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**AGRICULTURAL RESTRUCTURING**  
**IN**  
**SOUTHERN AFRICA**

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**ABSTRACTS**

## **AN ALTERNATIVE FRAMEWORK TO STRUCTURAL ADJUSTMENT IN AFRICAN AGRICULTURE: SOME LESSONS FOR NAMIBIA**

G O I Abalu

The African continent of today is confronted by a serious economic "crisis" in the true pathological sense of the word. The most widespread and traditional medicine being prescribed to African countries has been the International Monetary Fund and World Bank supported stabilization and adjustment programmes. The performance of many of these programmes over time has, however been disappointing. The primary reason for this is the failure of these programmes to adapt to the African situation which is characterized by weak production structures and imperfect markets. Furthermore, by concentrating almost exclusively on the attainment of internal and external financial balances at the expense of the development of the basic structural factors which are important for both economic growth and socio-economic transformation, these programmes have only succeeded in reproducing the continent's poverty and vulnerability.

Therefore, there is now considerable concern over the usefulness and relevance of these programmes to Africa's long-term development objectives, as well as with respect to their social, economic, and financial impact particularly in the agricultural sector which remains the foundation of most African economies.

Countries which enjoy the rare luxury of having a genuine opportunity of restructuring their economies should seriously consider an alternative strategy that would ensure not only the stabilization and adjustment of their economies, but also the transformation of these economies into viable entities providing sustained development, while providing the necessary capacity to adjust to changing domestic and external circumstances.

Such an adjustment and transformation process is of critical importance to countries such as Namibia with an emerging agricultural economy characterized by traumatized and disarticulated structures and weak macro-economic linkages.

## **WHAT GOOD IS LAND USE PLANNING? - REFLECTIONS ON ZIMBABWE AND BOTSWANA**

C M Brand

There is much more to land use planning than meets the eye. The development control design behind such planning is probably more readily apparent in urban planning than it is in the rural case, since it constitutes the basis of legally enforceable zoning regulations in the former, which governs building codes, occupancy utilization and the like. The desire to exercise a variety of controls, however, also motivates most rural land use planning, ranging from enhancing the aesthetic appeal of "unspoilt" areas or preventing the degradation of agricultural land, to encouraging certain types of production. Whilst urban land use is relatively easier to monitor and regulate through statutory and administrative mechanisms, rural land use is less amenable to strict control due to the widely dispersed and variegated nature of both the resources involved and their users, resulting in the evolution of more differentiated, adaptable and independent use-patterns. Rural land use plans are therefore more easily resisted, ignored, or subverted. Consequently, the effectiveness of the

institutional mechanisms through which their implementation is perceived becomes a critical factor. The nature of these institutions, and their limitations, are often neglected, or are poorly understood and subject to stereotyped judgement, leading to failure of land use designs to achieve their objectives.

Two examples, one from Zimbabwe and one from Botswana, are used to identify some of the weaknesses which are associated with a predominantly technical approach to land use planning and raise questions as to how a greater degree of local participation and responsibility can be engendered in developing productive and sustainable systems of resource utilization.

### **THE ROLE OF AGRICULTURE IN THE REGIONAL POLITICAL ECONOMY OF SOUTHERN AFRICA**

S S Brand

The independence of Namibia, the reduction in the level of organised armed conflict in most parts of Southern Africa, and the commencement of a process of internal constitutional negotiation in South Africa, have opened up the prospect of economic interaction and co-operation between all the countries in Southern Africa free from the past disturbing influences of political strain and economic and military destabilisation. The nature and extent of such interaction and co-operation should therefore increasingly be determined by underlying economic factors as modified by the national political goals and domestic preoccupations of the individual countries. In the regional policy economy of Southern Africa, the role of agriculture should be considered within the context of these broader political and economic developments and prospects.

The pragmatic, selective and incremental approach towards improved agricultural co-operation in Southern Africa put forward in the paper may not fully match some of the expectations about such co-operation raised by the political change that is under way in the sub-continent. However, it may be advisable, initially at least, to follow a more cautious route, that would also be in harmony with the approach that would appear to be sustainable in respect of economic co-operation in general, rather than to enter prematurely into more ambitious co-operation arrangements that may quickly run into obstacles of national interest and scarcity of resources, and thus produce more frustrations than benefits for all concerned.

### **CHANGES OF FORMS OF LANDOWNERSHIP IN SOCIALIST COUNTRIES**

A Burger

After communist one party systems have collapsed in the small, so-called socialist, Eastern European countries, the development of their economies is uncertain. The inefficient State- and cooperative ownership have to be changed for more efficient ones, but the manner of the change is yet questionable.

The inefficiency of socialist ownership in agriculture stems from the wrongly understood and applied principle of economies of scale, the bureaucratic central management and regulation systems and the uninterestedness in performance.

State, cooperative and private ownership will probably live together for a while. It would be difficult to restore private ownership of land after some decades of collective farming, owing also to the lack of small machines and equipment.

It is likely that small farming will soon dominate labour intensive sectors of production, while large scale farming will be restricted to well mechanized crop production. Co-operatives will be much less centrally regulated than earlier.

### **OWNERSHIP STRUCTURES AND NATIONALIZATION: EXPERIENCES IN THE LAND ECONOMY OF HUNGARY**

F Fekete

This paper systemizes past experiences in order to analyze the present situation and to draft some of the possible ways of an economically more efficient and socially more justifiable land management system in Hungary. It concentrates on property problems, but simultaneously also takes into consideration the characteristic features of land-use and of income relations connected with land.

The survey of the Hungarian land problem and also the efforts made and the steps taken for its settling, unambiguously emphasize the importance of the balanced theoretical generalization of the practical experiences, of the interdisciplinary approaches and of the international research co-operation which aim to create new knowledge on the basis that human resources are not replaceable and that intellectual challenges should be mobilized to proper action.

### **SOUTH AFRICAN FARMS AND THEIR SCHOOLS: IN SEARCH OF A THEORY**

J F de V Graaff

In the sparse literature analyzing farm schools in South Africa, three theoretical models have been used. While aspects of all three the perspectives are valuable, they all ignore the socio-economic context of farm-schools, and particularly the agricultural sector within which farms fall. A great deal of farm children's school career is already determined when they walk in the classroom door. The nutrition, stimulation and support which parents give schoolchildren are all critical for their academic performance. All of these are lacking in farm workers' families.

One of the major tasks of the sociology of the rural areas is to understand the differential penetration by capital of different social and production relations. This adds up to a strong functionalist influence that means, firstly, that there is no discernible distance between the interests of state and (agricultural) capital. Secondly, state, capital and labour are all portrayed as internally homogeneous. There is no consideration of conflicts between various state departments on rural education; between various sections of agricultural capital; or between various kinds of farm-labour. Thirdly, farm-workers and farm school teachers are seen as passive and powerless in the labour situation. Farmers' control is supposedly comprehensive and total.

## **CONTRIBUTIONS OF AGRICULTURE TO FOOD SECURITY: AN ECONOMIC VALUATION**

C-H Huang

Maintaining agricultural productive capacity at an adequate level is an important national policy in many countries because, in addition to some political and social reasons, it could generate several economic benefits, including food security, resource conservation, producer surplus, etc. Since agricultural land is an indispensable factor for achieving the ideal level of productive capacity, it is traditionally protected through legislative regulations on its ownership and uses. For instance, in Taiwan it is stipulated that only farmers be allowed to purchase farmland and that farmland cannot be turned into non-agricultural uses without permission. Recently, however, such regulations have been challenged because of the following reasons: (1) competitive demands from non-agricultural sectors for farmland have been increasing substantially due to rapid economic growth; (2) some people believe that domestic agriculture is not able to make any contribution to food security simply because government can either sign a long-term food supply contract with exporting countries or construct more storehouses to supply sufficient food for future consumption. In particular, domestic agricultural productivity is sensitive to the conditions of the social and political environments, as well as to the natural environment; and (3) domestic production cost is much higher than the world market price and it is possible to import agricultural products without limit in quantity.

However, these arguments are to some extent misleading because too much emphasis is placed on the adequacy of food quantity. This paper defines food security from a different viewpoint and verify that the contributions of domestic agriculture to food security still exist regardless of the presence of the above reasons. In order to determine a proper level of domestic productive capacity and to decide how much farmland should be preserved, such contributions should be taken into account in policy analysis in order to avoid inefficient decision-making.

## **A PERSPECTIVE ON AGRICULTURE AND RURAL DEVELOPMENT FOR NAMIBIA**

K Kahuure

Better technology derived from organised research is an essential component of efforts to develop agriculture. Agricultural research is an area that has been severely neglected in Namibia in the past and the fact that, excluding veterinary research, virtually no research has taken place which is of relevance to the specific needs of the communal areas, is a searing indictment of the attitude of the previous administration to agriculture.

Agricultural extension in Namibia has in the past been carried out by a number of different ethnic administrations, and in the case of animal health and recently animal husbandry extension, by the Directorate of Veterinary Services. Non-government organisation involvement in extension has essentially been limited to centre-based farmer training activities.

Excluding services rendered by the Administration for Whites, extension aimed at



promoting crop production in Namibia can be said to have barely existed in any defined and systematic way. In general, extension services in the communal areas have been understood to be the performing of regulatory functions and input distribution, rather than the provision of advisory services whose principal role is the obtaining of information on improved practices from research and other sources and transferring it through appropriate diffusion methods, demonstrations and advice to farmers.

**PERFORMANCE OF A RURAL CREDIT INSTITUTION IN TANZANIA IN FINANCING SMALL FARMER AGRICULTURE: LESSONS FOR CREDIT POLICY FORMULATION IN SUB-SAHARAN AFRICA**

A K Kashuliza

The purpose of this paper is to assess the performance of the Cooperative and Rural Development Bank (CRDB), an agricultural credit institution in Tanzania, in financing small farmer agriculture. Assessment is largely based on available institutional information between 1971 and 1987. Criteria for assessment include loan repayment rates and operational costs and revenues from lending and credit allocation methods. Data collected from selected rural settings are used in assessing the above issues at the borrower level.

Analysis of institutional data and information over the study period indicates an alarming low level rate of loan repayment of about 57% by borrowers. Comparison of the bank's operational costs and lending rates indicate that CRDB's income from lending has been very low. Thus it is not surprising that CRDB is heavily dependent on government and external funds for its operations. The lending rates have been negative in real terms after the mid-seventies and have improved only marginally in the second half of the 1980s. Further analysis reveals that CRDB has rationed credit, using non-price mechanisms in discriminating against some rural settings and farmers.

Lessons emanating from the study for Tanzania's rural financial markets and elsewhere in Sub-Saharan Africa, centre on institutional credit policies, mainly including interest rate adjustments, strengthening of linkages among institutions involved with rural development and factors to be considered in improving the loan repayment situation.

**LAND SETTLEMENT IN ZIMBABWE AND ITS CONTRIBUTION TO THE AGRICULTURAL ECONOMY**

A S Kunasingham

Agrarian Reform which now replaces the earlier terminology and reform, recognises that the main relations to land use and occupancy are fundamental to decent survival in an agrarian economy. This implies some transformation in the structure of the agrarian system to achieve (1) greater equality to access to land and income, particularly in respect to the poorest of the rural population, and (2) removal of constraints that inhibits agricultural productivity. Agrarian reform is particularly important and relevant to Zimbabwe where the agricultural economy has become distorted through various social practices, including uneven distribution of land.

The land resettlement programme implemented by the Government of Zimbabwe is

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the best rural development programme in the country and possibly the best resettlement programme in Africa, and should be evaluated from both the social and economic objectives of the programme. Crop production in some of the schemes has been even greater than that obtained during the commercial farming period, while in some other schemes productivity has been below expectations due to various reasons, including insufficient support services to the settlers. In a irrigation scheme, Mushandike, crop production is above planned targets. Hence it could be concluded that with the proper type of settler and adequate support services the resettlement programme could meet its objectives. It is therefore strongly recommended that the programme should be accelerated to achieve, at least, the First Five Year National Development Plan target of settling 15 000 families annually.

### **AGRICULTURE IN ZIMBABWE**

F M Masanzu

The agricultural sector in Zimbabwe is highly diversified and based on sound knowledge and acceptance of agro-ecological zones and their specific farming suitability. The agro-ecological zones, generally referred to as "Natural Regions" (NR) indicate agricultural suitability in relation to rainfall and some soil classifications. Furthermore several other factors account for the diversity of agricultural activities, namely land tenure systems and structures, and infrastructure systems, which are either physical or service in nature and pricing systems.

The role of agriculture in a developing country like Zimbabwe is to provide food to the population, employment for the able persons, raw material to the domestic industry and foreign currency earning from raw and/or processed agricultural exports. It is clear that the agricultural sector is an engine of growth and development in Zimbabwe. Specific statistics bear witness to this role: agriculture accounted for 14% of GDP in 1980-89, employed 30% over the same period and earned 40% of the total foreign earnings.

Major crops include tobacco, cotton, maize, sugar, beef, coffee and tea. Tobacco is the biggest cash crop with export earnings of Z\$ 650 million in 1989. Cotton is the second largest agricultural export with earnings in 1989 of Z\$ 183,4 million. Coffee exports earned Z\$ 48 million in 1988/89. Commercial horticulture has grown rapidly, doubling its exports every year since 1985. Beef is another important export commodity achieving realizations of Z\$ 60 million in 1987 and 1988. Tea exports earned \$ 20 million in 1988/89.

### **A SOCIO-ECONOMIC EVALUATION OF SMALLHOLDER CREDIT EXPERIENCES FROM KENYA**

H Niederstucke

The transition of smallholdings from subsistence to commercialized farming faces the problem of insufficient capital accumulation for the initial development. The level of technology normally does not allow for cultivating more land than is necessary to nourish the family. If some irregular surplus is sold, the money is used to pay for household goods or other absolute requirements (school fees etc.).

Credit would enable smallholders to undertake farm development. It would also lead

to a faster adoption of innovations and increase the family income. However, creditors must be aware of the period needed to recover the loan and also that with limited acreage, farmers lower their subsistence level when setting aside land for cash crops. This waiting period must be bridged by credit funds too, if the whole undertaking is not to be doomed from the start.

Credit is a necessity for smallholdings to develop: it can accelerate the adoption of innovations and family income may increase. However, to change to commercialized farming and to produce for the market require new farming systems. Supervision of credit utilisation in most cases is necessary to make the loan productive. Especially the awareness that a loan is not a gift, but has to be paid back, has to be strengthened.

Although 25% and more of the invested capital could be easily achieved as return, with very small loan amounts, the costs of extension and administration in relation to the credit are rather high. Lending to groups of farmers, e.g. in urban savings and credit societies, could be a way in which to lower external credit costs. In this case every subsistence farmer would have access to agricultural credit. This has been discussed several times, but has not yet been implemented.

### **TRADITIONAL LAND TENURE SYSTEMS: NEED FOR REFORMS**

C Nippold

Measures concerning land tenure will directly affect the basis of a society in most countries. Frequently action is demanded and considered urgently needed as the existing framework seems to be one of the largest obstacles to efficient development aid in rural areas.

Traditional law is customary law. It is kept alive by oral tradition and permanent practice. In most African countries there is no codification as yet. Customary law is not stationary. Altered socio-economic conditions, i.e. increasing population densities or new technologies, cause modifications in human behaviour and, thereby, changes in traditional land laws. Therefore, land tenure systems are subject to a permanent process of alternation and adoption. The question is whether the speed and direction of this development correspond to economic and political needs and objectives.

When economists evaluate and forecast a development, they always fall back on criteria taken from different social and economic systems. To transfer these measures to African conditions is problematic. For example, they do not fit the strong social orientation of the majority of the Sierra Leone population, whose economic goals are less distinct. For the time being neither ecological nor economic constraints will induce farmers to change their attitude. Their way of life and farming still assure optimal social security. The Man-Land Ratio will change for the worse with increasing population density and the present land use system will meet its ecological limits. For the present the solution has to be sought in altered production patterns and infrastructural improvements and not in law reforms. Only when the traditional law system disintegrates and does not any longer correspond to legal practices, will law reforms be necessary. Only then will reforms have a good chance of being successful.

**LAND REFORM, LAND USE AND EFFICIENCY:  
THE ZIMBABWEAN EXPERIENCE AND LESSONS FOR NAMIBIA**

J M Nyoni

This paper illustrates the experience of Zimbabwe's attempts at redressing land distribution imbalances from the past under present-day socio-economic realities. It does not offer "blue prints" for any country, least of all Namibia, as the objectives, although similar in many ways, are not necessarily the same.

The lessons that can be drawn are that if there is cause for land reform, a new government should make decisive plans and implement them at the earliest possible time. This obviously has grave consequences for the Fiscus, but no benefit will accrue from any postponement of such a programme. It could be said that a well planned programme, even at high cost, is more likely to yield positive benefits in the long run.

The limitations of technical modelling for the type of land reform to be undertaken need to be taken note of, but the most important point is also to involve the would-be beneficiaries in the modelling of their future. This will provide sustainability to the plans. Other areas of restructuring, e.g. access to credit, marketing, transport and extension, should be a vital component of the package.

**KENYA'S EXPERIENCE WITH LAND REFORM:  
RESEARCH EVIDENCE FROM TWO AGRICULTURAL DISTRICTS**

W Oluoch-Kosura

The struggle to own land and for the right to use land are ever recurring features in Kenya's history. This is because land is one of the primary factors of production and provides livelihood to the majority of the rapidly rising population. Because of the central role of land in development, the government takes keen interest in matters such as ownership, access, transfer, use or misuse, accumulation and fragmentation.

By 1954, a program of land adjudication, consolidation and registration was proposed to replace the various customary land tenure arrangements of the various indigenous groups in Kenya. This intervention was necessitated by the pressure on the land outside the then settler farms during the colonial government and the belief that it would enable intensification and modernization of agriculture in those areas. A land market was supposed to emerge and similarly a credit market would develop. This would be because titled land could be exchanged and those rendered landless would seek employment on the registered farms. Since land registration would confer security on the owners, the incentive to invest in it would increase and improvements in land productivity would follow. Acquisition of variable inputs such as fertilizer and improved seeds would be facilitated through the usage of the acquired title deed to secure credit and this would increase production. The overall effect to these relationships would be to improve the material well-being of the members of the rural households. Thus, rather than leave population pressure to act as a driving force to effect the technological changes, intervention as described above would facilitate rapid development.

In 1988, a survey seeking to establish the consequences of the land reform program

which began in Kenya in 1954 was conducted in two agricultural districts in the country. The study examined linkages between household characteristics, the emerging land use and transfer arrangements (tenure) in spite of existing legislation limiting such transactions. The main finding of the study was that the rural factor markets did not develop as theoretically expected after the land reform. Countries which may plan to initiate land reforms should learn some lessons from Kenya's experience and formulate appropriate land policies to ensure higher agricultural productivity.

## **TECHNOLOGY ADOPTION**

E Reisch

Technology adoption has altered the nature of human lives through the centuries in a drastic way. Technologies have taken the people of many countries to wealth and health. There are, however, two main concerns: a growing part of mankind does not enjoy these positive effects, and there are technologies which show destructive effects on natural and human resources.

It is of utmost private as well as public interest to make optimal use of advanced technologies. In pursuing this objective, we learnt that in the process of technology adoption men, messages and means, and conditions constitute the decisive factors, and at the same time they provide the main fields of action in order to improve the adoption process in terms of speed and of quality. Public support and private efforts form the base of success. Nevertheless, in a free market economy, adoption of new technology takes place only if it is to the benefit of the decision-maker and the firm.

World-wide experiences show, however, that individual interest may be in conflict with social interest, particularly with respect to social goals (e.g. equity) and to natural resources (reserves, environmental issues). Therefore, safe-guarding policies should be applied to avoid exploitation of natural reserves and deterioration of social systems. They have become an indispensable component of any technology adoption policy: as a part of professional education and training programmes, as discriminative support programmes, or as legal regulations.

## **IRRIGATION SETTLEMENT : AN ECONOMIC AND INSTITUTIONAL MODEL**

N Reynolds

Most developing country governments set up, often with donor support, a small irrigation development fund. This is usually administered by the State Agricultural Bank.

In India there has been considerable success with the introduction of wells and boreholes. There the institutional problem of community or group management that hampers bank finance of small irrigation in Africa is largely absent. In India loans are to individuals. This often ignores community issues of access and of depletion, as with groundwater. Over the centuries wealthy peasants have acquired the richer bottom lands, the same lands that are likely to be commanded by canals or provide the sites for wells and boreholes.

In Africa small irrigation fund managers find it hard to lend money. Farmer groups

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and communities do not easily offer satisfactory arrangements for control, for maintenance or for the raising of loan repayments. The managers eventually turn their attention to larger farmers or government diverts the unused resources to large projects of the administrative economic box type.

The democratic company removes the obstacles to bank lending to a group or community. The main question that remains is whether the bank can cover the social investment involved in bringing communities to reform themselves, to train, to advise, and to help audit the results annually. The answer is almost certainly no.

An irrigation window can be opened in the general National Programme that supports village reform. Or, in its absence, a special National Irrigation Programme can be started that links the small irrigation fund to member villages or groups and which provides the social investment and business support needed. This allows the banks to make commercial loans to communities, as to companies. That programme can then expand to cover the other areas of village activity (grazing, wildlife, etc.) in response to member requests.

### **RISK AS A RESTRICTION WITHIN INVESTMENT PLANNING**

H Seuster

For some decades the inclusion of risk in programming models of farm enterprises has been an important field of research in agricultural economies. Nearly in all publications - especially in the latest ones - it is attempted to determine the risk or risk willingness as part of the objective function by maximizing the variable margin and simultaneously minimizing risk.

Nowadays such an approach seems to be an usual one, but it is not necessarily so. Even if all aspects of risk are considered, the acquisition of income remains the major goal of farming. However, the realisation of this goal depends on the special risk willingness of each entrepreneur. Thus, the risk issue gains the significance of a restriction under which an entrepreneur has to work. It can therefore be considered similar to other restrictions facing the enterprise or the entrepreneur (e.g. land, capital, labour).

### **THE ROLE OF UNIVERSITY TRAINING AND RESEARCH FOR AGRICULTURAL RESTRUCTURING IN SOUTHERN AFRICA**

H-U Thimm

The dramatic changes in international relationships among countries of Southern Africa require a new look at how an optimal system of higher education and research for agriculture can be established. Future development in size and quality of regional agricultural output, food security as well export earning capacity will to some extent depend on measures taken to structure the university system for producing high level manpower. The inclusion of Namibia as the 10th SADCC-country allows a broader view of how Southern Africa will solve their training problems without continuous external help. A possible role of the Republic of South Africa in this field will be excluded for the moment. It is assumed that a future majority ruled Republic of South Africa will need all its resources for its own citizens and that substantial facilities, scholarships and specific training

opportunities cannot be spared for SADCC demand. SADCC-countries will thus largely have to provide funds and institutions at the university level for highly trained agricultural personnel themselves.

The analysis uses manpower data of SACCAR, collected and documented through a research team of the World Bank, published in March 1989. The study estimates deficits for highly-skilled agricultural staff for the year 2000 in SADCC- countries. Recognizing major problems in the accurate forecasting of manpower needs ten years ahead, and admitting lack of sufficient information especially from Angola and Namibia for obvious political reasons, the author assumes that the World Bank report presents a realistic picture of the magnitude and sectoral differentiation of future manpower needs. This paper restricts itself to university training at the BSc, MSc and PhD level. While it seems that the SADCC-region appears able to meet its aggregate demand for technicians at the diploma and certificate level, "only 9% of the need for PhD's and 23% of the demand for MSc's are likely to be satisfied. Even at the BSc level, only 41% of demand will be met". Deficits are projected in all fields except general agriculture. Projected shortfalls are highest in the plant and animal sciences, technology, social and natural sciences.

## **THE AGRICULTURAL ECONOMY OF NAMIBIA**

F Tjingaete

It is evident that the greatest challenge facing Namibian policy makers is how, in general terms, to overcome structural heterogeneity, i.e. to create integrated structures, and in particular how to revitalise the subsistence sector. What then, in the Namibian context, are the "essentials" and the "accelerators"?

The essentials include (1) the land tenure system: the existing land tenure system must be overhauled to allow for more dynamism in the subsistence sector; (2) psychological/technological revitalization: the practice/mentality of "farming like our forefathers did" must be discouraged; and (3) institutional/infrastructural/material support: concrete support to peasant farmers on these scores should be made available.

Accelerators include material/financial incentives: the notion of "peasant conservatism" has long been disproved by empirical rational manner when confronted with alternative opportunities. Peasants everywhere have demonstrated a remarkable responsiveness to price incentives. Whether peasant farmers in the now independent Namibia will enjoy better price incentives than under colonialism remains to be seen. What is conspicuously lacking in Namibia is a coherent agricultural policy. The incumbent Minister of Agriculture still has to come out of his "web of not knowing what to do".

## **PROJECT DESIGN AND PLANNING: A MATTER OF CLARIFICATION OF DEVELOPMENT NEEDS AND POTENTIAL, OBJECTIVES, POLICY AND APPROACH - THE NAMIBIAN SITUATION**

G C van Dyk

As rural development is a long term investment, especially with the emphasis on "social investment" (training, education and extension) the government will have great

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responsibility in the financing of rural development programmes and projects. Other fields of governmental investment in rural development are in infrastructure (roads, large-scale water and power supply, communications, etc.) and other social, non-economic services. Although government will have to assist economic activities indirectly in rural development programmes and projects, non-governmental organisations (NGO's), development corporations and the private sector have a great responsibility in the financing of the economic basis of rural development programmes and projects.

The strategy as proposed is regarded as a framework for a balanced problem orientated onslaught on the problem of developing rural areas. Both efficiency focus points (economically optimal utilisation of resources) and equity considerations (broad based participation by the people) are integrated in the strategy. In this strategy it is deliberately planned that the agricultural sector must make a meaningful contribution to physical development, economical development, as well as to human development in Namibia. Although agriculture is the main economic basis for rural development in Namibia, the same integrated approach should be followed for village development where other economic bases, e.g. industry (formal or informal), commerce, mining (small- or large-scale), tourism, forestry, etc., apply.