Iceland	Progressive Party	1989-1991	1975-1978, 1980-1988, 1996-2006	1992-1995	
India	Lok Dal			1981	1982, 1984
Latvia	Latvian Farmers Union		1994-1995		
Latvia	Union of Greens and Farmers		2003-2006		
Luxembourg	Christian Social People's Party	1998-2006			
Malaysia	Pan-Malaysian Islamic Party			2000-2004	1979-1990
Norway	Center Party		1985-1986, 1990-2001, 2006	1994-1997	1975-1982, 1987-1989

Appendix: Cont.

Country	Party	Main Government	Minor Government	Main Opposition	Minor Opposition
Poland	Polish Peasant Party		1992-2005		2006
Poland	Self-Defense		2006		2002-2005
Russia	Agrarian Party of Russia		1995		1994, 1996-1999
Slovakia	Movement for Democratic Slovakia	1995-1998			
Slovakia	Common Choice			1995-1998	
Sudan	Southern Sudanese Political Association		1987-1989		
Suriname	Party for National Unity		1988-2000		
Sweden	Center Party	1977-1978, 1982	1980-1981, 1992-1994	1975	1979, 1983-1991, 1995-2002
Turkey	Nationalist Movement Party		2000-2002		
Ukraine	Peasant's Party of Ukraine		1995-2002		

Source: Beck and others 2001.

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