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# Agricultural Interaction in Southern Africa: Cooperation or Confrontation?

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**Abstract:** Ignoring the abnormal drought of the past 3 years, the economic growth performances of most countries in southern Africa have been good—by African standards. However, with the exception of commercial farming, agricultural production has stagnated or declined in the indigenous rural sectors where the majority of the populations of southern African countries continue to live. As in other parts of Africa, food production in particular has not kept pace with growth of rural populations, let alone provided for expanding urban demand. Africa's inability to feed itself amid vast amounts of unused land and record levels of foreign aid is, on the surface, one of the major paradoxes of Third World development. The Republic of South Africa (RSA), on the other hand, largely succeeds in feeding its population while its agricultural exports pay for 22 percent of total imports. Apart from those dramatic economic differences between the RSA and the other southern African states, political differences are also highly visible. Whereas the RSA, as the dominant economic and regional power in this turbulent subcontinent, ought to play a vital role in development and economic cooperation, the potential for conflict and confrontation due to political differences is evident and equally dramatic. In this paper, the performance of agriculture in southern Africa is analyzed to determine whether it can be the basis for meaningful economic cooperation to counter the forces of confrontation.

## Introduction

*Blessed are the food producers, for they shall become the peacemakers. (Earl Butz, 1983)*

Ignoring the abnormal drought of the past 3 years, the economic growth performances of most countries in southern Africa have, by African standards, been good. However, with the exception of commercial farming, notably in the Republic of South Africa (RSA), agricultural production has stagnated or declined in the indigenous rural sectors where the majority of the populations of southern African countries continue to live. In particular, food production has not kept pace with the growth of rural populations, let alone provided for expanding urban demand (Low, 1984). According to Eicher (1982), Africa's inability to feed itself amid vast amounts of unused land and record levels of foreign aid is, on the surface, one of the major paradoxes of Third World development. In contrast, the RSA has largely succeeded in feeding its population, while its agricultural exports pay for 22 percent of total imports (Department of Agriculture, 1984). Apart from those pertinent economic differences between the RSA and the other southern African states, political differences are also highly visible. Whereas the RSA (as the dominant economic and regional power in this turbulent subcontinent), ought to play a vital role in development and economic cooperation, the potential for conflict and confrontation due to political differences is evident and equally pertinent. A main premise of this paper is the firm belief that economic interaction in general has outpaced political processes. Schuh (1986) supports this view. This paper may thus be viewed as an application of the concept of economic integration to a turbulent southern Africa.

The performance of agriculture in southern Africa is analyzed to determine whether it can lead to meaningful economic cooperation to counter the forces of confrontation. Certain conclusions are drawn to form the basis for an agenda for cooperation.

## The Southern African Context

### Institutional Groupings and Economic Systems

Distinct institutional features characterize interaction on the southern African subcontinent. Whereas the RSA, the self-governing states,<sup>2</sup> and the TBVC<sup>3</sup> countries politically operate under the SATBVC (RSA + TBVC) framework, the other southern African states are grouped under the Southern African Development Coordination Conference (SADCC).<sup>4</sup> While political cooperation between the SATBVC and the SADCC groups is restricted (e.g., by the Nkomati Accord between the RSA and Mozambique), economic and technical agreements such as the South Africa Customs Union (RSA and BLS<sup>5</sup> states) and various other forms of cooperation and joint ventures are widespread.

The second relevant feature of southern Africa pertains to the different economic systems in operation. In a recent study (referred to in Leistner, 1982), various southern African countries were

classified according to their prevailing economic systems: Malawi as distinctly market oriented (DMO) and Tanzania and Zambia as socialist oriented (SO). Other African countries were classified as market oriented (MO) or distinctly socialist oriented (DSO). Applying that classification scheme, the RSA (with its self-governing states as well as the TBVC states) could be said to be MO, and Lesotho, Botswana, and Swaziland DMO. Angola, Mozambique, and Zimbabwe, with their Marxist policies, are SO.

Apart from that classification scheme, Hyden (1980, p. 9) argues that, with the exception of the RSA and (the then) Rhodesia, the economies of all African countries south of the Sahara are largely dominated by rural smallholder producers who are unique in the sense that they “have not yet been captured by other social classes ... and ... by being the owners of their own means of production, ... they ... have enjoyed a degree of independence ... large enough to make them influence the course of events on the continent.” In addition to the mentioned systems, a peasant or smallholder mode of production is therefore also operational in southern Africa.

### **Southern Africa’s “Two Agricultures”**

A realistic assessment of agricultural performance on the southern African subcontinent indicates a highly dualistic situation. Relatively efficient market-oriented and capital-intensive farming exists alongside subsistence-oriented (peasant mode) farming units. Large scale agricultural estates and privately owned family farms operate within sight of communally-oriented tribal farming systems. The objectives (and therefore the performance) of the “two agricultures” also differ considerably. Natrass (1981) determined that capital-intensive white agriculture in the RSA produced an output of R1298 per person and R119 per hectare cultivated in comparison to R65 and R34, respectively, for the subsistence black agriculture in the RSA.

Another important aspect of the “two agricultures” is that vastly different problems beset the various modes of production. Modern, capital-intensive farming struggles with problems such as overcapitalization, high land prices, high interest rates, rising input costs, surplus production, and low product prices. The peasant smallholder faces problems related to insecure land tenure; overgrazing; deterioration of land quality; lack of infrastructure, water supply, and transport networks; a breakdown in agricultural support and research services; the poverty trap; and limited representation and participation in decision making processes.<sup>6</sup> The unstable military situation, terrorist warfare, and scores of refugees also seriously hamper smallholder farming.

### **The Position of Agriculture**

The agricultural sector largely dominates the economic structure of most southern African countries. With the exception of the RSA (rural areas excluded), all countries in the subcontinent earn at least 20 percent of their GDP from agriculture, with some countries earning more than 40 percent. All agricultural sectors employ significant numbers of the economically active population.

Agriculture is also an important supplier of raw materials to secondary industry. In the RSA, more than 30 percent of all industrial concerns obtain their most important raw materials from agriculture. Those linkages have created employment for approximately 30 percent of employees in the service and manufacturing sectors of the economy (Nieuwoudt, 1983). In 1982/83, 24 percent of the black labour force in white RSA commercial farming were migrants from the TBVC and self-governing states. That farming sector also officially employed more than 15,000 workers from SADCC countries (Fényes and van Rooyen, 1984).

An interesting aspect of agriculture’s position in the economy refers to the terms of trade shifting against the southern African farmer towards the urban dweller. In Zambia, Dodge (1977) found that, whereas in 1977 Zambian farmers were only able to buy food baskets of approximately two-thirds of the size that they could purchase in 1964, urban dwellers’ purchasing ability during that period increased by two-thirds. In the RSA, the farmers’ share of the consumer value of the food basket decreased from 55.2 percent in 1974 to 52.3 percent in 1981. Under such circumstances, one is hardly surprised that agriculture remains a depressed or declining sector in most southern African countries.

The one outstanding feature of an interregional comparison of the position of agriculture is the absolute dominance of RSA agriculture (excluding the self-governing states). The RSA’s agricultural sector produces almost 60 percent of agriculture’s contribution to the GDP of the southern African

region. RSA agriculture is, therefore, important to other countries in the region as a source of food and fibre (as well as employment).

### **Agricultural Production: Structure and Trends**

When the structure and trends of agricultural production in southern Africa are examined, great differences between countries come to light. The RSA, while not particularly well-endowed with agricultural resources, is one of only six net food exporting countries in the world. The commercial agricultural sector produces food for RSA consumers at a cost of 23 percent of the disposable income (Shepherd and Futrell, 1982), the sixth cheapest food supply among industrial nations. RSA crop production also contributes 77 percent of proteins, 54 percent of fats, 99 percent of carbohydrates, and 89 percent of calories to RSA diets (Nieuwoudt, 1983). Reversed trends are evident in the other southern African countries. On average, food availability in the SADCC region is about 10 percent less than requirements, indicating the need for well-integrated food security programmes supplemented by food aid (ADE, 1982).

Arable land in the southern African region is restricted. In the RSA, only 12 percent (10,212 million ha) of agricultural land is cultivated (Department of Agriculture, 1984), while only 5 percent (23 million ha) is cultivated in the SADCC states (ADE, 1982).

The RSA produces almost 70 percent of agricultural crops as well as 70 percent of staple food crops in southern Africa. Field crops contribute 49 percent, and livestock production 35 percent, of the RSA's gross production value. For the African rural areas in the RSA, those figures are almost reversed, with 37 percent from field crops and 46 percent from livestock production (van Rooyen, 1984a).

Concerning trends in agricultural production and performance, an analysis by Ghai (1983) indicates that overall growth as well as the agricultural growth in sub-Saharan Africa<sup>7</sup> over the past two decades has been lower than in other developing countries. Furthermore, growth in the 1970s significantly decelerated as compared with the 1960s. In certain respects, the performance was so poor that to speak of an agrarian crisis in the 1970s would not be too much of an exaggeration. Between 1969-71 and 1977-79, only three of the eight SADCC countries (Botswana, Malawi, and Swaziland) recorded significant growth in agricultural food production. Four (Angola, Botswana, Mozambique, and Swaziland) recorded falls in per capita food production. The production performances of the self-governing states and TBVC countries of southern Africa appear to be more progressive, indicating substantial growth per capita in agricultural production during the 1970s. That growth can be partly related to substantial capital investment in agricultural projects and may therefore be concentrated in certain high potential regions (van Rooyen, 1985).

In a somewhat superficial but interesting comparison between agricultural performance and the prevailing economic system in a country, all socialist-oriented and socialist countries apparently performed less productively than market and market-oriented countries in the field of agricultural growth and food production. That hypothesis, although not fully substantiated in this paper, coincides with the major findings of the study referred to in Leistner (1982).

The short-run impact of the devastating drought since 1981 has taken on crisis proportions. Only Malawi and Angola have succeeded in increasing their food production, while serious declines have been recorded for the RSA, Tanzania, Zambia, and Zimbabwe.

### **Agricultural Trade and Marketing**

Owing to political and strategic reasons, agricultural trade between the SADCC and SATBVC states is subjected to a great deal of confidentiality and secrecy. Certain information and available statistics, however, point to an active trade across borders. RSA agricultural exports to Africa increased more than fivefold between 1973 and 1980, while imports increased by almost 45 percent. The most dramatic growth occurred in the area of vegetable trade. In view of the RSA surplus production situation and strategic market position, the major portion of the African trade is conducted with SADCC countries. Evidence also exists that trade in maize, food, fertilizers, tea, hides, agricultural equipment, tools, chemicals, and livestock products has been increasing (van Rooyen, 1984a; and Bester, 1985). In comparison with the RSA, only four SADCC countries have achieved net export positions since 1980. In all other SADCC countries, agricultural imports have exceeded agricultural exports.

About 87 percent of the value of agricultural production in the RSA is subject to control to a greater or lesser extent. Control is exercised by 21 control boards and through official schemes such as sugar, wine, and milk quotas. Marketing of agricultural products in most of the self-governing states is also directed by national agricultural marketing boards. In view of the great deal of interaction in the SATBVC region, agricultural marketing (and production) has to be coordinated to a large degree, especially when the various states embark on successful production programmes producing regional surpluses. Bilateral agreements or understandings between RSA marketing boards and the TBVC and self-governing states had already come into existence since the mid-1970s. A more comprehensive agricultural policy may, however, be required in this regard (van Rooyen, 1984a).

Regional cooperation in the marketing of agricultural products between the RSA and some SADCC countries has a long-standing history. Since 1968, the South African Mohair Board has given support and aid to Lesotho, while the South African Wool Board markets Lesotho's mohair and wool clip. The tobacco and citrus crops of Swaziland and oilseeds and maize produced by Botswana, Lesotho, and Swaziland are marketed locally and overseas by the corresponding RSA marketing boards. An active meat trade exists between Botswana and the RSA, and at present the South African Meat Board grants a quota of 200 t per week to the Botswana Marketing Council. A R6.5 million complex, capable of holding 6000 cubic metres of citrus, paid for and designed by South African companies, was recently opened in Mozambique.

From a recent study on food production potential in southern Africa,<sup>8</sup> that food production programmes in subsistence agriculture have to be supplemented by modern commercialized production efforts is clear. Food aid programmes also seem inevitable. In the case of the latter two programmes, the RSA can play an increasingly important and significant role in southern Africa, supplying managerial, technical, and financial assistance to its developing neighbours. RSA involvement in transportation services in this regard is also pertinent.

#### **Other Forms of Agricultural Interaction at the SATBVC-SADCC Level**

Various other forms and areas of interaction and cooperation exist between southern African states. Whereas many actions are of an "unofficial," official nature and are therefore not well documented, certain other actions are well known. The following are examples of the latter form of cooperation:

- The Customs Union Agreement between the RSA and the BLS states. This agreement stipulates, *inter alia*, that local marketing institutions would always be the central control bodies to coordinate cross-border marketing actions.
- Scientific cooperation in the field of agricultural science occurs over a broad front. The South African Regional Council for the Conservation and Utilization of Soil (SARCCUS),<sup>9</sup> for example, promotes closer technical cooperation between all member countries in matters relating to the control and prevention of soil erosion and the conservation, protection, improvement, and optimal utilization of water supply. The Onderstepoort Veterinary Research Institute (OVRI) in the RSA plays an active role in the Office International de Epizooties (OIE), which also has members from other African states. Cooperation in the field of disease and pest control is also pertinent. The International Foot and Mouth Advisory Committee has Malawi, Zimbabwe, Lesotho, Botswana, Swaziland, Mozambique, and the RSA as members, while the International Red Locust Control Organisation for Central and Southern Africa is also active.
- The South African Transportation Services are highly involved in rail as well as road transport in southern Africa, while RSA harbours are important gateways to many SADCC countries.

#### **An Agenda for Cooperation**

From the preceding discussion and analysis of southern African interaction in the field of agricultural production and marketing, the potential for cooperation rather than conflict is clear. If such cooperation is embarked upon, the following items could provide a sound basis for an agenda for agricultural cooperation in southern Africa.

- **The central position of the RSA's agricultural sector.** The dominant role played by the RSA's agricultural sector in the economy of the southern African region is evident from the preceding discussion. The establishment of the SADCC grouping of African states does not realistically

propose to counteract the RSA position. The alliance should rather be assessed as an effort to promote stability and economic growth on a balanced basis within the SADCC region. The states stand to gain immensely from the RSA's strong economy, while to promote and develop the large African market is also in the the RSA's interest. Economic interaction between the RSA and various SADCC countries is widespread. The RSA has an important, even crucial, role to play in providing not only food aid and employment but also agricultural research, training, management, technical inputs and know-how, transport capital, and finance to its African farmer neighbours. The RSA, on the other hand, can gain valuable information and direction on issues such as integrated rural development actions and small farmer development programmes from countries where successes have been recorded.

■ **Disinvestment in the RSA.** Another important point is the potential detrimental effect on many SADCC countries of disinvestment in the RSA by overseas countries. The RSA is the only country in this region that can provide the other countries with a stable access to markets and essential imports, with locally adapted technological backup, and with readily available maintenance services. The enthusiasm generated by the recent Nkomati Accord and the Repmosa Agreement, proposing agricultural linkages and development aid between the RSA and Mozambique, illustrates the attractiveness and the vital importance of RSA-SADCC economic interaction. Disinvestment in the RSA could be very harmful to the commercial agricultural sectors and food production in all the countries of this region.

■ **Bilateral versus multilateral interaction.** Both the SATBVC and SADCC groupings are based on multilateral interaction between the member states, the main objective being the coordination of development cooperation. Bilateral interaction, on the other hand, proposes development action between two countries. The sheer dominance of the RSA's agricultural economy and its supporting infrastructure and resources places the RSA in a central position to generate a large number of bilateral agreements with other countries in this region.

That any one country would often prefer not to discuss some of the problems caused by, or strategies, programmes, and projects initiated by, such economic interaction in the open forum of a multilateral framework is understandable. Although the importance of multilateral contact, especially on policy matters, is not denied, priority should be attached to bilateral agreements and interaction to initiate regional development and growth in southern Africa. Membership in southern African multilateral institutions such as the Development Bank of Southern Africa by SADCC countries and vice versa is therefore not envisaged for the near future. Over the longer term, such an institution could, however, be viewed as a potential channel for international investment in southern African agricultural development, along with the World Bank.

## Notes

<sup>1</sup>Development Bank of Southern Africa and Vista University, respectively.

<sup>2</sup>Regions in the RSA with limited self-governing functions.

<sup>3</sup>The Republics of Transkei, Bophuthatswana, Venda, and Ciskei, which are fiscally autonomous and politically independent from the RSA.

<sup>4</sup>Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe.

<sup>5</sup>Botswana, Lesotho, and Swaziland.

<sup>6</sup>For a comprehensive discussion of problems facing the southern African smallholder farmers, see (*inter alia*) Fényes, 1982; Ghai, 1983; Hyden, 1980; Lenta, 1976; and Low, 1984.

<sup>7</sup>Thirty-nine African countries including all SADCC states.

<sup>8</sup>Referred to in van Rooyen (1984b); and Ghai (1983).

<sup>9</sup>Members are Angola, Botswana, Lesotho, Malawi, Mozambique, the RSA, SWA/Namibia, São Tomé e Príncipe, Zimbabwe, Swaziland, and Zambia.

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