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AGRICULTURAL RESTRUCTURING IN SOUTHERN AFRICA

**Papers presented at an
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AGRICULTURAL RESTRUCTURING OF SOUTHERN AFRICA: LESSONS EMERGING FROM THE SYMPOSIUM

D Metzger and J van Zyl

INTRODUCTION

On the first day of the Symposium speakers addressed the critical issues of the agricultural sector of the respective countries in Southern Africa. This was followed by two days of intensive discussion on ten subthemes, including macroeconomic linkages, technology adoption, production promotion, manpower and human resource development and the land issue.

A final session on the prospects for regional cooperation set the stage for a panel discussion aimed at drawing together the collective lessons learned from the presentation of the 10 plenary and 60 contributed papers. The panel, chaired by Prof Carl Eicher (MSU, USA) consisted of Professors Mandivamba Rukuni (Dean of Agriculture, University of Zimbabwe), Jerry Eckert (Colorado State University) and Csaba Csáki (Rector of the Budapest University of Economic Sciences and President-elect of the IAAE), Mr Luther Sibisi (Development Bank of Southern Africa) and Mr Howard Sigwele of the Ministry of Agriculture in Botswana.

LESSONS FOR NAMIBIA

The panel members raised a number of issues which they felt the Republic of Namibia should take into account in formulating a national food and agricultural policy. There was broad agreement that the multiple goals of agricultural policy should be to achieve national and household food security, generate jobs and foreign exchange earnings, and raise rural incomes across the board. Special attention was given to national food security because a number of countries in the region (e.g. Botswana) had changed their policy direction from national food self-sufficiency to national food security. Food security has two interrelated components: **food availability** through local production, storage and imports, and **access to food** through home production, food purchases and food transfers such as food for work programs.

The panellists pointed out the importance of formulating agricultural policies in the context of other government policies. For example, agricultural interest rates cannot be too far removed from those in the general economy. Government exchange rate policy and international trade will critically affect agriculture. The panel also mentioned the role of the government and the role of the market. The panel members were of the unanimous opinion that the government should create, nurture and facilitate the operation of the market in order to create the incentives for both producers and consumers to make decisions on the basis of market incentives. But the panellists warned that the government still had a strategic and active role to play in such activities as the construction of rural roads, agricultural research, extension and credit - especially for farmers in communal areas where the risk is high and the private banks will understandably not locate branches.

A further important policy issue was how to maintain the productivity of the commercial farm sector while implementing strategies for reaching the "poorest of the poor".

It was argued that the small farmer faced an array of problems, and that the solutions will also have to be packaged by combining new technology, extension, credit and market development. Turning to the critical issue of training, the panel recommended that Namibia should slowly and progressively develop a "modern" faculty of agriculture at the University of Namibia. The faculty eventually should consist of three departments: crop science, animal science, and agricultural economy and extension. It was also recommended that Namibia should look to other Southern African countries for assistance in training of students at the postgraduate level.

The issue of integration of Namibian farmers into the regional and international economy was also raised here. A salient point was the need to balance the desire for the further processing of products domestically with the high standards required for effective competition on international markets. Namibia has many comparative advantages, especially in beef and fish exports, but it will have to consider the issue of competition with countries with long-standing experience in the export market.

The panel also discussed the raising of rural production and rural incomes across the board through broad farmer support programmes that include improved farm technology, credit, extension and market development. The broad communal and rural development programs should devote special attention to women both as farm producers and the persons most responsible for family health and nutrition. The panel recommended that rural employment-generation and small-scale industry and market development be crucial parts of a rural upliftment program. One part of the package of services to the small-farm sector which received specific attention was that of technology. Some Southern African countries have gained large increases in output from small farms through improved crops by research which was done a number of years ago. Namibia should develop interregional cooperation in solving the technology requirements of small farmers who are struggling to feed their families.

The discussants were also of the opinion that three conditions had to be met before such policies could be carried out effectively. The first condition was the all-important land issue. Economists are capable of providing solutions to land issues. However, land reform could never remain a purely economic issue and economists would have to learn how to talk to and advise political decision-makers on the issue. The most important advice from the experts in other Southern African countries in this respect was to proceed with caution, and to balance the popular desire for land redistribution with the needs of sound macroeconomic policies. An incremental but sustained effort of redistributing land was proposed as the optimal path to follow.

The second condition referred to the need for skilled manpower. The major consensus was that training, training and training were necessary for the successful execution of agricultural policy in Namibia. A third condition placed agriculture squarely in the context of national economic policy. The need for a strong political lobby for small farmers, as well as the need for a stable democracy to ensure the success of agricultural and rural development policies was endorsed by panel members. Southern Africa has many lessons for Namibian policy-makers and agricultural economists to examine in developing a new agricultural policy for Namibia.

CONCLUSIONS

Most of the above issues raised by the panel members and discussants should also be taken into account in formulating a national food and agricultural policy for Southern Africa. In this respect the Symposium holds important lessons for Southern Africa. In addition to the points raised above, there was also general consensus among the participants on a number of other issues. Although some of these overlap, a brief discussion is necessary in view of the importance of such matters in the present transitory and negotiating phase South Africa is experiencing, also with respect to agriculture. The major conclusions include the following (in no specific order):

- **Self-sufficiency and food security:** Food self-sufficiency is meaningless and does not imply food security. Food security involves both the **availability** (supply) of food, and **access** to food. This implies that food self-sufficiency can contribute towards food-insecurity through high food prices, etc. Food security should therefore be emphasised.
- **Population growth:** Rapid population growth results in a vicious cycle of poverty. Control of birth rates, principally by means of economic growth and the empowerment of women needs attention.
- **Technology:** Competitiveness should be emphasised. Much current technology is not adapted, especially to the needs of smallholder agriculture. This leads to social, economic and environmental degradation. A technology package is needed and smallholders should be the target group.
- **Rural economy:** Several points were raised, e.g.
 - Policies aimed at benefits for commercial farmers often harm subsistence farmers;
 - relaxation of taxes is not preferable;
 - minimum wage legislation is not necessarily needed; and
 - mutual trust is critical.
- **Land reform:** The need for modest but consistent land redistribution programmes was emphasised. This is often a political issue and captures political rents, especially in view of past injustices. The issue is often not the use of land, but ownership. Policies should try to delink **ownership** and **usage**, but should be based on the collective will of the people. A dilemma is the dual agricultural systems which prevail in all countries of Southern Africa. One cannot concentrate on one sector only. There also is no easy solution to this intractable problem.
- **Education:** Universities need proper departments or faculties of agriculture. The upgrading of colleges, etc. should, however, be avoided. Outside help from neighbours and overseas should also be considered to train especially economic analysts. Traditional agriculture should be the focus of curricula.
- **Smallholder policies:** Lobbying groups for smallholders are necessary to address their needs. Development strategies should be more user-friendly and appropriate. Farmer support programmes are preferable to large-scale projects and should include livestock production. A package approach is needed for integrated rural development. There are however linkages between what is happening, and therefore issues cannot be put into compartments. Equitable and open access to agricultural opportunities is needed. This should be aided by affirmative action to address past injustices.
- **Institutions:** The pride of being free often results in people being placed in positions where they cannot deliver the goods. Training is needed as a starting point, and will decrease dependence on outside help. The need is for rural institutions and empowerment

through group formation.

- **Development:** There is a general resentment of top-down "colonialism". Programmes must therefore be routed through the people.
- **Human capital development:** Education and training is of the utmost importance. Pragmatism and flexibility are needed in this respect. There is also a need for a new value system.
- **Agricultural policy:** Agricultural policy needs to be well formulated, but cannot stand alone. Several issues should therefore be addressed, including equity, food security, the environment, land, etc.
- **Politics:** A political democracy is a necessity. Eastern Europe can be an important case study in this respect. It is also important to remember that economic, social and political transition implies costs and causes problems. Negative aspects should therefore be minimised with respect to time and magnitude.
- **Market:** One should be cautious of bureaucrats. Government involvement should therefore be minimal. A government should not be an active player, but should rather be the referee. It becomes difficult if referees start to play. Distortions must thus be minimal. However, distribution issues should be addressed by the state.

The above issues are complemented by the need for security of expectations and reward of individual effort in a new system. There is also a need for a forum to share experiences of Zimbabwe, Namibia, South Africa and other countries in Southern Africa because of the similarity of past experiences. An important message is to keep the winds of change blowing in South Africa. Food, education and health are the basic pillars of a stable society, especially in poor areas. Agriculture cannot assure these alone, but is a vital element in a comprehensive and coordinated policy package.