

Effect of market development and macroeconomic policy on intermediate social cohesion outcomes

Market development and macroeconomic policies, such as the formation of agricultural cooperatives, show small effects on awareness of inequalities, increasing recognition of disparities while not necessarily improving acceptance.

Geographic region: Sub-Saharan Africa

Effect: Small effect ($g=0.015$)

Confidence in study findings: Low (1 study with 4 effect sizes)

Short Summary

Market development interventions, such as rural agricultural cooperatives, show small effects in awareness of land inequalities but may reduce acceptance of these disparities. Cooperatives, designed for collective bargaining, risk-sharing, and information exchange, can improve economic opportunities and reduce vertical inequality. However, membership can create perceived divisions between members and nonmembers, making inequalities more visible and salient. Overall, the cell has low confidence due to the inclusion of only one impact evaluation.

Long summary

The intervention

Market intervention examined in this cell involves agricultural cooperatives in rural Burundi, including Muzye, Musongati, and Kiremba cooperatives, organized by the NGO Plant with Purpose. Cooperatives provide collective bargaining, risk-sharing, and access to information and economies of scale. Membership in the Muzye cooperative, for example, requires a payment of approximately US\$40.

How the intervention is expected to work

Agricultural cooperatives aim to reduce inequality by expanding economic opportunities for members. However, as villagers observe cooperative members with greater land access, cognitive dissonance may occur: individuals value social equality but perceive disparities, increasing awareness of inequalities. Over time, as land distribution becomes more moderate, previously hidden disparities may become more noticeable, heightening recognition of inequality within the community.

The evidence base

This cell includes one study on agricultural cooperatives in rural Burundi. The study utilized data collected through a one-time survey conducted in 2011 across three villages where cooperatives were either operational or newly established.

Evidence findings

Market development and macroeconomic policies, such as agricultural cooperatives, influence local perceptions of economic disparities. Communities with cooperatives in place for three years were more likely to recognize land inequalities but showed no change in acceptance of these disparities, indicating small but measurable effects on social awareness.

Included studies

McDougal (2014) examines the effects of agricultural cooperatives on land conflicts, inequality, violence, and community trust in three Burundian villages. Burundi has a history of ethnic tensions and violence, with the Tutsi minority controlling the government and military, and the Hutu majority facing exclusion and repression. The study uses a pseudo-difference-in-differences (DiD) analysis on a cross-sectional dataset of 95 community members in three different villages in which the cooperative has been, or is becoming, operational. Cooperative villages have a significant higher perception of inequality. The study is rated as high and medium confidence quantitative study that the one-shot evaluation design and the small number of communities surveyed prevent the authors from making causal claims.

Confidence Assessment

Overall confidence is low, as the cell includes only one study.

Other outcomes in the study:

Violence and atrocity prevention / nature and scale of violence and atrocities

Social cohesion / feelings of trust and acceptance of diversity