PEAPA
POLITICAL ECONOMY OF AGRICULTURAL POLICY IN AFRICA
An International Conference | 18 - 20 March, 2013 | Pretoria, South Africa

Conference Newsletter #1 / Monday 18 March 2013

Change from below

Politics and agriculture are not strange bedfellows, said **Adebayo Olukoshi** (above) in his keynote speech. The recent history of politics and land includes some dark moments, as well as some more positive ones: this year is the centenary of the 1913 Land Act in South Africa, but it is also 10 years since the Maputo Declaration, which saw African governments come together to commit to greater agricultural development.

Many major changes are shaping the politics of African agriculture. Food price volatility, large-scale deals by foreign countries and companies, a growing urban population and demographic changes are all having an impact. Despite the challenges, according to Olukoshi, many on the continent see a positive future. If Afro-pessimism was the mood 10 or 20 years ago, could Afro-optimism – or even Afro-enthusiasm – be a better description of the prevailing mood?

In a note of caution, Olukoshi warned that this enthusiasm may mask the challenges ahead. But it would be equally dangerous to think of smallholder farmers as victims or passive recipients of aid. Agricultural politics is not just for high-level discussions: change often comes from below. Olukoshi criticised some analyses which, in his view, claim to explain everything that goes on – or to "pathologise" agricultural politics. Instead, he urged the conference to look at the complex ways that actors negotiate interests.

Despite the enthusiasm in some quarters, farmers are set against a structure of incentives loaded against small-scale agriculture, inherited from colonial times and consolidated during the post-colonial period. But, said Olukoshi, it is a mistake to think that rural communities are voiceless or docile.

For better or worse?

"Some government policies stabilise food prices but some make it worse," said **Per Pinstrup-Andersen** yesterday as he provided a brief introduction to a study on the political economy of food price policy. The study involved researchers from 14 developing countries, as well the US and the EU, under a project co-ordinated by Cornell University, UNU-WIDER and Copenhagen University. While much has been written about the food price fluctuations since 2007, there is little understanding of how and why governments responded as they did. Findings from Egypt, Ethiopia, Kenya and Nigeria were presented in the first of two parallel sessions with more to come from Malawi, South Africa and Zambia in the second session on Tuesday afternoon.

Ahmed Fourk Ghoneim described how, in Egypt, adopted policies have helped to lessen the impact of the crisis but have failed to tackle its root cause: an absence of political will for real reform. In Ethiopia, food price inflation has historically not been a problem, said Assefa Admassie, but in mid-2008 food price inflation reached 61%. Policy responses included banning exports, expanding the social safety net, increasing government wages, media campaigns and procuring grain to distribute to the poor.

Kenya has an open economy, so the influence of food price volatility in the international market has greater impact here. Prices have remained high since 2008, reported **Jonathan Nzuma**, but the policy responses have been weak and ad hoc with no research used to inform policy. **Aderibigbe S. Olomola** described Nigeria's response to the food price crisis as "muddling through as it took time to reach consensus and solutions were hurriedly identified and implemented." However, government intervention has led to a positive change in food commodities from a dependency on imported rice and wheat to greater domestic production of yam and cassava.

"Were all the policy interventions a band-aid, short-term response," was a final question from the floor, "or were there real structured changes to address long-term problems of food price volatility?" We will learn more tomorrow.

A rising class of emergent farmers

The challenge of reaching the rural poor with agricultural support measures without more powerful farmers capturing the benefits was debated by speakers and attendees in the Fish Eagle room.

Hans Binswanger-Mkhize provided a historical overview of spending on measures for supporting domestic agricultural sectors. He noted that agricultural subsidies in high-income countries peaked in the late 1980s while developing country subsidies have followed a reverse trajectory, with an upswing in spending since the 1990s. The proportion now spent on agriculture relative to agricultural GDP is higher in Africa than in Latin America. But the absolute amounts are low, and countries are reliant on donor for additional funds.

T.S. Jayne presented findings from Zambia, one African country where protection mechanisms – notably fertiliser subsidies and price support – have increased in recent years. The benefits have been disproportionately shared by the best-off farmers. This helps to explain the failure of agricultural growth in the country to translate into widespread poverty reduction in rural areas. Jayne stressed that it should not be assumed that large-scale farms make more efficient use of fertiliser than small family farms. "The much-articulated trade-off between equity and efficiency is a red herring," he said. Rather, he hypothesised that agricultural policies throughout sub-Saharan Africa have continued to support exclusionary support mechanisms, despite evidence that they are neither efficient nor poverty-reducing, because of elite capture of lobbying and political processes.

One discussion point was the value of subsidies and price support compared with other policy options such as extension services, building rural roads and investing in agricultural research. It was suggested that research could be made more cost-effective if public institutes are given greater incentives. For example, the research gains made in Asia during the Green Revolution were driven by the political goal of national self-sufficiency in food production.

Another discussion point was the emergence of the kinds of medium-scale farmers that Jayne identified. "We need to start thinking about home-grown large farmers," said one participant. In a joint presentation, **Nicholas Sitko** and **Milu Muyanga** described research that investigated this phenomenon in Zambia and Kenya. They found little evidence to suggest these better-off farmers are building up from very poor origins. Rather, they are benefiting from large existing land endowments and off-farm income from jobs, mostly as civil servants. Working in the public sector gives these emergent farmers an advantage over poorer farmers of being able to navigate bureaucratic channels for acquiring land. Therefore, neither the subsidy programmes described by Jayne nor the broader institutional and political structures described by Sitko and Muyanga were designed for easy access by the very poorest producers. Binswanger-Mkhize suggested a scenario in which farmers are able to benefit from agricultural programmes even if they lack lobbying power, thanks to support by politicians.

The session concluded with discussions on the possibility of changing the beliefs of agricultural policymakers in Africa and designing agricultural support mechanisms that have a better chance of reaching the rural poor.

Do farm subsidies mean votes?

The correlation between farm subsidies and the voting systems in Africa is one that interests many, including ruling elites who are argued to have hijacked subsidy programmes for reasons other than what they are intended to do: reduce poverty by increasing agricultural production among smallholder farmers in Africa.

Two presentations yesterday looked at the politics of farm subsidies and how some governments invest heavily in them not only to reduce poverty but also to provide political incentives to the rural electorate during election years.

Blessings Chinsinga argued that Malawi's Farm Input Subsidies Programme (FISP), although a worthwhile initiative, was used by the government of late President Bingu wa Mutharika as a pedestal to power. At the time of its introduction, President Mutharika was facing serious political insecurities which drove him to implement the much hailed programme in order to gain the support of farmers. But after winning the elections, the FISP programme was scaled down and largely became a rent-seeking mechanism for rewarding loyal supporters, thus making it unsustainable.

Similarly, a case study presented by **Nicole Mason** hypothesised that subsidies have been continuously used by the dominant parties in Zambia to try to achieve political objectives. But the big question remains as to whether targeting farmers with subsidies pays off at the voting booth. According to Mason, they do not. Other factors such as poverty reduction, reducing unemployment and reducing inequality may be more important to voters.

The tip of the iceberg?

Speaking at a session on political-economic aspects of water policy, Gert Jan Veldwisch described large-scale land enclosures as only "the visible tip of the iceberg" of agrarian transformations taking place in Africa and beyond. He suggested that the debate around land grabbing is a distraction from the deeper issue of global capital penetrating into agricultural production and value chains, leading to new relationships between capital and labour. Dr. Veldwisch was presenting a case study from southern Mozambique of a rice contract farming scheme that is operated by domestic agribusiness, supported by British money and facilitated by the Mozambican government.

Tweet of the day

@IDSRisingPowers 'Agriculture is not a sectoral issue, it's a territorial issue.' #agpolitics

On the blog

The Future Agricultures blog will have more articles on the conference, including on the BRICS plenary session, the clash of 'policy beliefs' and more:

www.future-agricultures.org/blog