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The income-labour nexus as the dominant institutional form in rural sub-Saharan Africa

How youth transition helps to understand structural change

Abstract

The unprecedented population growth and low economic diversification in sub-Saharan Africa (SSA) raise questions about possible paths for demographo-economic transitions. Given the limitations of the dominant macroeconomic conception of structural change for analysing economic transformations in SSA, and acknowledging the importance of rural economies in SSA, this paper argues for an alternative approach to structural change that uses the rural household as the key unit of analysis of change. Structural change is therefore impacted by the evolution of the socioeconomic reproduction patterns of rural households. To understand these households’ reproduction patterns, the paper formulates an analytical framework centred on structures, institutions and their evolution. Drawing on Régulation theory, we first adjust institutional forms to rural African contexts. We then demonstrate how the income-labour nexus, integrating the social relations linked to the organisation of the production process and the modes of reproduction, is the dominant institutional form in capturing the socioeconomic reproduction of rural households. Last, to detect these emerging institutional configurations, we analyse youth transition as the critical period of households’ socioeconomic reproduction that can reveal structural change.

Keywords: Institutional Economics, Youth, Rural, Africa

Le rapport social d’activité comme forme institutionnelle dominante en Afrique rurale

Comment l’insertion socio-économique des jeunes aide à comprendre le changement structurel

Résumé


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**Introduction**

Due to an incomplete demographic transition with persistently high fertility rates, sub-Saharan Africa’s population will continue to grow dramatically over the coming decades; the most recent projections do not alter the existing trend (Vollset et al., 2020). This massive growth includes a huge youth bulge due to nearly 300 million young men and women reaching working age between 2020 and 2030.

For countries that have completed their economic transition, the labour force has made a structural exit from agriculture to be employed in manufacturing and services, in conjunction with a geographical shift from rural to urban areas. However, urbanisation in SSA has occurred without industrialisation (Gollin et al., 2016), and even with low industrialisation rates, many sub-Saharan countries face a “premature deindustrialisation” (Rodrik, 2016b). The agricultural sector remains the largest employer, still accounting for an average of 53% of the labour force\(^1\), although there are major differences between countries. Lessons from past demo-economic transitions help to highlight differences: replication is not an option for SSA at this point in time because economic, institutional, geopolitical and environmental contexts have changed (Losch, 2016). Given this overall structural context, this article suggests, like other scholars\(^2\), that the conditions of structural change in rural economies will be critical to supporting general structural transformation in SSA countries.

The standard macroeconomic indicators are not suitable for analysing the rural and agricultural patterns of structural change. This article thus makes two choices to produce an original approach to structural change in rural Africa. The first choice is to consider the household as the basic unit of analysis for structural change since it is the lowest scale at which production, distribution and consumption processes take place\(^3\). Indeed, households constitute a "historically appropriate approximation" (OLaughin, 1999, p. 24) since they represent the main economic units in rural areas where the movement of workers, sectoral diversification and distribution of expenditure between consumption and investment can be grasped. The second choice is to take a long-term perspective for analysing change in order to identify ongoing mechanisms of reproduction and adaptation of how rural households produce, distribute and consume.

Based on these two original choices, this study considers the evolution of socioeconomic reproduction patterns in rural households as the key feature of structural change. The paper’s original contribution is a conceptual framework that combines structures and institutions to analyse the socioeconomic reproduction patterns of rural African households. More precisely, structures and their evolution are analysed based on the institutions and institutionalised compromises that support them and result in their transformation. The article then addresses the specific situation of youth and demonstrates why the current youth transition in rural SSA helps to understand structural change.

After having stressed the impasse of industrialisation in the majority of SSA countries – at least for the next two decades – the first section demonstrates the relevance of combining structures and institutions in analysing the socioeconomic reproduction patterns of rural African households.

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\(^2\) Losch et al. (2012); Losch (2016); FAO (2018); Jayne et al. (2018); Mercandalli et al. (2019)

\(^3\) According to ILO data, self-employment and family work are the dominant forms of work in rural SSA (56% and 30% respectively, while only 12% of the rural population are engaged in wage employment). Even if informal wage employment is underestimated in these official statistics (Oya and Pontara, 2015), these numbers reflect the dominance of family forms of production in rural SSA areas.
households. To do so we draw on *Régulation* theory (RT)\(^4\) (Boyer, 1990; Aglietta, 2000; Boyer, 2015), which analyses structural change by looking at the inherent contradictions in an accumulation regime from the perspective of the main institutions – or institutional forms – that temporarily ensure its unity and stability (Labrousse and Michel, 2017).

Because the main concepts of RT were developed to understand the crises of Western capitalism in industrialised economies – where formal wage employment is the dominant form of workforce mobilisation – and in order to avoid “institutional grafts” (Hugon, 2015), the second section starts by adjusting institutional forms as defined by RT to rural African contexts. It then demonstrates that the income-labour nexus is the dominant institutional form of the accumulation regime in rural Africa.

Given the current destabilisation of many social relations underpinning the income-labour nexus, the last section identifies emerging institutional configurations through youth transitions, which represent a critical period in the socioeconomic reproduction of households.

1 A theoretical approach to capturing structural change in rural sub-Saharan Africa

1.1 Beyond historical pathways of structural change

A stylised summary of structural change shows a gradual transition from an agriculture-based economy to one based initially on industry and then on services, in conjunction with a geographical shift from rural to urban areas and a demographic transition from high to low birth and death rates. In spite of diverse paths, these similarities in structural change between world regions have been confirmed by statistical evidence (Timmer, 2009) and have contributed to the mainstream thinking on development, based on the ideas of replication and catching up (Rostow, 1960). This view goes hand in hand with Robert Solow’s theory of conditional convergence (Solow, 1956), which predicts a convergence of structurally similar economies towards the same level of development.

But the international context of the late twentieth and early twenty-first centuries indicates new challenges, which may mean that the transition processes of the past are simply not replicable for the so-called “late developers” like sub-Saharan Africa (Losch *et al*., 2012; Losch, 2016). African countries must cope first with increasing competition due to international and domestic economic liberalisation over the past thirty years. Moreover, the current growth regime, based on massive requirements of non-renewable natural resources, is unsustainable (IPCC, 2014; Mora *et al*., 2018), and the increasing substitution of labour by capital, combined with international competition for labour costs, puts employment under pressure at a global level (Supiot, 2019).

In addition, Africa exhibits strong structural particularities. On the one hand, SSA is facing a delayed demographic transition that is resulting in a large population push (cf. Figure 1). The result will be an increase in the labour force of about 710 million over the next 30 years, which represents 68% of the global labour force growth by 2050\(^5\). Moreover, despite urbanisation, the rural population should lead in numbers until the 2040s, increasing by 50% over the next 20

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\(^4\) The French term *régulation* as used here refers to the “regularisation” or “normalisation” of economic activities through economic and extra-economic mechanisms (Jessop and Sum, 2006, p. 4). Following the English translation of *Régulation* Theory: The state of the art (Boyer and Saillard, 2002), we decided to keep *régulation* untranslated here.

\(^5\) Population data used in this article are extracted from the UNDESA World Population Prospects and World Urbanization Prospects (the 2019 and 2018 editions, respectively).
years (while decreasing at the world level) to reach nearly 1 billion. On the other hand, SSA’s urbanisation has occurred without significant industrialisation (Losch et al., 2012; Gollin et al., 2016; Diao et al., 2017): the agricultural sector, extractive industries and informal services account for the majority of GDP (Charmes, 2012), even though slight nuances are observed (Kruse et al., 2021). Despite the last fifteen years of high economic growth, boosted by oil and ore exports, there has been no "African Growth Miracle" (Rodrik, 2016a) since it has produced little structural change and few jobs (Cadot et al., 2016; Rodrik, 2016a).

Because of this limited structural transformation, rural-urban labour migration cannot play the same historical role in SSA as it has in other regions. Although permanent rural-urban migration continues to predominate, it has been relatively slow (de Brauw et al., 2014) and contributes less and less to urban population growth (Potts, 2012, 2018). Further, it coexists with various types of migration: short-term, long-term and circular rural-rural or urban-rural (Potts, 2013). The new links between areas and sectors are increasingly complex, and the circular migration of rural dwellers blurs the classic interpretation of the demo-economic transition (Losch, 2015; Mercandalli et al., 2019).

![Figure 1. Demographic change in selected regions and countries over two 40-year periods](source)

The dominant transition model based on industrialisation and urbanisation seems difficult to envisage in SSA, and a consensus has emerged on this unique situation (Losch et al., 2012; Rodrik, 2016a; Newfarmer et al., 2018; Mercandalli et al., 2019). This article suggests that the evolution of rural economies, including farm and non-farm activities that may or may not spur circular migration, is critical for understanding the patterns of structural change in SSA countries. Indeed, the rural population will continue to grow, as will the demand for agricultural products. It is unlikely that SSA will become a “continent without farmers” overnight (Dorin et al., 2013).

The potential role of agricultural and rural activities in the African demo-economic transition can be countered by the mismatch between the aspirations of rural youth and their involvement in the agricultural sector or, more broadly, in rural life (Sumberg et al., 2012; Leavy and Hossain, 2014). But this point is not enough to exclude the rural option. The reason is primarily demographic: given the volume of rural youth entering the labour force each year, agriculture
will certainly contribute in part to many of their livelihoods, by choice or by default. Moreover, a lack of interest in agriculture and rural areas cannot be generalised because it depends on contexts and social categories and may change with the conditions (Daum, 2019; Djurfeldt et al., 2019).

1.2 Production and reproduction dynamics through an institutional lens

The population dynamics in rural Africa today and the limited labour opportunities due to the lack of economic diversification call into question the viability of production and reproduction of workers' livelihoods. According to the Agrarian Political Economy (APE) school, production is “the process by which labour changes nature to satisfy the conditions of human life” (Bernstein, 2010, p. 13). Production is organised according to a set of human relationships that govern the mobilisation of different production factors (e.g., land, labour, tools, knowledge and skills). These relationships form the “social conditions of production” (Bernstein, 2010, p. 16), which are maintained over time by a set of mechanisms that ensure the “reproduction of the means of production, of present and future workers, and of the social relations” between producers and non-producers (Bernstein, 2010, p. 18).

However, in rural Africa, there is no full dissociation of workers from their means of production (land and capital): workers often combine various forms of work statuses (family, self-employment, wage-employment) within social relations that are not necessarily exploitative. Social differentiation within family farms does exist, but it cannot always be interpreted in terms of class analysis due to the fragmentation of the “working classes” in rural Africa (Bernstein, 2010) and the interaction of class relations with other social practices (gender, caste, generation, religion, etc.) that do not originate in capitalism (O'Laughlin, 2016).

These characteristics make a case for adopting an institutional lens: institutions help to conceptualise the reproduction of the social conditions of production and understand how structures evolve. Institutions encompass both the systems of rules and the collective arrangements that produce these rules and enable their interpretation by individuals (Commons, 1931). These rules and collective arrangements can be formal (e.g., a law, a contract, a central bank) or informal (e.g., a custom, a collective rule, an undeclared village association) (Vercueil, 2013).

Individuals operate within a given institutional context – which governs the organisation of production and the modalities of reproduction of the means of production – and can contribute to the transformation of institutions through their own actions, whether concerted or conflictual.

The transformation of institutions governing production and reproduction dynamics spans uneven time scales and various modalities. We suggest two major modalities: change through the gradual adaptation of institutions (Mahoney and Thelen, 2010), and change related to structural crises that must be analysed over a long period of time (Boyer, 1990). Institutional change can be slow but can also operate by adaptation over a relatively short time scale. In the case of incremental change, the properties of institutions are considered variable rather than fixed. Indeed, individuals can conform to the institution, but they can also act through it (or its prescriptions) and possibly adapt it. Incremental institutional change can smoothly generate new institutions and produce structural change. However, institutional change can also bring

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6 The APE school of thought has long focused on agrarian change (Bernstein and Byres, 2001). The strength of this approach in political economy is in questioning the “essentialist” vision of the peasantry, which champions an assumed equitable agrarian structure (Bernstein, 2010), and examining the future of peasantries in relation to the global development of capitalism.
about conflict, particularly when a strong political power locks in any institutional change. In that case, institutional change is no longer incremental and requires a deeper theorisation of change.

1.3 Drawing upon *Régulation* theory: from institutions to structures

When a situation becomes conflictual and the contested institutions do not allow a solution to emerge, a re-founding and new institutions are needed to adapt to and reflect the economic, social and political order of the society. Such conflicts resulting in institutional crises require the development of new “institutionalised compromises” that are a way to establish viable long-term agreements between stakeholders. The concept of institutionalised compromise is at the heart of RT, which considers structural change through the lens of crises and conflicts (Boyer, 2018).

The role of institutions in RT allows the introduction of several key concepts. First, RT uses “intermediate abstractions” (Boyer, 2015), namely “institutional forms”, that constitute an intersection of macroeconomic regularities and individual and collective behaviours governed by institutions. RT identifies five institutional forms that codify social relations: wage-labour relations, forms of competition, financial and monetary institutions, forms of the state and international regimes.

In the original RT, the combination of these institutional forms coordinates the decentralised actions of individuals and constitutes the institutional architecture of an accumulation regime defined as “the set of regularities that ensure the general and relatively coherent evolution of capital accumulation, that is, which allow the resolution or postponement of the distortions and disequilibria to which the process continually gives rise” (Boyer and Saillard, 2002, p. 335). This institutional architecture can result from a complementarity between forms, or from a hierarchical domination of one form over the others (Boyer, 2016).

RT then posits the relationship between the context-specific configuration of institutional forms and an accumulation regime (Labrousse and Michel, 2017). The matching of institutional forms with an accumulation regime takes place through heterogeneous processes that generate instability: social forces constantly shape and adapt the process itself to allow accumulation to take place.

The regulation mode ensures dynamic compatibility between accumulation and the existing social organisation. It helps to mitigate the permanent discrepancies that arise between institutional forms and the accumulation regime. However, major discrepancies can result in high tensions and cause a structural crisis. Without excluding exogenous reasons for major crises, RT assumes the endogenous origin of most crises to stem from the limitations of the accumulation regime itself.

When a structural crisis occurs, institutions cannot be maintained; this requires the emergence of a new institutionalised compromise that corresponds to the crystallisation of a particular balance of power between the different social forces at play (André, 2002). In other words, on the one hand, a current institution can be described by the institutionalised compromise it originates from. On the other hand, an emerging institutionalised compromise reflects the existing conflict between social forces and the continuous shaping of the resulting future institution.

The value of RT consists of its combination of structures and institutions in the analysis of structural change. It makes it possible to capture the inherent contradictions within an
accumulation regime according to the existing institutional forms that temporarily ensure its unity and stability.

However, the contribution of RT in analysing structural change in rural Africa requires an adaptation of both institutional forms and level of analysis. Indeed, given its initial research focus, RT has rarely been used for the analysis of developing economies. The first adjustment relates to the risks of transposing theoretical debates or “institutional grafts” initiated in other historical contexts in developing countries (Vernières, 2008; Hugon, 2015). The main concepts of RT were developed to understand the crises of Western capitalism in industrialised economies, where formal wage employment is the dominant form of workforce mobilisation. But in sub-Saharan countries, the capitalist sector is far from being the main employer of rural workers. Institutional forms are general notions that make it possible “to move from the highest degree of abstraction to proposals that can be confronted with the empirical material” (Boyer, 1986, p. 42). However, they are not “anthropological variants” (Hugon, 2015) and need to be adjusted to rural African contexts.

The second adjustment involves an analysis of structural change at the mesoeconomic level (Lamarche et al., 2021) because in most sub-Saharan African countries, the characterisation of an accumulation regime at the national level is uncertain and debatable: The nation-state is not the only place where institutionalised compromises are made. This is necessary because in its original version, RT is a macroeconomic approach that puts the nation-state at the centre of institutional emergence. This view does not fit the situation of SSA countries, where nation-states are recent and a “shadow economy” (Boyer, 2016, p. 361), far from state control, shapes the behaviour of the majority of the population. The role of customary authorities at the local level remains decisive in building these compromises.

2 The income-labour nexus as the dominant institutional form in rural SSA

*Régulation* theory proposes a theorisation of structural change based on a configuration of institutional forms that need to be adjusted to the context of rural SSA. The matching of institutional forms with an accumulation regime results from complementarity or hierarchical domination of one form over the others.

The section will first discuss and adapt RT institutional forms to the SSA context. It will then demonstrate why the income-labour nexus has historically been the dominant institutional form in rural Africa and how this domination is currently under challenge. In other words, the income-labour nexus is central for understanding structural change because its transformation is at the heart of the upcoming accumulation regime in rural Africa (cf. Figure 2).

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7 RT research has also engaged in sectorial and territorial approaches (Chanteau et al., 2002; Gilly and Pecqueur, 2002; Laurent and Du Tertre, 2008) emphasising how accumulation regimes produce different results in specific economic sectors or at specific geographical scales where institutional compromises can be implemented (Labrousse and Michel, 2017).
2.1 Adjusting institutional forms to rural African contexts

In the original RT, social relations governing production and reproduction processes constitute a specific institutional form called the wage-labour nexus, explained by the centrality of the wage system in capitalist economies. But this institutional form needs to be adjusted, given that formal wage employment is far from being dominant in the organisation of labour in rural Africa. Indeed, labour organisation in rural areas is based on a variety of forms of work and incomes due to the configuration of activities in which people are engaged (rural/urban, family/self-employed/waged, agricultural/non-agricultural).

Facing similar difficulties in French rural areas where family employment remains significant and new forms of work organization other than wage labour are emerging, Laurent and Mouriaux (2008) suggested replacing the wage-labour nexus with the “rapport social d’activité” as a way to better understand the new forms of socialisation of work. This adapted institutional form considers the following dimensions:

- the types of means of production mobilized […], the construction of skills through geographic and professional mobility […], the forms of the social and technical division of labour […], the modalities of attachments of workers to productive structures and to territories, the determinants of income (wage or other) […], the lifestyles that support the deployment of productive processes […] and family topologies (Laurent and Mouriaux, 2008, p 39).

These dimensions are quite broad, and they do not refer to specific institutions. That is why our adaptation of the institutional form related to labour in rural Africa is based on the identification of the specific set of institutions governing the mobilisation and reproduction of the labour force. Inspired by Laurent and Mouriaux’s perspective, we call this adapted

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8 We can also mention the work of Anseeuw (2011) who was inspired by this approach to understand the conditions under which former miners in South Africa entered farming. The author focused on the spatial division between the place of work and the family’s place of living and the professional segregation that limits access to the means of production and institutional support related to agricultural development.
institutional form the “income-labour nexus”. This nexus includes major institutions related to
the production process, namely how workers relate to land, capital and knowledge, and others
related to the reproduction of the labour force like institutions governing the distribution among
stakeholders of value resulting from the production process, as well as institutions providing an
indirect redistribution of value through collective risk mitigation mechanisms (section 2.2
details this set of institutions).

With regard to the form of the nation-state in SSA, we consider a hybridisation of formal, legal
state institutions and informal institutions under customary authorities (cf. Figure 2). According
to RT, the form of the state describes the relationship between state and the economy (Boyer
and Saillard, 2002). But in most SSA countries, a “shadow economy” (Boyer, 2016) far from
the supervision of public authorities affects a large portion of the population. Therefore,
analysing the forms of articulation between the state and the economy leads to a consideration of
the complex nature of the state.

This consideration includes the various ways the state exercises its coercive power and authority
introduce some key contributions on the nature of the state in Africa. One consensus emerging
from this debate is that authority often arises from entanglements between legal institutions
(those established by the “imported” modern state (Badie, 2000)) and custom-based and non-
juridical institutions. Indeed, due to their ability to define rights concerning household use of
resources such as land, natural resources, workforce or knowledge, and thus to legitimise certain
rules in the appropriation of current and future income flows, the legitimacy of customary
authorities is historically recognised by individuals and their families in rural areas. Hence,
some researchers have developed the concept of a neopatrimonial state, suggesting that this
institutional entanglement produces forms of organisation in which

relationships of a broadly patrimonial type pervade a political and administrative system which is formally
constructed on rational-legal lines. Officials hold positions in bureaucratic organisations with powers which
are formally defined, but exercise those powers [...] as a form of private property (Clapham, 1985, p. 48).

Neopatrimonialism could be seen as guiding how African states' public spending and revenues
are managed. But, as underlined by Mkandawire (2015, p. 602), this is a reductionist
consideration of the state in Africa in that “economic policy-making is a highly complex process
involving ideas, interests, economic forces and structures, path dependence, and institutions,
and it cannot be reductively derived from the logic of neopatrimonialism”. By translating this
debate into institutionalist terms in building our theoretical framework, we deduce that in most
African rural contexts, the nation-state is not a place of institutionalised compromise, and
phenomena of “institutional hybridisation” (Gilly and Wallet, 2005, p. 709) can frequently arise.
But we do not deduce, a priori, a specific logic underlying this entanglement. This leads us to
consider not only an entanglement of institutions (legal and customary) but also a tangle of
scales for understanding institutionalised compromises.

The forms of competition between rural households or between households and other economic
agents (e.g., private businesses) vary according to contexts and types of resources involved,
which are related to sources of accumulation. Competition may be virtually non-existent when
customary authorities forbid the alienation of productive resources. In this case, access to
resources is usually differentiated between particular social groups (e.g., the caste system found
in some rural societies in SSA). In specific conditions, competition can also be driven (or

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9 This denomination broadens the term “wage-labour nexus” as it takes into account all sources of income, not
only wages.

10 Customary law is a body of usually unwritten rules founding its legitimacy in tradition, i.e., in its claim to have
been applied since immemorial times (Cotula, 2007).
constrained) by the state when state monopolies exist. This has been the case for many value chains considered as strategic by newly independent states (e.g., extractive industries or agricultural commodities). In contrast, competition today results from market forces and is characterised by the importance of the private sector and the role of business, which is not incompatible with possible distortions due to oligopolies or state-granted privileges. The boundaries between these forms of competition are generally blurred. For example, although the alienation of productive resources like land is officially banned by customary authorities, these authorities tolerate, or even contribute to, the existence of informal markets (e.g., the “vernacular markets” for land reported by Chimhowu and Woodhouse (2006)).

In African countries, the _monetary regime_ is distinctive because in most rural areas, currency is not the only way to convey value and connect accumulation centres with workers - it is not inherent to every transaction (Hugon, 2015). Some production factors, including labour, are not exchanged on a monetary basis. Indeed, the principle of reciprocity is important in many rural African societies, and processes related to gifts and counter-gifts need to be taken into consideration in value creation (Sabourin, 2012). Some of these transaction practices are partially maintained, in parallel to currency, to access specific resources. However, monetarisation is an old process – rooted in taxation systems imposed by European colonisers – that has progressively spread through most rural areas of SSA. Monetarisation results in the commodification of the means of production and as such modifies workers’ relationships to these means of production and to their own labour force.

For the majority of sub-Saharan countries, _integration into the international regime_ is characterised by the structural outward orientation of their economies – a consequence of their past dependent status as providers of raw materials for the colonial powers, which has shaped their position in the international regime. Since the 1980s, liberalization and the development of a global open economy have facilitated international movements of capital and their investment in newly privatised sectors of activity. This is reflected in large-scale investments in the African agricultural sector (Anseeuw _et al._, 2016), the new role of agribusiness and the development of contract farming (Swinnen and Maertens, 2007), which have reinforced the connection between rural households and global value chains.

### 2.2 The domination of the income-labour nexus in rural Africa

Since the liberalisation processes of the 1980s in SSA, the growing importance of economic dynamics related to globalisation has resulted in the primacy of the international regime over other institutional forms. As in many other developing countries (Quemia, 2001; Lafaye de Micheaux, 2016), this primacy is, however, relative due to complex internal dynamics and particularly the specific characteristics of the state. African states are frequently referred to as rentier states, which has resulted in the emergence of neo-patrimonialist features (as discussed above). According to a few regulationist works on Africa, a distinctive dominant institutional form of macroeconomic accumulation regime has developed, resulting from the outward orientation of the economies and the rentier character of the state (Hugon, 2013; Alenda and Robert, 2018) – a regime that does not prevent genuine forms of national capitalism (Losch, 2000).

Nevertheless, the consideration of this dominant macroeconomic accumulation regime must not hinder the capture of the processes underway at the meso- and microeconomic levels. Because of the continuing significance of the rural economy in SSA, these levels determine the
understanding of the social relations linked to the organisation of the production and distribution of value that are critical to structural change in rural Africa.

The income-labour nexus can be considered the historical dominant institutional form driving the accumulation regime in African rural contexts, but this domination is currently destabilised by many factors (cf. Figure 3). Regarding the production process, this nexus is based on institutions that determine how workers relate to land, capital and knowledge. Given the historical dominance of family farming (Sourisseau, 2015), institutions related to land and capital access are central. Workers’ relations to knowledge (including formal education) and how they induce specific dissemination and implementation of agricultural technical models that determine productivity. The income-labour nexus also includes institutions governing the sharing of value between stakeholders in the production process, like family institutions, labour and agricultural market institutions, as well as any social protection of workers that provides an indirect redistribution of value through collective risk mitigation mechanisms. These risks, which include old age, illness, disability, unemployment, work injury or pregnancy, can result in a decrease in resources or an increase in expenses, impacting the economic security of individuals or their families.

**Figure 3. Institutional changes within the income-labour nexus**

By discussing each institutional component of the income-labour nexus, the rest of the section demonstrates how this context-specific institutional form brings together most other institutions that play a role in the reproduction of rural households and their workers, and it shows how dense the links between them are.

### 2.2.1 The relation to land: a pluralism of regimes

Agriculture is still the backbone of many African rural households even though non-farm income may be significant to rural livelihoods. Therefore, rural livelihoods rely heavily on land, so changes in land institutions, mainly land rights, are crucial in the evolution of the income-labour nexus.

Historical land rights are related to customary systems and vary considerably depending on a range of cultural, ecological, social, economic and political factors. For instance, in a pastoral-dominant context, land rights are collective and negotiated through reciprocal arrangements.

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13 See, among others: Tacoli (1998); Bryceson (1999); Ellis (2000); Haggblade et al. (2007); Bernstein (2010); Losch et al. (2012); Sourisseau (2015); Djurfeldt et al. (2018). One of the most recent references (Davis et al., 2017) shows that specialisation in farming activities concerns on average 52% of rural households, while 29% of households have diversified incomes. A household is considered specialised if at least 75% of its incomes comes from a single activity. Conversely, a household is diversified if none of its sources of income constitutes more than 75% of its total income.
that enable herd mobility. Where farming is dominant, collective rights also exist, but households can obtain rights over specific plots from the customary authority (e.g., the “chief”) that oversees land management (Cotula, 2007). Land transfers are largely based on inheritance within the family according to the rules of lineage, and there are generally restrictions on sales (especially to outsiders), although certain transactions like gifts and renting may be allowed (Lavigne-Delville et al., 2017). In addition, the regulatory stratification produced by decades of government interventions has not replaced customary systems but added new layers of rules, exacerbating the situation of “legal pluralism” (Cotula, 2007). Indeed, colonial and then post-independence government legislation has often included land nationalisation and centralised resource management with land registration programmes, often based on private property rights or the securing of access. More recently, many African countries have implemented or consolidated decentralisation processes, resulting in the transfer of responsibilities for land management to newly established local government bodies.

The pluralism of land rights has become the norm in many parts of rural sub-Saharan Africa (Cotula, 2007; Lavigne-Delville et al., 2017; Boone, 2019). Due to the failure to implement state legislation and the continued management by customary law, several legal systems—statutory, customary and a range of “in-betweens”—overlap and complicate the institutional landscape for land. For example, in many places, commodification of land rights and individualisation of access to land have developed to the point where informal tenancy or purchase has become the most common way to access land (Woodhouse, 2003). These dynamics are not necessarily related to demographic growth, as in the “evolutionary theory of land rights” (Boserup, 1965), but depend on market development, public policies or technical change (Platteau, 1996).

The characteristics of the land component of the income-labour nexus result increasingly from the new forms of the state (hybridisation) and competition and the insertion of rural areas into the international regime—as illustrated by large-scale foreign investments in agricultural or mining activities. The emergence of “vernacular land markets” in SSA is undermining customary land rights, which were historically supposed to secure land access through the preservation of land reserves for future generations (Amanor, 2010; Sitko and Chamberlin, 2016; Lavigne-Delville et al., 2017). Current public policies tend to support land commodification, thus allowing market forces free rein, and therefore the question is the extent to which family and customary institutions will resist or encourage local processes of accumulation, land concentration and social differentiation that are inherent to land commodification—especially when land market regulation does not exist.

2.2.2 The relation to capital: from family to markets

The relation to capital historically depends on rules of access within family institutions that are shaped by the social context (e.g., the role of lineage). They particularly rely on inheritance processes in which the elders have the sole social capacity to accumulate. But the relation to capital is shifting from a dependency on family institutions to a dependency on markets, which are generally more instable: labour markets in the case of wage employment (even if they are incomplete); goods and services markets in the case of contract farming and microfinance.

The relation to capital is evolving through the significant development of rural and urban labour markets, which are a way of accessing new sources of income. In many rural areas, after a period of forced labour imposed by colonisers, wage labour developed as a colonial strategy of

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14 According to this theory, by changing the ratio between labour and land, demographic dynamics can lead to increased competition over increasingly scarce land resources. Land rights could shift from being customary and family-based to commodified through sales and rentals.
labour mobilisation (Bryceson, 1999). However, since that time, the forms of wage labour have greatly diversified. Wage labour is not only associated with large-scale farms but is also widespread among small- and medium-scale farmers, though these tend to offer much lower wages and worse working conditions than do larger employers of the formal sector (Oya and Pontara, 2015). Beyond agricultural labour markets, wage labour is also associated with a diversity of non-farm activities in rural as well as urban areas. Indeed, many empirical studies demonstrate that socioeconomic reproduction of rural households also depends on non-farm incomes (Ellis, 2000; Haggblade et al., 2007; Losch et al., 2012; Davis et al., 2017; Djurfeldt et al., 2018). Labour migration can accompany this process of access to non-farm incomes through either wage or self-employment. Indeed, migration to towns or other rural areas can be temporary, permanent or circular between different locations, and labour migration is a process by which rural households can diversify their economic activities.

Rural households also access income by selling their agricultural products. Connection to markets is the rule and its absence is the exception, but the relation to capital has recently been evolving through the increase in contract farming. Agricultural markets have a long history with the development of value chains (e.g., cotton, tobacco, groundnuts, cocoa, coffee), which were considered strategic by colonial regimes and then newly independent states. But while these value chains were most often fully administrated by public bodies up to the 1980s, most of them are now liberalised, and export crop prices are largely subject to fluctuations in international markets. Moreover, the recent spread of contract farming, in which large-scale private agro-processing companies or input suppliers provide credit, fertiliser and seeds to farmers in exchange for their production, reflects recent changes in production and market conditions. Indeed, even though existing assessments point out that contract farming has mixed results for farmers’ incomes (Soullier and Moustier, 2018) and favour better-off farmers (Christiaensen, 2020), contract farming seems to be a common way for today’s youth to settle on their own farms (Girard et al., 2019), thus avoiding the need to wait for family capital transmission.

Finally, microfinance is often presented as a silver bullet for accessing capital, but while some experiments have been successful, particularly for households with minimum endowments (Michel and Randriamanampisoa, 2017), microfinance has not yet fulfilled its promises (Hulme, 2000; Chliova et al., 2015).

Given the development of markets, the characteristics of the capital component of the income-labour nexus are no longer entirely dependent on family institutions but depend on labour, goods and financial services market institutions. Therefore, the relation to capital is increasingly interacting with forms of competition and the international and monetary regimes.

2.2.3 The relation to knowledge: fading tacit family transmission and new learning processes

The relation to knowledge and the acquisition of skills (know-how) affects the organisation of the production process to the extent that knowledge may induce technical change. By affecting productivity, the relation to knowledge is a crucial component of the income-labour nexus.

In rural Africa, people’s relation to knowledge and skills is primarily based on tacit family transmission through working apprenticeships and networks of proximity (Gasselin et al., 2015), or through unpaid informal apprenticeships (Viti, 2013). However, during the last decades, the means of skills development have improved and diversified. This is first the result of education systems that have been progressively implemented: public schools, even if very uneven in rural areas; private and denominational schools; and dedicated professional training (vocational training, formal apprenticeship programmes). It is also a consequence of mobility, facilitated by the improvement of information and transportation networks, offering new
opportunities for local work experiences or longer distance ones through labour migration. In a study from Mozambique, Mercandalli (2015) highlights the central role of migration patterns and their institutional dimensions in the socioeconomic reproduction (engaging family asset management and transmission) and differentiation dynamics of rural households. In Senegal, drawing on data collected over the course of two decades, Delaunay et al. (2016) emphasise the role of young people’s circular labour migration and increased education in transforming cross-generational and gender relations in rural households.

These processes have resulted in new knowledge and skills acquired outside the family, particularly through wage employment, which contribute to improving and modifying the local productive systems and their productivity and sustainability. The relation to knowledge is changing with the development of labour markets which are themselves dependent on the forms of competition between accumulation centres.

2.2.4 Erosion of value distribution by elders

Once generated through labour, value distribution (incomes and intergenerational transfer of assets) is critical in explaining the modalities of the socioeconomic reproduction of rural households. This value distribution is shaped by rules, regulations, practices and dynamics at two main levels: within the household itself and at the value chain level. At both levels, the forms of competition are increasingly important.

At the intra-household level, the way value is distributed between consumption and investment is crucial, but the sharing of value among household members who contributed to the value through their work is central. Institutions governing the management and sharing of value are usually based on hierarchical relationships and depend greatly on decisions taken by elders (Golaz, 2007; White, 2012). Rural youth are first and foremost family workers under the authority of elders, and the status of “youth” (i.e., dependent) can last up to the death of the “old man”. Family workers are generally paid in kind: they have access to housing and meals they have helped produce. In addition, and depending on intra-household arrangements, family workers can also be paid in cash and receive a share of the farm’s profits. The intergenerational transfer of assets remains a major issue due to the lack of specific mechanisms to facilitate youth’s access to land and equipment before the stage of inheritance (e.g., through public support securing income for elders). In that context, opportunities from incomes off the farm (as waged farm workers) or in other sectors, locally or through migration, is a major avenue for youth emancipation. This moves the distribution of value from the family to the competition within the labour markets.

At the value chain level, the value distribution depends on the type of access to and characteristics of the agricultural markets that directly impact the final income or gross margin of the family farmer. The liberalisation of markets and the suppression of state monopolies (marketing boards and offices) have deeply changed the definition of price unit values that existed for export crops but also sometimes for main staple crops. Official farm gate prices were decided every year before the cropping season, even if not always observed. The rationale for these centralized systems was the risk mitigation of market price fluctuations as well as easy fiscal revenue for the state. Today, prices – and farmers’ incomes – directly result from market forces and competition (including through the transmission of international prices), which are shaped by the balance of power between value chain stakeholders (number of buyers and sellers, oligopolies and farmers’ organizations, etc.).

2.2.5 Social protection: any change in perspective?

In SSA in general, and particularly in rural areas, institutions providing indirect redistribution of value through collective mechanisms that mitigate individual risks (old age, illness,
disability, unemployment, work injury or pregnancy) have historically been supported by families and communities. Indeed, the prevalence of the informal economy and the limitation of national welfare systems to workers in the formal sector mean that personal relations play a central role in providing healthcare and some kind of allowance for inactive people (Osei-Boateng and Nyarko Otoo, 2013; Baumann, 2016). The survival of post-productive family members is only possible if they have invested some of their energy during their productive age into the training and development of future producers (Meillassoux, 1981). Reproduction is based on the principles of intergenerational reciprocity as a reciprocal welfare system taking various forms and obeying different rules depending on the society involved (Golaz, 2007).

The opportunities for the socialisation of these risks outside the family seem relatively limited due to the form of the state in SSA countries. In countries where the formal sector and wage employment are developed, the state has played a leading role in setting up national welfare systems. However, while social protection programmes may have a long history, they have as yet produced very limited results. Indeed, SSA countries with high levels of poverty have meagre nationwide institutionalised public social protection systems (Lindert, 2004; Chitonge, 2012). In many countries, the first social protection schemes were introduced for public sector employees during the colonial period. Post-independence governments extended these programs and used them as a key component of nation-building efforts (Harland, 2014; Mkandawire, 2015), using export-generated fiscal revenues for the extension of these social policies. Economic crises and the neo-liberal turn of the 1980s resulted in the decline of state-level integration and solidarity objectives (Kpessa et al., 2011). Not until the end of the 1990s was social protection once again in the spotlight, driven by donors who saw it as a way to reduce poverty. Many initiatives emerged, especially cash transfers targeted to poor and vulnerable groups, largely driven by non-profit organisations. But these projects often remained small-scale and experimental, thus creating “temporary islands of access to internationally financed social welfare” (Devereux and White, 2010, p. 73). The only benefit of these projects is perhaps to have provided evidence to politicians and technocrats of the positive economic effects of social protection measures. According to UNDP (2019), a third wave of social protection history is emerging in African countries. Many states have included the right to social protection in their constitutions, defined national social protection strategies and developed more structural and less donor-dependent social programs. But the welfare state is residual in SSA countries because only a portion of the most vulnerable people benefit from these programs, which mainly involve healthcare. Therefore, in sub-Saharan Africa, only 13% of the total population is covered by at least one social protection benefit (effective coverage), compared to 39% in North Africa and Asia, 61% in Latin America and around 80% in Europe and North America (ILO, 2017). Unemployment protection schemes do not exist in any sub-Saharan state except South Africa. Only 23% of the population above retirement age receive a pension; this is the lowest rate in the world (the worldwide mean is 70%, and the rate in North America and Europe exceeds 95%) (ILO, 2017).

As in developed countries, an increase in public social transfers would be a step towards social protection, but labour will likely continue to be the main source of income for the majority, and family and kinship networks will continue to compensate for state failures (Chitonge, 2012). Migration can also be a way to externalise social protection to the extent that kinship, working and friendship networks ensure a form of social protection in the absence of the family (Sandron, 2010).

As we have just shown, the income-labour nexus is historically based on family and customary social relations in rural areas, which makes the income-labour nexus the historically dominant institutional form. But many of these social relations are being challenged. These changes
explain why the transformations of the income-labour nexus are central for understanding the emerging institutional configurations of future accumulation regimes.

In order to detect these emerging institutional configurations, the next section analyses youth transition as the critical period of the socioeconomic reproduction of households that can reveal structural change.

3 Youth transition as a revealing period of structural change

This section provides an institutional definition of youth to show why rural youth transition in SSA can constitute an indicator of structural change. As is generally the case, change is neither rapid nor abrupt; it is therefore important to consider the time step of generations.

3.1 Youth as a transition period embedded in local institutions

Youth is often defined based on biological age\(^\text{15}\). In this view, age is a clear and universal statistical variable. However, demographers and sociologists have found that being a youth is not a matter of biology or statistics but of transition to adulthood (Chauveau, 2005), during which individuals gradually emerge from a situation of economic dependence to access a relative autonomy typical to adulthood (Antoine et al., 2001).

In order to analyse youth transition in rural SSA, a growing number of researchers are using the “opportunity space” approach (Anyidoho et al., 2012; Locke and Lintelo, 2012; Gough and Birch-Thomsen, 2017; Daum, 2019; Djurfeldt et al., 2019). This approach describes “the spatial and temporal distribution of the universe of more or less viable options that a young person may exploit as she/he attempts to establish an independent life” (Sumberg et al., 2012, p. 5). Most of these researchers show that the aspirations of rural youth have changed and that they continue to change in relation to increasing levels of education, the growing involvement of young people in labour markets and the connectivity offered by new media and technologies.

This approach takes a subjective view of youth insofar that it is not just a question of analysing the level of economic empowerment, but more broadly the level of well-being as perceived by young people themselves ("living well", access to "promotive work") (Sumberg and Okali, 2013; Mwaura, 2017). Even if the “opportunity space” approach does not claim to be in the field of institutional economics, its advantage is that it integrates institutions into its analytical framework (Ripoll et al., 2017, p. 174). However, it does not place change in a long-term perspective nor (or rarely) in the productive system, which limits the possibility to observe structural change. Indeed, although some of these studies look at youth in relation to the previous generation (Berckmoes and White, 2014), this approach has difficulty addressing change in the longer time frame necessary for analysing structural change. Without taking into account the long time span of the succession of generations, it is not possible to know whether the result produced by the change has become, or will become, "banal" and statistically representative (Bourdieu, 1992, p. 144; Chauvel, 2010).

Therefore, youth is considered here as closely linked to the institutions through which societies regenerate social structures, thus enabling their evolution and continuity over time (Cole and Durham, 2007). Beyond the biological reproduction of individuals, reproduction is entirely subordinated to the economy in the sense that it depends on the economic structure and institutions of the society. During the transition, depending on their economic, social and cultural capital, young people act within a set of institutions that constitute both a framework

\(^{15}\) For instance, the ILO and other UN agencies use the bracket range 15-24 years, while for the African Union, the bracket range is 15-35 years.
of constraints and incentives for individual action but that can also take on a collective dimension.

In rural SSA, this general definition particularly needs to be fine-tuned according to gender. For men, marriage is definitely a stage in the transition from economic dependency because they acquire the possibility of becoming fathers and gain increased authority over time. But for women, the dependency relation remains twofold. Before marrying, in addition to economic dependence, they also depend on their elders for the opportunity for marriage (especially the choice of their future husband). After marriage, they depend on their husbands, who manage and can take advantage of the outcomes of their labour (Meillassoux, 1981).

3.2 Generation as a time step to assess change

In order to make the link between youth transition and the long timespan of structural change, the concept of “historical” generation is used as a time step for analysing change.

Beyond the "genealogical" generation that refers to the notion of kinship, i.e., the relationship between individuals who have the same ancestor in common, this article uses the notion of the "historical" generation. This understanding of generation is rooted in the work of Mannheim ([1927] 2011), who argues that there is no mechanical succession of generations and that it is futile to seek a generational rhythm governed by a biological rhythm. The concept of generation only makes sense in relation to peers, previous generations, institutions and historical development (Chauvel, 2010). A cohort\(^{16}\) or set of cohorts can only be qualified as a generation if it is possible to demonstrate the coalescence of shared and statistically significant lived experiences for all, or part of, the cohort (historical events, changes in values, political changes, etc.).

Like Cole (2011) and Gomez-Perez and Leblanc (2012), we suggest that social change takes place based on current social forms, existing institutions and tools at the disposal of new generations. According to Mannheim ([1927] 2011), each generation is characterised by its “social time,” which differentiates it radically from all others. Generational change arises from the emergence of “new cultural agents” (cohorts of rural youth) who interpret institutions. For successive cohorts, social relations may be very close, but this hypothesis is no longer acceptable in the long term (Michel, 2002). Thus, current institutionalised compromises are not outright rejected, and incremental institutional change can precede or accelerate their destabilisation. Incremental institutional change can smoothly generate new institutions and produce structural change. However, institutional change can also bring about conflict (and vice versa), particularly when a strong political power locks in any institutional change. This kind of situation requires defining a new institutionalised compromise that depends on the balance of power between stakeholders.

Conclusion

Youth bulge and low economic diversification that call into question demo-economic transitions in sub-Saharan Africa. This paper proposes an institutional conceptual framework drawing on Régulation theory and the concept of income-labour nexus for analysing structural change in rural Africa. We make the analysis through the prism of institutions and their transformation, and we propose to use a succession of "historical" generations of young people to contribute to the analysis of the processes of structural change. The distinctive feature of this

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\(^{16}\) A cohort is a group of individuals who have experienced a common demographic event (birth, marriage, birth of a first child, etc.) during the same year or period.
framework is that it considers the long term and is based on a hierarchy of change, ranging from incremental institutional change to "institutional crisis", which requires the development of new institutionalised compromises.

We demonstrated the ability of institutional forms to constitute relevant "intermediate abstractions" (Boyer, 2015) for analysing structural change in developing economies. We thus contribute to ensuring that these economies do not remain the "forgotten perspective" (El Aoufi, 2009) of regulationist approaches. Nevertheless, the use of RT requires some adjustments of institutional forms to adapt them to the context of rural SSA and to characterise accumulation regimes. The income-labour nexus is identified as the dominant institutional form in the sense that the transformation of this institutional form is crucial for understanding the coming accumulation regime in rural Africa. Nevertheless, changing configurations of the income-labour nexus vary according to local contexts.

Beyond big numbers (i.e., growing cohorts of young people reaching working age), structural trends differentiate today's youth from previous generations. The large cohorts of youth entering the African labour force are the best skilled the continent has ever seen (Barro and Lee, 2013) – even though huge gaps remain compared to other regions of the world – and empirical evidence tends to show that mobility and the related new opportunity spaces are much more widespread than often assumed, especially for new generations.

Given this situation and the fact that institutions surrounding the income-labour nexus are already destabilised, it is quite possible that productive systems in rural areas may no longer operate under current accumulation regimes and related institutionalised compromises. Upcoming new generations do not “hold” institutions – elders do – but they could cause them to evolve, which may induce intergenerational conflicts. This tension is illustrated in how elders often keep control of the land for a long time in order to ensure social protection for themselves, which young people consider to be one of the most significant constraints they face (Chauveau et al., 2006; White, 2012; Djurfeldt et al., 2019). Youth may contribute to the transformation of land institutions by playing with the pluralism of norms – between family, state and market – and the question is then whether this will lead to a conflict between generations and the definition of a new institutionalised compromise.

Moreover, in a context in which youth consumption patterns are changing quickly due to mobility and easier access to information and young people are increasingly involved in labour markets, rural youth may demand more accountability and recognition of their right to fair incomes. Thus, family institutions historically governing direct and indirect value distribution could shift to benefit young people more directly; this evolution would be facilitated by new institutional arrangements potentially initiated and supported by the state. In the end, the ongoing destabilisation of the income-labour nexus calls for new mechanisms and regulation to make these changes viable. The underlying question is then to know whether and how every sub-Saharan country’s society – and institutions and related public policies – will decide to facilitate these changes.

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