

Economy, Environment and Exploitation (EEE)

The political economy of poverty and wealth in Africa

1. Background

Africa is “the land of our civilization and of rich natural resources” as well as the land of the most perplexing issues of our time: slavery, famine, refugees, ethnic conflict, repressive and lethargic systems of governance.” (Veit *et al.* 1998: 1). Both counts are true. The thinking behind so-called Afro-pessimism includes the perception of hopelessness and tragedy that seems to pervade the continent despite the years of international support. The spotlight has foremost been on natural and man-made disasters resulting in poverty, famine, civil strife and corrupt regimes.

However, a careful analysis of African countries destroys this myth of bankruptcy. Historical and micro-survey evidence as well as standard data from international organizations support less pessimistic conclusions (see Sender 1999). For example, in the areas of life expectancy, infancy death, female literacy, female secondary schooling, access to drinking water, access to communications infrastructure, production of electricity, and networks of transport and power, substantial improvements can be observed. Africa also realizes fast growth rates in the production of food crops, and growth rates for some of the newer, higher-value commodities produced in agricultural sector have even been faster. And the agricultural workforce in Africa has achieved significant productivity gains.

Thinking about development in Africa therefore requires holding at least two sets of ideas in one’s head at the same time. It is not sufficient to stress the ubiquity of failure, malnutrition, disease, predatory states and war, to become overwhelmed by revulsion in the face of misery still experienced by so many Africans. In addition, one must also recognize that some important aspects of the lives of millions of ordinary people have been transformed over the last five decades, which shows that Africa has great strengths, both human and material, that justifies a greater interest on the part of public and private investors in its economy and its people. It is on the basis of a clear perception of the complexity and unevenness of all these processes, as well as a critical analysis of the consequences of (economic) policies in the past, that politically realistic development strategies can be formulated (Bernstein 1990, Kilby 2003, Sender 1999).

In the period 2002-2006, the former ASC theme group Economy, Ecology and Exclusion (EEE) intended to contribute to a better perception on development processes in Sub-Saharan Africa by focussing on the question of ‘access’: access to resources (factors of production, products, services) and to institutions (in its broadest meaning) through which resources are allocated. The opportunities available to rural and urban people to command resources are a major determinant of poverty or wealth rates among people. Research questions that ‘guided’ many of the EEE research projects conducted from 2002 until 2006 were: Why do some actors have access to certain resources while others do not? Under what circumstances and conditions (economic, ecological, political, legal,

social and cultural) and by what mechanisms (decision-making processes) do some actors become excluded from certain resources (lost access) whereas others do not or may even become better off (acquired access)? And what does this mean for people's struggle for survival and their attempts to escape from poverty? Topics of research included the field of coastal ecology, fisheries, urban agriculture, livestock keeping, plantation economics, labour markets, eco-tourism, maize marketing, social security arrangements, and food insecurity. The research projects departed from different disciplinary backgrounds and have been conducted among different societies and communities in Kenya, Tanzania, Uganda, Malawi, Chad, Mali, South Africa and Mozambique. Both rural and urban studies have been conducted as well as studies on agricultural and non-agricultural sectors. The results can be found in a wide range of publications¹ and a collaborative publication presents the main findings of the previous programme in one volume (Rutten, Leliveld & Foeken 2007).

Also for the period 2007-2011 the question of access will continue to be the main orientation in the EEE research programme. The above questions are as relevant in African daily realities today as they have been five years ago and need our continuous attention. However, lessons learnt from the previous programme and changing realities on the African continent create new challenges and ask for reorientation in relation to the central research theme. In the new EEE research programme *The Political Economy of Poverty and Wealth in Africa* this reorientation will be twofold: analytically and thematically. Analytically, the political economy paradigm will be adopted in research projects with the ambition to present a critical and integrated analysis of processes of impoverishment and accumulation in African societies and confront this analysis with those rooted in the sustainable livelihoods approach or neo-classical and neo-institutional economics (see Section 2). The thematic reorientation in the new research programme will be in line with new realities that can be observed in many African societies. Firstly, there will be more attention for the role of markets in the allocation of and access to resources. And secondly, new realities in Africa ask for a growing attention for water as the most crucial natural resource besides land.

The analytical and thematic reorientations have led to a new name for the Theme Group EEE: 'Economy, Environment and Exploitation', and to the formulation of three research domains (see Section 3). The central question of the new research programme is: how do the process of continued commoditization and the related changes in social relations of production affect people's access to resources and the institutions and relations through which these resources are provided, and how does this, in turn, define their constraints and opportunities for wealth accumulation? Therewith the research programme goes beyond an analysis of only the causes and consequences of poverty by also addressing the question how ordinary people in Africa become rich. In the sections below the research programme will be further explained.

¹ See the ASC website: <http://www.ascleiden.nl/Research/Researchers.aspx>

2. Theoretical perspective

In the previous EEE research programme the concept of sustainable livelihoods and the analytical framework it embodies were important tools to explore questions on access to resources and describe and analyse empirical findings. Though the livelihoods approach still has great empirical strength and appeal, and suits the multidisciplinary research done by the theme group, the main analytical deficiencies of this approach in relation to the above questions have also become clear. For example, the livelihood approach does not allow for an adequate analysis of the links between micro, meso and macro conditions and developments, extremely important for understanding questions of access. The problem is rooted in the orientation of the livelihoods approach on the individual actor, and less on forms of collective action and behaviour, (market and non-market) institutions, power relations, networks, and so on, which traditionally have been far more the focus of attention in institutional economics and various schools of thought within political economy.

Another major deficiency of the livelihood approach is the lack of analytical clarity of one of its central concepts, 'capital', and 'social capital' in particular (see Fine 2002). To economists 'capital' is a factor of production and refers to a stock that can be quantitatively measured. Though not the prime intention, many advocates of the livelihood approach have copied this definition to areas where quantitative measurement rather hides than reveals. 'Counting capitals' has become much of the empirical work within the livelihoods approach instead of doing qualitative research to analyse the structure and functioning of social and economic institutions and to observe the concrete dynamics of social change in particular local settings (Hewitt de Alcantara 1993; Fine 2002). While the latter was surely intended by the founding fathers of the livelihood approach, few of the followers have applied the livelihoods approach in this sense. Recent livelihood studies seem to divert from its original broader perspective that included the political and economic global structures affecting people's lives in remote Africa to a rather limited analysis of households.

Although the deficiencies are acknowledged by scholars in the field (see, for instance, Brons *et al.* 2006; de Haan & Zoomers 2005), these gaps in the livelihoods approach seem to prevent an adequate interpretation of micro data in the wider meso and macro context. This, in turn, prevents the formulation of a comprehensive view 'from below' on processes of impoverishment and wealth accumulation in African societies, and access to resources in particular. Such a view is highly needed, because the development debate on Africa is increasingly dominated (again) by neo-Weberian schools of thought (Big Man Syndrome, neo-patrimonialism) and schools of development such as modernization theory and take-off models.

In its new research programme the EEE theme group intends to overcome some of the major shortcomings of the livelihoods approach by applying the political economy paradigm. If economics is the study of the optimal use of scarce resources, political economy begins with the political nature of decision-making and is concerned with how politics affect economic choices in a society. Society should be defined broadly to include not only countries or other such jurisdictions, but also firms, social groups, or

other organizations. From Adam Smith's *Wealth of Nations* in 1776 until at least John Stuart Mill's *Principles of Political Economy* in 1848, what we now call "economics" was in fact generally referred to as "political economy". With the division of economics and political science into distinct disciplines, economists abstracted from political and institutional factors. In the twentieth century mainly development economists and scientists in other disciplines (notably geography) continued to stress the importance of political factors. Off late political economy has gained importance as exemplified in numerous articles and conferences.

The "new political economy" is not, however, just a resurrection of an earlier approach to economics or Marxist schools of thought once popular in the 1970s and early 1980s. Though characterized by a strong interest in the question of how politics affect economic outcomes, the new political economy is defined more by its way of approaching this question. Questions of power and authority are relevant only when there is heterogeneity of interests, that is, a conflict of interests between economic actors in a society. How then does a society make collective policy decisions that affect it as a whole when individual members have conflicting interests? How do individuals, classes, or groups within a larger society gain power or authority to attempt to have the societal choice reflect their preferred course of action? Heterogeneity and conflict of interests are essential to new political economy and are the organising principles of the field.

The political economy paradigm will guide the EEE research into establishing how different players within society gain access to and exploit resources. However, the theme group will need to address in detail the diversity of a number of complementary or competing schools of thought such as political ecology, ecology of disequilibrium, livelihood approach, 'small farmer' model, and so on. The recent revival of the debate on development theory, especially in relation to Africa, puts a new challenge (see, for instance, Chabal & Daloz 1999; Sachs 2005; van der Veen 2004). The new research programme is an opportunity to investigate the robustness and the pitfalls of the neo-Weberian schools of thought (Big Man Syndrome, neo-patrimonialism) and of developmentalism such as modernisation theory and take-off models. A political economy approach embedded or enforced in a historical and cultural sociology is considered to be a stronger framework for analysing and explaining African realities. It is not that the search should be for a grand theory or general model of explanation; rather, a road map is needed that guides empirical research to ensure that a trap of pre-determined 'tunnel visions' - that tend to strengthen certain perspectives at the cost of others, either due to lack of specific expertise of the individual researcher or because of purposely avoiding potential explanatory factors - result into unwelcome research outcomes.

The EEE research programme departs from the idea that continued commoditization and related changes in social relations of production constitute the central dynamic process in a wide range of African societies, despite important variations in the specific features of this process (see Sender & Smith 1986). In the colonial and postcolonial history of Africa, natural resources, products, services, and labour have become increasingly commoditized, that is, an exchange value is determined for which the resources can be transacted. If this exchange value is expressed in money, the process of commoditization

allows for an increasing number of resources to be transacted and allocated through the market. Under colonialism, markets for cash crops, food and labour developed rapidly, as a result of, in most cases, a forced process of specialization and division of labour. And the massive development of market activity that accompanied urbanization and (relative) modernization over the last four decades has gone largely unnoticed. Ironically, one could argue that Sub-Saharan Africa today is more market oriented than many advanced countries where much of the allocation takes place within large firms or public entities (Fafchamps 2004: 4). Another reason why African countries qualify as 'market economies' is the overwhelming number of Africans who are entrepreneurs. The percentage of Africans who are self-employed and head their own firm or farm is much larger than in developed countries (Fafchamps 2004: 5). Except in South Africa, permanent salaried workers represent a small fraction of the total workforce.

In political economy, changes in social relations of production are both a cause and an effect of market development and integration, so that transformations of the markets for land, labour, basic wage goods (food), financial products (credit, insurance, savings), exported and other "cash" crops, and so on, can be associated with the changing social and political relationships between African people and those in the OECD countries. Where political economy in the past tended to discuss general trends and use aggregates, the new political economy has – based on solid empirical work - incorporated context, diversity and locality into these discussions to be better able to capture the complex dynamics of market development. This is done by examining the role of the state, the economy and globalisation in shaping processes of socio-economic change and, at the same time, analysing the multiple, contested and overlapping practices and negotiations that take place, given that market development and market integration are far from complete in African realities. Two research domains have been defined in which these issues by means of case studies will be further explored and analysed: 'The political economy of market development and integration' and 'The political economy of natural resource use and access' (see Sections 3.2 and 3.3).

An overview of the three main research domains to be conducted within this theoretical framework will allow the final research output to make a contribution to macro-economic and international trade policy debates relevant to Africa, as well as to recommend sub-sector-specific policy interventions (for example on poverty alleviation, wealth creation, export crop development, or rural financial products).

3. Research domains

In the new research programme three main research domains are defined, which together cover the questions addressed above and which take account of context, diversity and locality alongside aggregation and generalization, to be better able to capture the complex dynamics of market development, what this means for people's access to resources, and for their poverty or wealth status.

3.1 Towards an integrated understanding of (African) development theories

- *Researchers:* Marleen Dekker, Jan Kees van Donge, André Leliveld, Marcel Rutten, John Sender

Quite apart from more detailed studies on specific markets and resources (see Sections 3.2 and 3.3), the ambition in this research domain is to develop a bird's eye view of social and economic development in Africa and the operation and dynamics of markets in Africa in particular, and how these are related to national and international policies and developments. Thus, the detailed studies need to be embedded in and contribute to a more precise view on (market) development and integration in Africa. To arrive at such a precise view a good historical record of developments in selected countries is needed. The aim is to explain how systems of economic, political, and social relationships shape (market) development and integration, the range of processes affecting (market) development and integration, and the factors which may cause changes within them. An analysis of the historical role of the state is indispensable in this respect as well as attention for innovative public-private initiatives on market development and integration in Africa, and for the role of multilateral and bilateral donors.

To attain the above objectives EEE researchers will participate in a five years project, *Tracking Development*, which aims to contribute to an understanding of the key factors explaining success and failure in the creation of wealth in developing countries. The project aims to seek answers to the question of why Southeast Asia and Sub-Saharan Africa have diverged so sharply in development performance in the last 50 years. The developmental records of a number of case study countries will be compared in detail, establishing the main trends, processes, and junctures of decision-making. The project also aims to give decision-makers in the study countries - including influential figures in business and civil society as well as politicians and administrators - the opportunity to explain what strategic decisions they made, and why, during the five decades spanning 1950-2000. In these ways the *Tracking Development* project seeks to help reintegrate African and Southeast Asian discourses on development in ways that (a) have practical relevance for poverty alleviation and development cooperation, (b) represent the views of African and Southeast Asian actors themselves, and (c) contribute directly to research capacity building in both regions. EEE researchers will join the international research team composed of African, Asian and European colleagues in an effort to compare four groups of countries (Kenya-Malaysia, Uganda-Cambodia, Tanzania-Vietnam, Nigeria-Indonesia) in their development trajectories.

In this research domain there will also be attention for the development of the African private sector, which according to many should become the main engine for growth. To promote economic growth and revitalize the private sector in Africa, new public-private initiatives are promoted, which are generally referred to as 'Spatial Development Initiatives', 'Development Corridors' or 'Source-Market Chains'. These initiatives are built upon ideas that also underlie, for instance, the Euro-regions in Europe, the 'Tex-Mex' cross-border region in North America, and the growth triangles in Southeast Asia. In Africa the Maputo corridor is the most famous example (see Soderbaum & Taylor 2004). The key idea is to stimulate economic growth by creating globally competitive

spatial entities through new investment, infrastructural development and job creation. These initiatives should crowd in private investment in order to, so the official discourse goes, unlock inherent economic potential in a specific spatial location. The basic task is to use existing regional frameworks and/or construct new ones to formulate a certain geographic space by which the existing economies can be developed and diversified (Söderbaum & Taylor 2003). The importance of the corridor concept is embraced by, for instance, the Economic Commission for Africa (see ECA 2003, 2005) and the International Conference of the Great Lakes Region, a grouping of 11 countries seeking a lasting solution for this troubled area. In the latter case the corridor concept is not just an economic concept but touches upon issues of good governance and long-lasting peace as well (see ICGLR 2005). The EEE theme group is in the process of developing a research project on development corridors in partnership with the Dutch government and other stakeholders.

Developments in Africa cannot be analysed without an adequate analysis of the role of multilateral and bilateral donor countries as well. Donors are quick to ascribe failures in (market) development to the incapacity of the recipient state or country concerned, rather than blaming the quality of aid policy design and implementation (see Sender 1999). A critical analysis of the role of donors is therefore needed to understand policies regarding social and economic development and integration. EEE researchers will join this discussion through, for example, participation in aid evaluations or policy relevant research projects such as Tracking Development. In addition EEE researchers will devote time to critically assess and follow key political and economic developments that impact on African society (e.g., processes of democratisation, NEPAD, migration and remittances by the African Diaspora to their home countries, debt relief, exploitation of oil, etc).

3.2 The political economy of market development and integration

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The time is not far that African economies were widely thought to escape the rule of the market and were idealized as gift economies or pre-capitalist collectivism. But markets in Africa have a much longer history than often is assumed (see, for example, Bohannon & Dalton 1962, Sender and Smith 1986). During the last century, the market principle has conquered African economies, a process supported by the international financial institutions and bilateral donors as well (see World Bank 1981, 2002). Today many African economies would easily qualify as 'market economies' (Fafchamps 2004). This qualification does seem to have, however, a different meaning in the African context than in the OECD countries. The (few) available empirical studies suggest that millions of people in Africa live on the fringe of markets, caught up in a very chaotic and contradictory process of incorporation into developing political and economic systems which make new demands on allegiances and resources, and wreak havoc with their life.

The market comes in conjunction with very complex political forces, creating opportunities for some and grave dangers for the livelihood of others. It affects social relations throughout communities, kin groups and families. And the very incompleteness of market integration, whether for commodities or labour or land, implies the existence of extraordinarily and much varied survival strategies, altered with great frequency (see, for example, Hewitt de Alcantara 1993 (ed.); Perry 2000; Ponte 2002; Sender & Smith 1986; Tiffen 2003; Woodhouse 2002).

How to study these complex configurations then? In economic studies on markets in Africa, the term 'market' has basically been applied in accordance with the principles of neoclassical economics, which leads to an extremely stylised and formalistic analysis of how markets in Africa work.² More recently, the application of neo-institutional economics - an offshoot of neoclassical economics - has allowed for a more diversified portrayal of markets across African economies by including the notion of market failures to explain incomplete market development and integration.³ (see Fafchamps 2004). But as Bernstein (1990) observes, a double abstraction is manifested in this type of analysis: firstly, the abstraction of exchange from the totality of relations of production and power, and secondly, a substitution of an overarching ideological conception of the market for the analytical, empirical investigation of 'actually existing' markets, how they are produced by specific historical patterns of commoditization and how they work. With such an analysis African market realities would continue to be under-researched and continue to be an unexamined 'black box'.

Given incomplete market development and integration and in order to understand the role of markets in people's access to resources, non-market configurations for resource allocation (gift exchange, redistribution) - and their intertwining with market configurations - should be analysed as well. We need to study markets not as these are hypothesised to function in neoclassical economics, but as it is substantiated (to use Karl Polanyi's term) or made operative through the interaction of real social groups. Markets are culturally and politically specific institutions. Societies have different histories and values. The balance of power among major groups within each country is particular, and principal players adhere to historically specific rules of the political game. A varying degree of vulnerability to external forces (or capacity for external alliance) affects the capacity to manoeuvre in innumerable concrete cases. All this makes for distinct allocative priorities and forms of regulation, and thus for qualitatively different 'real markets' (Hewitt de Alcantara 1993). The physical setting of certain regions, the crops they produce and the foods they consume, their social and political history and current status within national development projects or struggles all affect the actual existing market structure. There is, for example, often a network of micro-markets in which local power structures define the terms of trade as well as the channels through which

² In neoclassical economics, the market is a resource allocation mechanism based on prices, determined by impersonal forces of demand and supply (Mwabu & Thorbecke 2003). This feature contrasts markets with the two other possible allocation mechanisms, gift exchange and hierarchies (see Polanyi *et al.* 1957).

³ Market failures draw the attention to the role of institutions, which include not only organizations as the state, firms and households but also include rules and regulations, law enforcement systems, property rights, systems of land tenure, norms of behaviour, traditions and customs.

resources pass from lower to higher levels in the economy. And market development has different consequences for different groups of people. Within households it may change the structure of rights and obligations for men and women. The incompleteness of market integration (whether for commodities or land or labour) leads to much varied survival strategies.

A political economy perspective can provide a powerful framework for analysis to capture the complex dynamics of real markets in Africa and what this means for people's access to resources, because it goes beyond the strict boundaries of traditional disciplinary divides and aims at explaining how systems of economic, political, and social relationships shape rural societies, the range of processes affecting these systems, and the factors which may cause changes within them (see Harriss 1983; Ponte 2002). The central question of research domain 'The political economy of markets' will be how incomplete market development and integration is related to non-market configurations for the same resource, and what this means for social relations of production through which people have access to a particular resource and for people's opportunities and prospects to escape from poverty. Therewith, the position of people is considered not just in terms of the standard quantitative measures of poverty and vulnerability, but is also investigated by considering changes over time in their bargaining power, "voice", or real political opportunities.

The approach outlined above will be used to analyze two market configurations: markets for high value export commodities with a focus on the effects on wage labour conditions, and markets for financial services with a focus on insurance products. Both projects build upon previous research of the EEE theme group. The ASC has a long tradition of research on food and export crops markets. This research is continued under the new programme. The well-being of a great number of people in Africa depends on their involvement – as direct producers and/or wage workers – in international trade in agricultural commodities. In addition, large numbers of other rural Africans survive by providing food and services to those engaged in producing agricultural export commodities. In particular, there has been little attempt to explore rigorously the impact of rapidly changing market trends and different institutional arrangements (in production and marketing) on the lives of people who depend for their survival on wage employment. The fact that internationally traded agricultural commodities such as coffee, flower, or horticultural products, depend on access to markets for wage labour inputs has, until very recently, been neglected. The forms, levels and conditions of wage employment in agricultural commodity production vary enormously, not only between neighbouring plantations/agribusinesses, but also between contiguous smallholder producers. Instead, where wages and working conditions have been found to be inadequate and to discriminate against women, supermarkets and other foreign agents in the supply chain have been blamed for imposing undue pressure on farmers.

To fill the research gap above, EEE researchers will participate in an international research project, which will investigate the impact of fair trade schemes, relative to non-fair trade schemes, on the wages and working conditions of those people employed (as permanent, seasonal or casual labourers) on farms producing coffee in Ethiopia, Kenya

and Uganda. The study is an example of and representative for a broader research gap in research on market development and integration in Africa. It is increasingly recognised that there is far too little empirical knowledge about the labour market dimensions of rural poverty and poverty reduction. Further, much of the wage labour employed in agriculture is female labour. It is widely acknowledged that the majority of the poorest rural people are women and girls. Given that wage employment may offer important opportunities for poverty reducing remuneration to women, but that the conditions of employment are often pitiful, an important emphasis in this empirical research will be on casual, seasonal female employment. There are further issues that require research. For example, the fair trade movement appears to focus on particular commodities, often so-called traditional commodities. Thus, the most dynamic sub-sectors in rural Africa, including floriculture and luxury, off-season horticultural products have received relatively less attention from fair trade advocates. EEE researchers, together with UK based and African scholars, intend to investigate the possibilities for extending above research to these products as well.

The second study in research domain two will concentrate on the market for insurance products. An increasing amount of theoretical and empirical work, including work by EEE members, has been published on how people in Africa deal with income and consumption shocks in the absence of public safety nets and fully-developed financial markets. A general conclusion drawn from these studies is that the effectiveness of people's individual and collective efforts to deal with risks and uncertainties is limited and gradually eroding. In international policy circles the vulnerability of the poor has only recently been recognized as a major problem and as an obstacle to improving living standards. This policy shift has revived a discussion on the role of markets for financial services to protect people – and in particular the poor – against hardship. Until recently, the development of financial markets and the provision of financial services to households have been mainly understood in terms of enhancing income generation. The role of financial services in providing safety nets for people has largely been neglected. Examples include supporting self-insurance via savings, assisting income or consumption risk management by providing access to credit, supporting community-based risk-sharing, and encouraging the introduction of insurance products tailored to poverty contexts.

The policy neglect is reflected in research gaps as well. For example, most of the research on financial services markets in Africa, including research on microfinance, investigate the income generating effects of (micro-)financial services, but have little attention for the vulnerability reducing aspects. There is also little known about people's access to new emerging (micro-)insurance services, and the extent to which initiatives in the field really do help people to cope with risks and uncertainties better than in the past. A new EEE research project intends to contribute to answers to this question by pursuing a better understanding of the impact of new financial products – provided through emerging financial markets and other means – on the ways people deal with risks and shocks and how this influences their vulnerability. Particular attention will be paid to the relationships between international and national insurance markets and local or community-based non-market configurations of insurance and how developments in the

market sector influence the operation and dynamics in the non-market sector. The study will be located in Uganda, but may extend to other countries as well.

3.3 *The political economy of access to natural resources*

- *Researchers:* Dick Foeken, Jan Hoorweg, Wijnand Klaver, Samuel O. Owuor, Marcel Rutten

The question of access to natural resources has been one of the major research themes of the ASC, also in the previous research programme. The focus was primarily on access to land. Also in the new programme land will continue to receive attention, the more so because land is increasingly commoditized in Africa and can be an interesting case therefore to understand the intertwining between market and non-market configurations for land allocations and land use and how this affects access to land and accumulation processes.

However, even more crucial for Africa's economic growth and environmental well-being will be the availability of water. In 2002 the Global Environment Outlook (GEO-3) - a grouping of research institutes coordinated by UNEP - provided an overview in *The State of the Environment 1972-2002* of eight key environmental issues (land, forests, fresh water, biodiversity, atmosphere, coastal and marine, disasters, urban areas) for the seven major regions in the world. The longest list, both compared to other environmental issues as in relation to other continents, is the one on water for Africa. It states under this heading the following key issues: variability of water resources, water stress and scarcity, access to safe water and sanitation, deteriorating water quality, and wetlands loss. In addition it mentions under other captions: floods, drought (disasters, atmosphere), water supply and sanitation (urban areas), climate change and sea level rise (atmosphere, coastal and marine). Indeed data available for the availability of fresh water world wide shows a rapid decrease for all continents, in particular for people in Africa, both in rural and urban settings. By the year 2025, at least 48 countries are expected to face water shortages. Not less than 22 of these countries are in Sub-Saharan Africa. Per capita supply at country level is often low, and continued population growth will constantly reduce that supply as water resources are fixed. However, political, economic and institutional factors can and often do lead to water deprivation even where overall water resources are plentiful.

Still, water will be needed in Africa, for both consumptive as well as productive purposes. Access to clean water (and sanitation) has therefore been earmarked as the most crucial resource for life and productive asset both in agriculture and industry. At the same time water is thought to be both the trigger for new wars (some claim it already is), as well as reason for countries and groups to come together and prevent conflicts.⁴ Strong tendencies can be observed in several African countries towards the commoditization of water. In times of scarcity, access to water in relation to market and non-market configurations, and what this means for people's access and their poverty or wealth status become important questions.

⁴ According to the United Nations Third World Water Forum held in Japan from 17 – 21 March 2003, the future flash points for conflict could be the river basins upon which millions of people depend for drinking water, irrigation and energy, unless countries take action to implement sustainable water resource-sharing strategies.

Above developments have triggered the international and national policy arenas. The United Nations declared 2003 as the International Year of Freshwater. The latest Human Development Report is entirely devoted to water (UNDP 2006). All eight Millennium Development Goals are directly or indirectly related to (access to) water (ibid.). The integral role of water in international development has also been recognised over the last two decades with several international agreements specifying targets on water supply and sanitation dating back to the United Nations Children's Fund (UNICEF) 1980 International Water Supply and Sanitation Decade (IWSSD). In 1996, the World Bank teamed up with various United Nations agencies, states (Sweden and the Netherlands in particular) and private corporations (Suez-Lyonnaise des Eaux) to organise two major initiatives in this field: the foundation of the World Water Council (WWC), and the launching of the Global Water Partnership (GWP). WWC developed a common world vision on water-related issues and GWP aims to stimulate private-public partnerships on water-saving resource policies.⁵ Policy makers in water issues are also increasingly shifting their attention to Africa. Since September 2001 the Africa Water Task Force has been put in place to help African water stakeholders focus the world's attention on African water issues. The World Summit on Sustainable Development, held in Johannesburg 2002, created two new fully institutionalised Pan-African entities 'African Ministers' Council on Water (AMCOW) and the African Water Facility.

So, all in all, it is rather recent that water has been put prominently on the international policy agenda. In (academic) research water in Africa has been an important topic for decades, but was mainly concentrating on issues related to water management and engineering (irrigation, dams, and so on). In development studies research on water is still in an infant stage. Many research gaps exist. For instance, relatively little is known about a number of key aspects of (domestic) water use. In particular, knowledge is scarce about the long-term trends and changes in household water use in any part of the world, as most studies have been limited to one season or one year. Because of the lack of good baseline information, there are few longitudinal or repeat studies to be found.⁶ Moreover, where studies have attempted to examine changes over time, they have tended to be limited in their geographic scope. There is also a lack of quality information about water use in rural areas. Among the regions of the world, both of these research gaps are most acute for Sub-Saharan Africa- the region whose population is the most rural and has the least access to improved water supply (Thompson 2001).⁷

The ASC intends to play a role in filling in these gaps. Based on research projects carried out in the last five years or so, the EEE theme group has built some expertise on water, both in a rural context ("shallow wells") and in an urban context (Nakuru Urban Agriculture Project). For the coming period, the intention is to partly continue with existing research and to develop new research. EEE researchers will concentrate on three

⁵ In January 1999 the WWC created the World Commission on Water in the 21st Century (see WWC 1999).

⁶ An exception is the Drawers of Water research programme, conducted in 1966-68 and 1997-2001 (see J. Thompson *et al.* (eds.) (2001).

⁷ See, for example, A. Dinar's *The political economy of water pricing reforms* (World Bank, 2000) that only addresses these issues for Europe, Latin America and Asia.

major issues with respect to water in Africa: water markets (both urban and rural), affordable water sources (shallow wells), and systems of allocation of water rights. Questions to be posed are: Is water under new privatisation schemes provided in a sustainable and reliable way? Are people willing to pay more to get a safe and continuous water supply? Can the poor afford to purchase water or are they reverting to poor water supplies (roof, pond etc.)? Are alternatives put in place (boreholes, shallow wells) a reliable alternative? Do water alternatives improve agricultural productivity and subsequently nutrition for poor people? Has this changed the role of women in society? How do various activities and user groups claim water rights?

The themes of water markets and allocation systems for water rights will be addressed in a newly to develop EEE project entitled *Poverty and sustainable use of urban water resources*. The research project focuses especially on the (urban) poor. The project builds on an earlier EEE research project on urban agriculture in Nakuru in Kenya (see Foeken 2006), both in terms of findings (water was shown to be a major input for urban agriculture) and in terms of approach (different aspects or perspectives combined in one research project). To explore and investigate the relevant issues at stake in such a study, the so-called 'water chain' approach will be applied: by following water from its source to its 'end', issues like water storage, water management, water distribution, water consumption (by households, institutions, industries, agriculture), waste water disposal, water rights, legislation related to water, and so on, will be investigated. Because of its scale, the intention is to develop this programme in close collaboration with one or more local academic partners and with local water-sector stakeholders. Ideally, the programme should not only be pioneering from an academic point of view but problem-solving as well.

Like in all other EEE research projects the prevailing analytical framework will be the political economy approach. Issues like water distribution, water management, water rights, and so on, are all about political decision-making. Water in urban settings is also increasingly becoming a commodity (e.g. privatisation of public water providers, provision of water by private sellers); hence, water markets play an increasingly important role in the distribution and consumption of water in African cities and towns. This process of commoditization should be analyzed within the broader context of and brought into relation to changing social relations of production, as will be done in the other 'market studies' as well. Besides political economy, the livelihood approach remains important, particularly where it concerns questions of access to water resources among households and individuals.

The theme of affordable water sources will be picked up by revisiting the "improved shallow wells" project, which was an action-oriented research project conducted by one of the EEE-affiliated researchers from Africa in the late 1980s to early 1990s. The intention is to use this unique data set, and revisit a considerable number of improved shallow wells in semi-arid Kajiado District, Kenya, and test some of the claims made that these wells have created a cheap and sustainable alternative to boreholes and as such have been responsible for a significant improvement in the well-being of settled pastoralists.

Collaboration has been sought with the same African researcher in preparation of this longitudinal survey project.

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