Editorial

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The papers in this issue of the *IDS Bulletin* were originally presented at a workshop on cash crops, held at the IDS in January 1987.[1] They deal with an issue which is extremely controversial and one which has become a litmus test of development ideology: to caricature only a little, it sometimes seems we have the World Bank on one side, in favour of cash crops; and on the other side, everyone else, led by the voluntary agencies, against. Those in favour point to the contribution that cash crops can make to growth, through the exploitation of comparative advantage and the reinvestment of surpluses earned [World Bank, 1981; Myint, 1984). Those against deny these benefits and point to additional drawbacks in the realms of income distribution, food security and the environment [George, 1976; Lappe and Collins, 1982].

These great debates are not uncommon in the development field and serve a useful dialectic function. However, they can rarely be resolved in absolutist terms and the argument about cash crops is no exception. Indeed, as Matthews points out in his paper here, one of the benefits of dissecting the issues may be that some of the debate proves to be illusory.

For the time being, however, the debate on cash crops remains very far from illusory. It touches on topics as diverse as growth, distribution, food security and the environment; and ranges across levels of analysis from the household, through village and region to the national and international economy. These attributes alone make it hard to synthesise either a point of view or a policy. In addition, however, the debate is characterised by confusion over what the term 'cash crop' actually means and by a plethora of studies which range across crops, countries and time-periods as well as issues and levels of analysis. It often turns out, for example, that the proponents of cash cropping are concerned with the impact of traditional export crops like cotton or coffee on foreign exchange earnings and growth at the national level; whereas opponents are concerned with the impact of multinational investment in, say, vegetable production, on gender relations and nutritional status at the household level. These issues are not unrelated and one of the main requirements is for a unified analytical framework.

We have attempted to build such a framework elsewhere, in a review of the existing literature [Maxwell and Fernando, 1988]. This is not the place to review the conclusions in detail, except to say that, as might be expected, the survey finds no absolute answers on cash crops: appropriate policy is the key to maximising growth without sacrificing distributional and nutritional objectives. What this means in practice is careful assessment of long term comparative advantage and consistency between cash crop policy, food policy and rural development policy. On the crucial issue of terminology, the survey suggests a commonsense approach largely followed in this *Bulletin*, namely that cash crops are crops sold for cash: this means marketed surplus at the household level and exports at the national level.

The ten papers in this collection advance the literature in that they are all based on original field-work. There is a bias to sub-Saharan Africa [Sharpley, Kydd, Spooner, Whitehead, Bryceson], but three papers deal specifically with other regions [Matthews on Ireland, Ellis on Fiji and Coote on Jamaica]. Among the crops, sugar [Ellis, Coote), beef [Hubbard] and tobacco [Kydd, Spooner] feature prominently, but many others are covered in general papers. With regard to issues, there is a bias to growth [Matthews, Sharpley and Hubbard] as well as to distribution [Ellis, Kydd, Spooner, Coote and Whitehead]; however, food scurity is covered by Longhurst and Bryceson. The collection is weak on dependency and the environment is very little discussed, except in the paper by Hubbard. It should also be said that there is a bias to analysis at the national level, with only Longhurst, Whitehead, Coote and Bryceson dealing with household level material. However, Bryceson makes interesting observations about the regional allocation of food and cash crops in Tanzania.

Taken as a whole, the papers are surprisingly favourable to cash crops, considering that none of the contributors works for the World Bank and one even works for a voluntary agency [Coote]. All the contributors recognise the present and future

[1] There are four omissions, three of which have been published or are to be published elsewhere [Collier and Horsnell, 1987; Evans, 1987 and Maxwell and Fernando, 1988] and one of which is awaiting clearance for publication [Clarke, 1987]. The workshop was financed by the Economic and Social Committee on Research (ESCOR) of the UK Overseas Development Administration. A full report on the workshop is available from Simon Maxwell at the IDS [Fernando and Maxwell, 1987] ODA is of course not responsible for the views expressed.

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importance of cash crops to the households and national economies with which they deal: a world without cash crops is neither feasible nor desirable. In its mildest form, this sentiment leads one contributor [Coote] to seek ways of making the best of a bad job and mitigating adverse social consequences (in her case of sugar dependence in Jamaica); at its strongest, it leads several contributors to a strong defence of cash crops in specific cases, on grounds of production efficiency [Ellis], growth [Matthews] and even, surprisingly, food security [Sharpley, Longhurst]. This general consensus conceals a number of concerns about the management of cash cropping and particularly its distributional consequences. Nevertheless, the degree of optimism is notable and a challenge to the critics of cash crops.

Income and growth

The optimism found in the papers is based on three main arguments. In the first place, cash cropping is seen as having a significant contribution to make to income and growth, at both the household and national levels. In a static sense, Sharpley's figures on the relative profitability of food and export crops at farm level in Kenya illustrate the case for pursuing comparative advantage: export crops like coffee or tea have a value per hectare up to ten times that of the basic staple, maize. In a dynamic sense, there are further benefits. Matthews is concerned with the spur to growth obtained from production, consumption or fiscal linkages and compares a cash crop strategy of agricultural import substitution. The linkages are difficult to measure and the existing evidence is not unambiguous, but Matthews argues in favour of cash crops, at least in a smallholder context.

The size of linkages will vary according to the crop and the policy environment. Hubbard looks at linkages in the beef industry and suggests that processing linkages may be high although production linkages are likely to be low. Spooner is concerned with different crops with higher labour inputs and more intensive input use, and suggests that production linkages may in those cases be high. He makes the additional point that cash cropping carried out by small scale producers is likely to generate high consumption linkages, also a spur to growth.

Extending the argument, a number of contributors make the point that the growth effects of cash cropping will not be found only in the cash crop sector or those linked to it in an input-output sense. Spooner, for example, refers to the 'economic transformation' of rural societies made possible by the technological innovation associated with cash crops. Matthews deals with the general equilibrium consequences of a Food First strategy and argues that subsidising food to achieve self-sufficiency objectives will cause efficiency losses and raise the cost of the basic wage good, in both cases with a cost to growth. None of the contributors explicitly set out to measure the impact on growth of a cash crops strategy at household or national level, but all share a belief that cash cropping will be good for growth.

Food security

The second reason for optimism is related to the oft-quoted assertion that cash cropping undermines food security. This is said to occur at the household level because families sacrifice food self-sufficiency to cash cropping, only to find either that they can no longer afford to buy sufficient food or that income is dissipated on other consumption items (often by men). There is some evidence to support this assertion, although Longhurst's careful review reveals many conceptual and methodological weaknesses in the existing literature; and the negative view finds an echo in the papers here by Coote and Spooner, both of whom describe restrictions on food production by workers or tenants on estate or smallholder schemes.

On the other hand, other papers demonstrate either that competition between food crops and cash crops is limited or even that there may be complementarities between the two. Bryceson, for example, suggests that cash cropping by peasant households in Tanzania has mainly replaced what she calls the normal surplus, obtained in normal years by farmers who aim to grow at least enough to survive in bad years: within limits, and provided that food is available for purchase in bad years, cash cropping does not undermine household food security. Whitehead shows a positive correlation between food crop and cash crop production at the household level in Northern Ghana: families either produce enough to eat and cash crops for the market or not enough to eat and no cash crops. This is related to the unequal distribution of resources and Whitehead argues that competition occurs, if at all, only at the village level.

Longhurst takes the argument further and suggests that some cash crops may be beneficial to food security. This will be the case where the cash crop is also a food crop, is grown by women and is easy to process: he cites groundnuts in the Gambia as an example. At a macro-economic level, Sharpley also suggests that there are strong complementarities between cash and food crop production. In a careful analysis of the foreign exchange requirements of different crops in Kenya, she shows that food crops for domestic consumption use more foreign exchange than export crops and concludes that a buoyant cash crop export sector is needed to earn enough foreign exchange to allow more food production. Although in a purely technical sense, food crops and cash crops will most often be competitive at the margin, these are interesting new complementarities.

Participation of the poor

A third reason for cautious optimism in the papers is associated with the perceived scope for the participation of the poor in cash cropping. This belies one of the most frequent assertions of the Food First literature, namely that cash cropping is necessarily large scale and capital intensive. Several papers in this collection demonstrate actual participation by the poor; others make a strong case for it. Ellis' paper is devoted to the success of smallholder sugar production in Fiji, which achieves simultaneously the objectives of equity, employment, social stability and production efficiency. Smallholder cash cropping is one model, on a tenancy basis in the case of Fiji. Other models are cooperatives, found in Jamaica during the 1970s [Coote] or centrally managed schemes, as operated by the Commonwealth Development Corporation in Malawi [Spooner]: although neither Jamaica nor Malawi can claim as significant a success as Fiji, the reasons have less to do with the participation of small scale producers than with world market conditions, technology choice or financial management at the central level. Small scale cash cropping is not simply a hypothetical possibility but a realistic model to which other countries can aspire. Kydd makes a strong case for a more benign cash cropping policy in Malawi that would concentrate cash crop growth on smallholders rather than estates; Spooner makes a similar plea; and Hubbard explores the scope for small scale production in the beef sector.

The proponents of cash crops can therefore find some comfort in the papers. On the other hand, the opponents of cash cropping can also point to the caution expressed in many of them. Cash cropping is never an easy option and the benefits may be easier to obtain with some crops than with others. Furthermore, distribution problems exist and can often be traced to policies implemented explicitly or implicitly by national governments. Securing the benefits of cash cropping for the poor requires successful implemention of a fairly rigorous set of policy guidelines, and in the real world these may not be feasible politically.

Issues in trade

Poverty-oriented cash cropping is not an easy option. World market conditions are unstable so that the pursuit of comparative advantage entails risks [Matthews]. Worse, entering the market depends not only on notional comparative advantage (itself the product of past investments), but also an acute awareness of product requirements and appropriate institutional developments, often in the form of a link with trading companies [Hubbard]. Where cash cropping is successful in a macroeconomic sense (as demonstrated by Kydd for Malawi and by Sharpley for Kenya), it may not benefit the poor. Furthermore, it may lead the economy into a 'staple trap', in which growth is actually stultified by structural over-reliance on commodities in decline or with few linkages to the rest of the economy [Hubbard]. Hubbard's analysis of the beef sector in a range of developing countries shows how difficult it is to sustain beef exports as a focal point for growth; on his analysis, the outlook is poor for most countries now heavily dependent on beef exports. There are interesting parallels here with current debates in industrialisation. What price 'flexible specialisation' [Piore and Sabel, 1984] in the cash crop sector?

Of course, the cash crop sector is not homogenous and one interesting question is the extent to which it is possible to disaggregate by crop. The consensus at the IDS workshop was that differences in mode of production would swamp differences in crop characteristics, but careful reading of the papers here suggest that there may indeed be novel ways in which crops can be classified. Spooner, for example, lists a number of characteristics of high-value export crops which militate against their easy adoption by smallholders, for example a long lead time to maturity or the need for large amounts of working capital: it is perfectly easy to think of crops which do not have these characteristics and might, therefore, be suitable for initial adoption by smallholders. Similarly, Hubbard's discussion of linkages associated with the production and processing of beef suggests that there is scope for analysis which is crop specific. Longhurst takes this argument further than most: he sets up a framework for distinguishing between 'best case' and 'worst case' cash crop scenarios, in which the characteristics of the crop play an important part, alongside household characteristics and national policy. This is a promising area for further work.

Distribution

Whatever general conclusions can be reached about crop characteristics, the mode of production remains a prominent issue. The papers in this collection contain many examples of cash cropping which does not benefit the poor, because production is concentrated in the hands of large producers or estates. More important, they demonstrate that Government policy is usually strongly associated with this state of affairs. In discussing the Malawi case, for example, Kydd shows how a range of Government policies gave expression to an anti-smallholder, pro-estate bias. These included the pricing and investment policies of the parastatal marketing body, the reservation of certain crops to the estate sector and (also apparent from Spooner's paper) the location of infrastructure and processing facilities. Together, these resulted in very rapid expansion of cash crop production in the estate sector but virtual stagnation in the smallholder sector. Coote's account of the rise and fall of sugar cooperatives in Jamaica raises similar issues about the role of Government, as does Whitehead's account of the rich farmer bias of colonial cash cropping in Ghana. Where the relatively poor do participate in cash cropping, as in Fiji, an equally formidable array of policy measures is required to guarantee their share of the benefits. Ellis cites contractual barriers to subdivision, a ban on mechanisation and a high degree of grower participation in price-fixing in the industry. Only Bryceson stands out against the primacy of policy, arguing that the prosperity of peasant producers in Tanzania depended neither on state policy nor market conditions, but primarily on external forces, the weather and international terms of trade. Even she, however, recognises the importance of infrastructural development and government support to the cooperative movement.

Policy and politics

The question that is not explored in any of the papers is why it is that different policies prevail in different places. The study in these papers clearly needs to be complemented by a parallel analysis of the political process required to bring about a benign cash crop policy. Perhaps the debate on cash crops should begin to focus less on the largely metaphysical question about whether 'cash crops' are desirable or not in some absolutist sense, and recognise that cash cropping can play a valuable part in a poverty-oriented development strategy. The debate could then concentrate on the precise mix of policy instruments that will guarantee participation of the poor — and on how to build a political coalition that will achieve this objective.

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