ELSEVIER

Food Policy 28 (2003) 405–419

FOOD POLICY

www.elsevier.com/locate/foodpol

Linking farmers to markets: different approaches to human capital development

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Abstract

Programs focused on developing community-level management skills and human capacity can increase the opportunities for small farmers to benefit from market participation. Using a framework that links the concepts of collective power and agricultural development, and drawing upon evidence from Mali, Mozambique, and Cameroon, the authors differentiate three types of approaches to capacity building. C*ontract/Business* programs such as out-grower and cash-crop schemes facilitate farmer access to goods and services required for production and marketing of a target commodity. *Project/Technology* programs, usually mediated by non-governmental organizations (NGOs), focus on the promotion of improved technology. *Process/Human Capacity* investments also facilitate technology adoption and marketing, but focus initially on the development of foundation skills and social capital, including assistance for collective self-help, literacy programs, marketing activities, and decentralized development planning. Although the latter programs tend to be slower in producing tangible results, the skills emphasized often determine the ability of a community to access inputs and market production beyond the life of a project.

Keywords: Farmers' associations; Markets; Agricultural inputs; Human capital development; Mali; Mozabique; Cameroon

Introduction

Other papers in this issue identify several promising public–private efforts to increase smallholder demand for, and access to, improved inputs. This paper focu-

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0306-9192/$ - see front matter
doi:10.1016/j.foodpol.2003.08.007

ses on a subset of these—efforts to group farmers into associations to improve accountability and reduce the transactions costs that frequently discourage rural traders, input suppliers, and output marketing companies from doing business with farmers. Approaches to group formation differ significantly in their attention to the development of community management skills and capacity. Such differences may determine the ability of rural communities to access and use inputs beyond the life of any particular project and their ability to fully participate in an increasingly global and commercialized rural economy.

To examine these issues, we develop a political economy framework that forges together concepts of collective power and agricultural development; we focus on how different economic and agricultural investments influence the development of rural human capital, particularly the capacity for marketing. Using examples from Mali, Mozambique and Cameroon, we explore how different types of economic investments influence the viability and sustainability of farmers' collective activities and their capacity to reduce input supply costs, improve access to credit and market commodities. The evidence is preliminary, but suggests that government and donor programs to build self-reliance and transfer a set of practical organizational and management skills can equip producer organizations with the capacity to initiate and sustain trade-based relationships with private sector firms and financial institutions.

Economics, politics and markets

Beginning in the 1980s, the World Bank and International Monetary Fund encouraged many sub-Saharan African governments to adopt a uniform set of fiscal and economic policies. These reforms commonly included measures to encourage greater private sector participation in agricultural marketing functions, the reduction or elimination of public subsidies for agricultural input and product marketing, and agricultural export diversification. These reforms also commonly called for governments to encourage new roles for NGOs and farmers' organizations to assume more responsibilities in agricultural production and marketing programs.

Getting government agencies out of the agricultural credit and input supply business, and dramatically reducing or eliminating agricultural subsidies were two of the earliest objectives of structural adjustment programs in sub-Saharan Africa. Non-governmental organizations (NGOs) have attempted to fill the gap by directly providing some micro-finance services in rural areas, but with very mixed results. Loan periods are generally too short and the amounts too small to be very useful for agricultural input investments. In some cases, NGO programs specifically targeted to rural smallholders may have jeopardized rather than stimulated capital accumulation and investment (Bingen et al., 1993). Such experiences suggest that governments should consider "a wider choice of delivery systems and institutional structures within which they provide financial services" (Kirkpatrick and Maimbo, 2002).

Many pre-existing farmers' organizations have also attempted to fill the gaps in government services. Although reforms have been implemented in a number of countries, the legacy of governmental paternalism has not been easy to shed. Ex-government cooperative officers are reluctant to turn over responsibilities to village-based groups; moreover, rarely do the reforms provide the means to assure that reformed cooperatives or organizations are not re-captured by the traditional village elite who benefited from the earlier system (see Holmén and Jirstrom, 1999). Furthermore, few, if any, reform programs have successfully addressed the endemic under-capitalization and limited management skills that have always threatened the viability of small farmer groups in sub-Saharan Africa (see Jämsén et al., 2000).

Donor-financed international and national NGOs have also assisted with the establishment of new farmers' organizations. Far too often these newly formed organizations become loose groupings of farmers created principally (and opportunistically) to gain access to production credit and supplies; they rarely continue when the donors shift their funding and program priorities.

The recent World Bank paper, *From Action to Impact: The Africa Region's Rural Strategy*, nicely summarizes conventional wisdom concerning the contribution of "voluntary producers' organizations" to rural development. As part of the "institutional foundation" of rural development,

> ...producers' organizations amplify the political voice of smallholder producers, reduce the costs of marketing of inputs and outputs, and provide a forum for members to share information, coordinate activities and make collective decisions. Producers' organizations create opportunities for producers to get more involved in value-adding activities such as input supply, credit, processing, marketing and distribution (World Bank, 2002: 16),

The acknowledgement that farmers' organizations might contribute to amplifying the political voice of small farmers is an important step forward in thinking about the complementarities between political power and markets.[1]

A political economy framework—the human capital dimension

In 1961, T.W. Schultz pointed out that investments in production techniques and technology required comparable investments in human capital in order to achieve agricultural development (Schultz, 1961).[2] Drawing in part from this observation,

[1] In Zambia, on the other hand, cooperatives have been used as a mechanism to distribute rural political goods. For several years, farmers could access fertilizer loans only if they registered with a cooperative often based at the closest polling station. The Ministry of Agriculture, Food and Fisheries changed its name in 2001 to Agriculture and Cooperatives, thereby signaling the continued importance of cooperatives in the government's agricultural and rural development policy.

[2] Arrow (1962) develops a model for examining the contribution of continuous improvements in learning by doing and learning from others to increases in productivity. We thank one of our anonymous reviewers for bringing this article to our attention.

training continues to be a central component of strategies to reinforce the managerial, financial, and negotiating capacities of farmers' organizations (Bosc et al., 2001). Furthermore, some argue that training contributes to the development of social capital that in turn is associated with cooperative problem solving and the creation of networks of organizations that might help small farmers protect their interests (Brown and Ashman, 1996). Nevertheless, as Tarrow (1996) suggests, the development of social capital cannot be dissociated from, nor does it occur independently from, the economic structure of society (also see Callon, 1998).

Building from Tarrow's observation, we assert that the opportunities for human and social capital development will depend upon the type of investment activities available to peasant farmers. To explain this approach, it is useful to schematize the context in which the development of farmers' organizations occurs.

Most African governments simultaneously pursue two parallel approaches to agricultural and rural development, each of which is based upon different types of investment and target groups. One approach fosters well-capitalized individual and/or corporate investment in individual farms, corporate plantations, outgrower programs and agricultural processing. These private and corporate investments commonly generate important foreign exchange earnings and they may provide significant off-farm employment opportunities for smaller farm households. In many countries, larger scale commercial farmers negotiate informal contracts to provide inputs and services to their smallholder neighbors. The political economy profile of the agricultural sector that results from this approach varies widely, but nevertheless constitutes an important part of government agricultural development strategies across the continent. Fostering relatively large-scale, individual or corporate capital investment contributes significantly to a country's agricultural domestic product, but the first-round direct benefits usually accrue to a small portion of the farming population in relatively better-endowed, more accessible areas.

Consequently, as a second approach, governments encourage projects supported by private investors, non-governmental organizations and international assistance agencies that specifically seek to serve the production and marketing needs of the majority of their agricultural populations—the smaller, poorer and more geographically isolated farmers. Most of these projects try to serve and/or involve peasant farmers through some type of organization both to reduce the costs of delivering services and to serve as a means for farmers to reduce or mitigate their risk (Weinberger and Jutting, 2000).

We argue that these development projects commonly focus on one of three types of agricultural investment, and that the nature of this investment influences the opportunities for farmers' organizations to develop the human and social capital necessary to become full actors in the market.[3] Each type of investment sets the

[3] This focus on the nature of the investment sharpens analysis of the relationship of farmer groups and markets by drawing attention to different opportunities for creating economic and policy-influence capacity. Cf. Stringfellow et al. (1997) and Coulter et al. (1999).

technological conditions and defines the institutional arrangements within which peasant farmers can make social and economic choices.

One of the key questions in examining these investments involves the extent to which farmers' organizations have the opportunity to develop their own public discourse that promotes grassroots democracy (see Brulle, 2000).

A typology of agricultural investments

Contract/Business interventions are profit-driven. They commonly include commodity-focused out-grower or other cash-crop production and marketing programs financed by private sector buyers of high-value agricultural products. Examples range from the national cotton production company (CMDT) in Mali to numerous tobacco, tea, fruit and vegetable out-grower schemes in eastern and southern Africa. Farmer and organizational capacity related to production and marketing requirements for the target commodity is developed and encouraged. Social capital development is not a priority; farmer-to-farmer relationships are valued for their instrumental contribution to the achievement of production and marketing objectives.

Farmer access to agricultural goods and services is facilitated according to the company's financial interests, e.g., if inputs are required for production of the target commodity (although some companies make inputs available for other crops at farmers' request). Farmers have limited opportunities for claim-making—usually through company-organized management committees—and challenges to company policies and procedures tend to occur through organized protests. The opportunity to influence agricultural and rural development policy may arise, but the issues addressed are limited to commodities that are part of the company's investment program.

Those cases where the private company's investment represents a collaborative relationship with government, e.g., to assure the production and export of a commodity generating foreign exchange, such as the national cotton companies throughout West Africa, will reflect what Habermas has called the "scientization of politics". These companies, often acting from a monopsonistic or oligopsonistic position, have the position and power to co-opt and marginalize farmer claim-making by removing some issues from public discussion on the grounds of their technical/economic nature (see Brulle, 2000).

Project/Technology-based activity focuses on the introduction or promotion of a new or improved technology or set of practices. Non-governmental organizations or other donor-funded projects usually mediate these investments. Despite some attention to farmers' organizations, those implementing these investment activities often limit farmer opportunities for problem-solving and define a continuing role for themselves as outside mediators, thereby creating a dependency relationship for farmers. While the organizations are community-based, the farmer participants usually do not internalize the organizational structure; local social relationships remain unchallenged. Farmer access to agricultural goods and services is defined by the "project". These projects commonly assume that farmers in a community have "shared interests" and that "participatory approaches" assure accountability and responsiveness. The question of influencing agricultural and rural development policy is usually mediated by outside agencies and thereby tends to limit farmer opportunities for social learning. In these relationships farmer organizations can easily become subordinated to or dependent upon the source of external funding.

Process/Human Capacity interventions concentrate on the development of human skills and social capital, including support for collective self-help capacity building. Usually managed by non-governmental organizations as part of donor-funded projects, these investments extend from literacy programs to support for marketing activities or popular participation in decentralized development planning. With these investments, learning is encouraged to deal with a broader set of actors and opportunities. The farmers internalize both the leadership and organizational structure. These types of investments encourage networking and the emergence of diverse, expanding and community-oriented activities that might result in changes to local social relationships as new economic opportunities arise. Access to agricultural goods and services tends to be demand driven as members of organizations identify their needs. While the possibilities for influencing rural development policy may be more open than those under other investment activities, some groups of producers may benefit more than others, and farmer negotiating power may be weak in the absence of a facilitative enabling environment.

Agricultural investments and their implications for human capital development—country experiences

This section draws on experiences with these three types of agricultural investments in several sub-Saharan countries to illustrate the different approaches to human capital development. We examine the implications of these investments for improving the capacity of farmers' to access agricultural inputs and marketing services, and for shaping the viability and sustainability of farmers' collective activities.

Contract/business

The "national companies". The "success stories" of the West African national cotton companies in promoting economic growth and laying the groundwork for grassroots political action over the past 40 years is now well-documented (see Bingen, 1998; Bassett, 2001). Beginning in the mid-1970s these companies slowly began to transfer various operational or functional responsibilities (e.g., preparing and distributing agricultural inputs and equipment orders) to village associations, and to provide these associations with the management skills required for these specific tasks. Functional literacy and numeracy programs assured that farmers had the skills to fulfill credit and marketing tasks and to keep account books. The companies relied on traditional village authority structures to organize the associations, but limited associations to one per village to simplify company purchasing, delivery and marketing procedures.

This arrangement accounted for a significant part of each cotton company's development "success". The companies could assure the supply of quality agricultural inputs and guarantee purchase of the harvested crop. Farmers were responsible for submitting their requests for equipment and supplies, distributing the inputs and managing credit repayment at harvest time. Moreover, the farmers who acquired basic literacy and accounting skills participated in regular training meetings with their counterparts from other cotton villages throughout the country.

In pursuing this efficiency-based approach to participation and training, the companies disregarded the longer-term consequences of intra-village socio-economic disparities. Equally important, they failed to recognize the slowly emerging contradiction between the farmers' rising expectations as development partners and the more constricted managerial view of the farmers' largely functional role in company operations. In Mali, this contradiction literally exploded in 1991 when farmers for the first time challenged the authority of the national cotton company (Bingen, 1994a). While this challenge led to the creation of a new consultative relationship between farmers and the Malian cotton company, serious unresolved issues led farmers to boycott and slash cotton production by 53% in 2000–2001. Negotiations continue between farmers and the company to resolve major differences.

The experience of another national cotton company, SODECOTON, in Cameroon and its program to "professionalize" cotton farmers illustrates a similar efficiency-based approach to participation and training (see Case 2 in Bosc et al., 2001: 57ff.). Through its Small Farm Development and Land Management (DPGT) project in north Cameroon, SODECOTON facilitates the transfer of specified activities to producer organizations and supports the establishment of a representative group of cotton producers, the *Organisation des Producteurs de Coton du Cameroun* (OPCC). While this business relationship between the national company and producers has helped to overcome common input supply and marketing problems that frequently plague development programs, it may be short-lived. As the two-year project came to a close in 2001, project personnel recognized the need for a broader institutional base from which the producer organizations could continue to evolve. The OPCC and its member organizations cannot pay the salaries of key project support personnel; this young organization still requires continuing advisory support that studies elsewhere in sub-Saharan Africa have shown to be critical to the long-term viability of farmer collective activities (e.g., Bingen and Rouse, 2002).

Agribusiness out-grower programs. Consistent with the privatization and market liberalization principles, many countries encourage private companies to launch out-grower schemes for the production and marketing, usually for export, of vegetables, cotton, tobacco and flowers. Depending upon the commodity and the company's investment strategy, these schemes vary in their field operations, in the different packages of agricultural inputs and services offered to farmers and in their marketing practices. Not unexpectedly, "good business" and turning a profit commonly defines how companies decide to organize their out-grower level activities.

Most companies focus on making the essential inputs and marketing services available in the most cost-effective manner.

Many of these companies organize their field operations through a system of agents (e.g., input distributors, purchasing agents or contact farmers), who group farmers to facilitate input distribution and marketing. Consistent with each company's policy, these agents operate independently in selecting farmers and setting the conditions under which farmers acquire inputs and market their produce. Some firms may allow their agents to mark up the cost of inputs in lieu of a commission on input sales or marketing. This could include the freedom for distributors to negotiate prices paid to farmers. Others pay their distributors a commission and set both the terms of credit and producer prices.

The "bottom line" reliance on distributorships and/or targeted technical training may be a short-term, cost-effective means for agribusinesses to make credit and marketing services available to small farmers. However, in the absence of contract enforcement provisions, and additional investments in the community that might create a loyalty to the company, these agribusiness out-grower schemes sometimes succumb to widely-recognized "side-selling" problems that compromise their economic viability as well as that of the farmers. To illustrate: in these new, relatively freewheeling privatized business climates, independent traders with cash-in-hand frequently can outmaneuver the company distributors early in the marketing season before the companies are able to recoup their marketing loans. These traders offer to buy from individual farmers before the companies can acquire the capital to finance their marketing campaigns. These offers respond to farmers' short-term and immediate need for cash. While this type of "side-selling" helps farmers to meet their short-term cash needs, it jeopardizes their ability to repay their loans to the company distributor. Companies then face the double problem of poor credit repayment and the inability to meet their marketing expectations; this erodes weakly capitalized companies and may lead to failure (FSRP, 2000).

Project/technology

The project/technology investment introduces improved technologies or practices. Non-governmental organizations or other donor-funded projects usually mediate these activities.

Both bilateral and multilateral donors readily fund NGOs to carry out such projects on the grounds that NGO-driven activities are operationally flexible, responsive and capable of promoting human capital development. Despite the international popularity of NGOs, most governments have only reluctantly accepted their role in rural development.[4] In Cameroon and Rwanda, for example, the legal status of NGOs remains unresolved. In addition, tensions and conflicts

[4] For a discussion of the performance of NGOs in promoting agricultural and rural development in Africa, see White and Eicher (1999).

between NGOs and government agricultural services over funding and personnel issues continue to be less than constructive. Furthermore, the services supplied by NGOs depend largely upon funding from donor agencies. Finally, there has been little assessment of how NGO-mediated investments shape human capital development and provide the basis for sustainable development.

Evidence from Zambia suggests that NGO-mediated projects represent an important source of agricultural goods and services for small farmers. After 10 years, World Vision International in Zambia is transferring responsibility for its agricultural credit program to local communities with the expectation that it will become a viable, self-sustaining credit activity. Similarly, a government-NGO seed multiplication program (the MDSP, Multiplication and Distribution of Seed and Improved Planting Material Project) has developed the capacity of small-scale farmers to produce quality seed as the basis for promoting community food security. The project provides input credit, technical training and supervision to mostly women farmers who are interested in multiplying improved varieties of cassava, beans, groundnuts, finger millet and sorghum. The farmers are affiliated with a district seed growers association and their success allows them to employ paid staff.

NGO programs play a similarly important role as a source of agricultural supplies in Rwanda. Throughout the country farmer associations have access to seeds, fertilizer, and pesticides through different NGO programs. Discussions with farmers indicate that as long as the NGO or donor projects are active, the farmers are satisfied with this NGO-mediated supply system. Only a handful of associations report difficulties in obtaining adequate input supplies (due to limited availability or poor credit repayment). Furthermore, farmers have confidence in the quality of the NGO-supplied inputs. It appears, however, that neither the NGO nor the donor projects have established a means for assuring supply continuity beyond the life of their projects. Consequently, when a project ends, the most frequent demand received by every district-based government agronomist is for help in getting agricultural inputs.

Operationally, the "marketing assistance" provided through these types of NGO efforts covers each step in the marketing chain—estimating the volume each producer has available, aggregating the volume over the number of producers, finding a trader interested in buying, negotiating the price and quality specifications, assembling the product for the delivery date and quantity agreed, collecting payment, paying farmers and retaining a small margin for the group to cover its expenses. In some cases in Rwanda, for example, the projects may include some management training to complement specific activities such as operating an input supply depot. But only rarely do farmers receive additional training that might help improve their overall organizational and management skills or in capacity-building skills such as basic problem-solving and conflict resolution that could help them learn how to operate as independent economic actors.

An overly generalized perspective of uniformity among small farmers presents a more profound challenge for the use of the project/technology investment model to improve the capacity for small farmers to improve their access to agricultural supplies and markets. Village wealth-ranking studies in Senegal and Zambia show the importance of taking time to understand village socio-economic differentiation and its influence on collective action. In both countries, exploratory wealth-ranking exercises led villagers to distinguish from three to five distinct economic classes within their villages. Based on somewhat similar, composite sets of criteria (e.g., access to cash, family labor, secure year-long household food stocks, etc.), different classes of villagers participate in village-level collective activities for different reasons and with a different effect on the contribution of these collective activities to successful input supply and marketing programs. As found in Senegal, the largest number of village participants in group input supply and marketing programs tended to be those who also confronted the most difficulty in repaying production loans because of labor and land constraints. Consequently, these types of investments regularly faced serious operational difficulties that jeopardized their longer-term contribution to local development.

Moreover, the meaning of *membership* in a village-level group is ambiguous. When "belonging" to a group is the only way to access particular inputs or to participate in identified marketing activities, then membership or adherence becomes largely instrumental. This could be characterized as "shallow membership" in which the notion of commitment to or involvement in a collective activity does not apply. This creates a relatively passive relationship between the membership and the leadership, with most of the latter representing the traditional village power structure. Furthermore, this passivity extends to perpetuating the exclusion of an independent space and role for women to express themselves or assume responsibility in collective activities related to input supply and marketing.

Finally, one of the most challenging dilemmas raised by this type of investment arises from the ways in which it stimulates a focus on individual member benefits at the expense of developing a "solidarity ethic" or foundation for continued collective action as a means to meet needs. In Rwanda for example, most associations have branched into a variety of individualized income-generating activities such as grain milling, brick making, lumbering, carpentry, sewing and soap making. Consequently, these associations either do not generate significant collective income or the collective earnings are divided among the members in order to meet jointly agreed-upon, but largely individualized needs such as, purchasing goats, cattle, or cloth. Members of associations speak highly of the individual benefits of "membership," but rarely refer to the development of a collective ability to identify and deal with problems.

Process/human capacity

These projects, as with those emphasizing technology, are usually mediated by NGOs, but they are distinguished by their commitment to develop organizational and individual capacity building as the foundation for all other activities. This investment approach can complement contract/business investment activities or operate as a "stand alone" development program. A central outcome of this type of investment is grassroots resilience; farmers and households acquire a critical capacity to think their way through, and overcome, previously accepted "constraints" as a basis for continued livelihood renewal.[5]

Starting in the mid-1980s, CLUSA[6] was one of the first organizations to pursue this investment strategy in West and East Africa. In Mali, CLUSA worked closely with a parastatal development organization, the *Office de la Haute Vallée du Niger,* to strengthen and re-enforce self-managed and financially viable village associations. The goal was to enable farmers to realize their own capacity to make their own decisions as they moved from semi-subsistence livelihoods to those incorporating commercial agriculture opportunities. Similar to a Frierian approach, CLUSA made its skill and "business training" contingent upon the acquisition of literacy and numeracy skills in the local language. Once these skills were in place, CLUSA helped groups acquire the basic management training that enabled groups to become responsible for negotiating their own production credit loans and for directly purchasing their own agricultural supplies and equipment. With this training, and with facilitative support from CLUSA, villagers then lobbied the Malian Development Bank to accept loan requests prepared in the Bambara language instead of French. Based on their successes in these negotiations, many villages moved on to organize local stores, pharmacies and health facilities (Bingen, 1994b; also see Kelly, 2000).[7]

CLUSA's work in Mozambique expands on this approach and illustrates its success independent of an affiliation with another type of investment program. Since 1996, CLUSA has been working in two provinces to help self-established farmers' organizations improve their access to markets and financial services. The core of the CLUSA approach involves a two- to three-year process of capacity building, business management training, functional literacy and numeracy training, as well as more specific training dealing with agricultural commodity brokering. Rather than promote the production of a specific commodity or the adoption of a specific production practice, the objective of the CLUSA approach is to enable farmers to make their own decisions, to invest their own resources and to resolve their own problems (see Dorsey and Muchanga, 1999).

Key elements of this type of investment include: decentralized field staff that are able to work directly with farmers in their villages; group responsibility for all decisions; and leadership accountability and transparency. A two-step process has been equally important in creating opportunities for empowerment. First, experiential training focuses on practical skills needed to undertake the activities identified by the farmers; on-site coaching and support to ensure mastery and to build self-

[5] The principles underlying this type of investment derive from Paulo Friere's "conscientization" in which literacy is used as the basis to help villagers discover the validity and power of their worldviews in order to define their own development priorities and activities instead of those identified by "external" agencies and actors.

[6] This is the acronym for the Cooperative League of the United States of America that is used in sub-Saharan Africa to refer to the NCBA, the National Cooperative Business Association.

[7] In Senegal, the West Africa Rural Foundation, FRAO, supports similar programs run by national NGOs.

confidence follow all classroom instruction. Second, farmer groups follow a step-wise process through a series of meetings and training sessions that help them learn how to monitor their contracts with agribusiness, and to oversee input and output marketing.

This approach clearly shows the efficacy of working through groups as conduits for training and information. It has also shown how poor farmers and rural groups are fully capable of analyzing their own problems. Perhaps most important, the investment in people has created the local capacity for renewal through member-owned groups that are financially and managerially capable of continued independent operation to provide their own identified services and interact with the market. It remains unclear whether this approach more effectively deals with the issue of "elite capture".

The Economic Expansion in Outlying Areas (EEOA) program in Zambia represents one variation of this type of investment. It provides specific extension advice to farmers who decide to establish crop-based "interest groups" and to small businesses that form comparable groups for processing or marketing activities. Preliminary discussions with members of some of these farmer and entrepreneur groups (many of which have existed for only about two years) suggest that members are successfully applying their newly learned business skills. In at least one instance—a women's bean group—the members are pushing EEOA to move beyond the project's initial objectives and to support the establishment of a demonstration research plot to test different bean varieties for growing and cooking qualities.

INADES-Formation offers another variation through its focus on farmers' capacity building in West and Central Africa. Similar to CLUSA, the INADES program helps farmers' organizations to develop their own long-term vision and action-research. Farmers develop their own capacity to purchase fertilizer and equipment, obtain production credit, and sell their produce. In some countries, INADES has also helped farmers to establish a regional-level committee of government, farmer, commercial and NGO representatives to regularly review government production and marketing support policy and programs.

Conclusions

The underlying concern for decentralized and participatory decision-making processes that create, strengthen and delegate power and economic responsibility to local and village organizations is not new. This was a central message of the 1979 Peasant's Charter at the World Conference on Agrarian Reform and Rural Development and again at the 1992 Rio Earth Summit. Since the 1980s this message has evolved to include concerns over the opportunities for, and constraints on, farmer organizations to assume responsibility for input and product marketing in response to economic liberalization and globalization (see Mercoiret, 1990; Serageldin and Noel, 1990; Bosc et al., 2001). Similarly, the *World Development Report 2000/2001* recognized that "voicelessness and powerlessness are key dimensions of poverty", and it calls for efforts that "reduce obstacles to collective action and … the creation of powerful coalitions for rapid development" (World Bank, 2000). Nevertheless, with 24 sub-Saharan countries facing per capita incomes that are lower today than they were after the first wave of electoral democracy in the early 1990s, perhaps it is opportune to re-examine how we look at popular power and agricultural development.

In this paper we have identified the importance of examining the extent to which different types of investments influence the capacity of farmers' organizations to make their own social and economic choices and thereby become full actors in the market.

With the contract/business type of investment the opportunity to influence agricultural and rural development policy may arise, but the issues tend to be limited to specific commodities or products that are part of a company's investment program. In this case, democratic conditions that create opportunities for negotiation are essential for farmers to become part of the main stream business and civil society. Without such conditions, there might be little incentive or pressure for companies to accommodate to farmer demands.

With the process/technology type of investment non-governmental organizations or various types of donor-funded projects frequently limit the opportunities to develop farmer capacity for problem-solving and tend to define a continuing role for themselves as outside mediators. Farmer access to agricultural goods and services is limited and is often subordinated to, or dependent upon, the source of external funding.

The investment in process/human capacity requires a long-term and focused commitment to develop human skills and social capital, including support for collective self-help capacity building. In contrast to technology-driven efforts, this type of investment values and encourages learning in order to deal with a broader set of actors and market opportunities. Based on this investment, access to agricultural goods and services tends to be demand driven as farmers play a key role in identifying their needs, and in capitalizing and managing their organizations.

Promoting capacity building requires a long-term commitment and a willingness to emphasize less easily observed and more qualitative program outputs, and not the more commonly used indicators such as market transaction costs or sales volume. As this paper suggests, some programs may lead to more efficient market transactions in the short run. In the long term, only an investment in process/human capacity will enable farmers to function as independent economic and political actors. This implies that governments and donors should revise their evaluation methods to account for the broader developmental impacts of process/human capacity programs.

Rethinking the different ways in which farmers get organized for the market could contribute to the challenging platform of the New Partnership for Africa's Development (NEPAD). This platform embraces two powerfully linked goals. First, it acknowledges that economic development through improved agricultural performance goes together with the adoption of democratic participatory and decentralized processes. Second, NEPAD recognizes that human development is central to designing these processes and thereby assuring the bond between political and economic development. In response to this new platform perhaps some of the observations in this article will stimulate more thinking about ways of joining our previously separate considerations of the economics and politics of agricultural and rural development.

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