Asian Lessons & Agricultural Transformation in Rwanda

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PEAPA Conference

Pretoria, 18-20 March 2013
In the beginning – 1960s

• At the time of independence for most SSA countries, GDP per capita in SSA was higher than that in SEA countries
• The one story one cannot avoid each time the two regions feature in discussions
• By late 1970s Southeast Asia overtook SSA
• Propelling SEA were transformations in agriculture
Reversal of fortunes

• Late 1970s: SEA overtakes SSA

• Agriculture the motor behind SEA’s rapid advances

• In Africa, ambitions to industrialise lead to neglect of agriculture
Contrasting concepts of Development

<table>
<thead>
<tr>
<th>Southeast Asia</th>
<th>Sub-saharan Africa</th>
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<td>Incremental (but potentially rapid)</td>
<td>Transformative</td>
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<tr>
<td>Poor people become richer</td>
<td>Poor countries mimick rich ones (technologies, goods, industries, rights, institutions)</td>
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<tr>
<td>Growth</td>
<td>Modernisation</td>
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<tr>
<td>Productivity</td>
<td>Education</td>
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<tr>
<td>inclusive</td>
<td>Elitist</td>
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<td>Oriented toward undesired starting point of development: mass poverty</td>
<td>Oriented toward desired end point of development: industrial or post-industrial modernity</td>
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Key driver of SEA approach

• Existential threat to existing regimes: Rural uprisings/insurgencies by mobilised, communist-led peasantry

• “If stomachs are full, people do not turn to communism” – Deputy PM of Thailand, 1966

• Poverty eradication via agricultural transformation as a counter-insurgency instrument & key to regime survival

• Note top-down delivery – neither democratic nor informed by notions of ‘good governance’ – problem-solving approach

• Focus on smallholder farmers
Communism as a stimulus for developmentalism

• Malayan Emergency 1948-1960
• Indonesian Communist Party contends strongly for power by (mostly) nonviolent means, 1955-1965
• Thailand: armed communist insurgency, 1959-1983
Rwanda post-1994: The beginning

• RPF seizes power after armed conflict & genocide
• Inherits a resentful, fearful and potentially rebellious population – high potential for continued instability
• Agriculture devastated by 4-year war.
• Continued insurgency, Congo wars (limited resources) and donor focus on social sectors deprive agric. of much-needed attention
However...

- New leadership oriented towards following African ‘modal pattern’: leapfrogging agriculture and pursuing development of a service- and industry-based economy
- “Move beyond past delusions of viable, subsistence-based agriculture” - GoR
- Initial 10% growth rate of first few years plummets to 07% by 2007 – famine, shock, wake-up call: rural immiseration key to political instability in Rwanda historically
Post-2007 re-orientation

- PK goes to Malawi to learn from Mutharika
- Post-Malawi cabinet meeting: “no more famine” – Food security key
- DPM to discuss re-orientation
- Adoption of Crop Intensification Programme: land titling & land-use consolidation, mono cropping, regional specialisation, stepped-up fertiliser, pesticide & improved seed use
- Top-down delivery in problem-solving, elite-determined style
- Focus on smallholder farmers – and professionalisation of agriculture (market-, not subsistence-oriented – key role for private sector sought)
Where we are at...

- 5% annual growth rate underpinned by strong growth in the production of staple foods: rice, wheat, cassava, maize, Irish potatoes, beans, soybean – e.g. cereal production: 320,000 MT (2004/5) to 600,000 MT (2009/10)
- Land-use consolidation, extension, irrigation, input provision (subsidisation) key contributors: inorganic fertiliser use – 14,000 MT (2006) to 44,000 MT (2010)
- Poverty: 56.9% below poverty line (2006); 44.9% (2011). Extreme poverty: 37% (2006), 24.1% (2011)
Challenges

• Post-harvest handling: limited storage facilities, high losses
• Financing – low access levels for most Rwandans – steep learning curve for banks and MFIs
• Marketing: coops key (900 in 2005, 4000 in 2011), but weak & inexperienced, need for investment in roads, mkt info systems, etc.
• Input distribution
• Extension – limited state capacity & weak/inexperienced private sector: only 34% farmers satisfied
Lessons – for the policy & development communities

• Incentives for investment in agriculture are not necessarily created by democratisation – and bottom-up pressures (from the public or pressure groups)

• Key to shaping policy in agriculture – as in other sectors – is “local politics” and its implications for regime survival.

• The role outsiders or foreign influence can play depends on context – context-sensitive, problem-solving approach superior to “one template fits all”.