Moving strategic actors for inclusive development in Africa

POLICY PUBLICATION

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This paper summarizes the synthesis study on 'Strategic actors for inclusive development' conducted by the INCLUDE Secretariat. The synthesis study was based on the NWO-WOTRO programme 'Research for inclusive development in Africa' (RIDSSA) and presents the key findings of the five research projects in the Strategic Actors-programme: Inclusive business strategies in Africa, Barriers to Batwa inclusion in Rwanda, Informal workers' political leverage, Agricultural partnerships, and Economic empowerment and sex work. The full synthesis can be found here.

Africa's fast-growing population urgently needs the employability of youth to be strengthened, labour markets to be opened up for young people, and millions of new jobs to be created. Such a major economic transformation requires inclusive and long-term development policies. But who is paving the way for such policies and what is needed to overcome the political constraints on inclusive development? Effectuating change implies encouraging *strategic actors* to push for such policies and aligning those actors who do not (yet) possess the political influence to do so. Providing Africa's youth with long-term prospects, also means ensuring their political and social inclusion and empowerment.

More than fifty percent of the global population growth between now and 2050 is expected to take place in Africa (UNPF). Millions of new jobs will have to be created annually in order to absorb all these new entrants to the labour market. But even though African economies are growing, many people, especially youth, are jobless or struggling to get by while working in the informal sector. Growth can be made inclusive only when sufficient jobs of high quality and productivity are created and when people have access to basic services such as education and social protection schemes. This is a major challenge, which calls for *strategic actors* to team up and push for change. But who are these strategic actors? And how can they be encouraged to push for such policies? And what are the challenges and constraints that they face in doing so?

Who are the ones breaking barriers?

Inclusive development policies are often formulated, but seldom effectively implemented. This is largely due to underlying power structures, for those in power too often benefit from maintaining the status quo. According to INCLUDE's *Strategic Actors* synthesis, actors can be strategic in two ways. First of all, actors are

strategic when they have *formal* decision-making power, such as governments, or when they have the power to *influence* decision making, for example because they have the resources to do so, such as the private sector.

Box 1. Unusual strategic actors
Are marginalized groups, and the organizations that represent them, strategic actors? They have neither the formal nor influential power to push for change, but, when organized and aligned with actors that do exercise power, they can influence decision making. For example: the 'Informal workers political leverage' project found that to improve the position of informal workers, informal workers' organizations need to function as hubs supporting collective action, instead of representative organizations. The workers have needs – like having a leaking roof repaired or access to credit – and CSOs and NGOs need to engage with these priorities to improve the workers position.

Second, actors can also be strategic when they have the legitimacy to influence policy making, albeit not necessarily the power to do so, such as civil society organizations (CSOs) (see Box 1).

It is important to identify whether actors have the *intention* to pursue inclusive development. Even though governments or private sector actors might have the power to drive change, their actions are not always primarily aimed at long-term inclusive development, but rather at short-term gains. Many governments in Sub-Saharan Africa are more willing to invest in sectors that create immediate revenue streams for the state, such as commodity exports, than sectors that create a maximum number of jobs. The same goes for companies, as their commercial interests are not always aligned with local interests. It is, therefore, important to encourage these actors to promote and implement inclusive development policies. At the same time, other actors with the intention to promote inclusive development can lack formal power to do so. The key challenge is to link these actors to actors with formal decision-making power (see Box 1).

Balancing interests and incentives for a successful outcome

Even though actors might be strategic, it is often unlikely that inclusive development is at the top of their list. To encourage actors who do not have an immediate intention to promote inclusive development, it is often a matter of balancing interests and finding the right incentives to get the preferred inclusive outcome.

Any inclusive development intervention requires a thorough analysis of power structures and incentives.

For example, the 'Agricultural partnerships' project found that, as the export-based cocoa value chain in Ghana provides direct benefits to the government, it plays an active role in creating and maintaining partnerships in this sector. However, such export-based partnerships tend to score low in terms of the inclusion of smallholder farmers. What is more,

Box 2. An inclusive business model with an inclusive outcome: the success of M-Pesa
The research project 'Inclusive business strategies in Africa' has praised M-Pesa, a mobile banking service launched in 2007 by Kenya's largest telecom provider Safaricom (teaming up with Vodafone) , as a good example of a business initiative deliberately created to enhance financial inclusion. By enabling citizens to save, transfer and borrow money through simple SMS-based technology, the initiative has created high social value.

although government participation is important for coordination purposes, the government is less likely to engage in partnerships that are specifically aimed at the inclusion of smallholder farmers, for which the commercial benefits tend to be lower. The same applies to the private sector, which, despite having the power to influence policy, often does not have political, institutional or social change as a primary or secondary goal. Examples of successful inclusive business models with an inclusive outcome (see Box 2) are there, but scarce.

Common challenges and constraints

Research from the five research projects revealed many common challenges that actors encounter when pushing for inclusive development. For many actors in Sub-Saharan Africa, strategic or not, lack of financial resources is a major constraint on effectuating change. It limits young entrepreneurs starting a business and farmers from modernizing through better technology. Furthermore, actors that potentially have the power or legitimacy to effectuate change, such as state authorities and NGO representatives, often lack sufficient knowledge of the needs of marginalized groups, and companies and company employees, at their turn, often lack the skills to actually implement inclusive business models. Finally, mistrust is an important constraint among actors that are considered powerless, such as marginalized groups, but also among actors that do have the power to change, such as private companies. The five research projects also talk about less tangible constraints that affect marginalized groups, such as stigmatization and the framing of marginalized groups (see Box 3).

Box 3. Unintentionally stigmatizing marginalized groups
Stigmatization and the framing of marginalized groups have a major influence and should not be overlooked. They can often render action for inclusive development unsuccessful or even counterproductive. In the case of sex workers in Kenya, stigma can make them avoid health care services because of fear of being punished (for example, for possessing condoms). In the case of the research project on Batwa inclusion in Rwanda, framing proved to be counterproductive in engaging the central government. International NGOs refer to the Batwa community as indigenous people, even though the Batwa communities do not see themselves as indigenous. However, this label has been adopted by a local organization that represents the Batwa. This, in its turn, makes the Rwandan government wary of engaging with this organization, as the indigenous narrative is seen as a threat to Rwandan unity after the civil war of the 1990s.

How can we make inclusive development work?

Change can happen, and even be driven by actors with no formal decision-making power, when the right alliances are formed between actors and institutions. Building alliances, where there is sufficient trust between partners and in which marginalized groups are included and treated as equal partners, is, therefore, key to success. In order for these alliances to work, the specific needs of marginalized groups and communities should be taken into account.

But, most importantly, success depends on several factors coming together in the right place at the right time. Context matters and this demands creativity, much more context-specific knowledge, and the ability to adapt strategies and policies when required by the political-economic situation. Inclusive political processes are important, but not always necessary nor sufficient for inclusive outcomes. Change can take place as a result of exclusive governance systems, while inclusive governance processes can likewise prevent more widespread change. This means that rather than questioning what is missing in a country's governance profile, it is better to ask questions such as: which conditions have induced improvements? How can such conditions be replicated or stimulated in a specific country? Thus, effectuating inclusive development requires addressing the underlying power structures that keep inequality intact. This involves examining the interests and incentives of the actors driving the change, the coalitions they build to facilitate it and by whom these are supported. As stressed in INCLUDE's *Strategic Actors* synthesis, in order for inclusive development strategies to work, iterative approaches and 'learning-by-doing', have to become much more acceptable in the development field.