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# ***Incentives, Policies, Participation and Response: Reflections on World Bank 'Policies and Priorities in Agriculture'***

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*Reginald Green*

There is an extraordinary degree of similarity throughout the region in the nature of the policy problems that have arisen, such as in rural development . . . and in the national response to them.

Focus . . . is on the efficiency with which resources are used. Economic growth implies using a country's scarce resources . . . more efficiently . . . produce those things which it can best produce compared to other countries . . . with the least use of limited resources . . . policy making inevitably has to embody wider political constraints and objectives. However, the record of poor growth of sub-Saharan African economies suggests that inadequate attention has been given to policies to increase the efficiency of resource use and that action to correct this situation is urgently called for.

*Accelerated Development in sub-Saharan Africa: an Agenda for Action* [World Bank 1981:2,24]

Our own reality — however fine and attractive the reality of others may be — can only be transformed by detailed knowledge of it, by our own effort, by our own sacrifices . . .

*Amilcar Cabral, late President PAIGC*

People . . . must be able to control their own activities within the framework of their . . . communities. At present the best intentioned governments — my own included — too readily move from a conviction of the need for rural development into acting as if the people had no ideas of their own. This is quite wrong . . . people do know what their basic needs are . . . if they have sufficient freedom they can be relied upon to determine their own priorities for development.

*President J. K. Nyerere*

## **What Is Common Ground?**

Precisely because many aspects of the *Accelerated Development Report's* agricultural vision and pre-

scription are controversial, it is important to list areas of fairly broad agreement which exist among its authors and enthusiasts as well as its sceptics and critics. It is clear that common ground is wide, especially in the identification of broad problem areas. These include the following:

*First*, the production record for the region, and for almost all countries in it, between 1970-79, is poor. Growth of food for domestic use was half that of population, and growth of industrial/export crop output still lower, indeed negative for the region as a whole. The data in the Annex and the FAO tables (pages 46 and 50) demonstrate this quite clearly, even though they also demonstrate by their gross divergence how weak and conflicting the data are. What is not, perhaps, adequately stressed in the Report is how diverse trends are among countries and, within many, how much divergence there is from crop to crop.

*Second*, external factors have played a major negative role. The Bank cites (chapter 3, pages 48-9) wars and civil strife; drought and poor rainfall patterns; and extension of cultivation into less productive and more drought-prone areas. Most observers would also cite external terms of trade shifts (which provide a negative price incentive if passed on). The Bank's data which show these as positive for agricultural exports prior to 1978 (pages 18-21) is questionable since much is based on global averages (given weak national data) and does not seem to square with fragmentary national data. However, between 1977-82 (and for mineral exporters between 1970-82) there is agreement that global terms of trade shifts were highly negative. The unfortunate make-up of African non-fuel exports (concentrated in low global demand growth products) is also an agreed negative external (or at least inherited) factor.

*Third*, it is critical to raise production of both domestic food and export/industrial crops. The Bank's target is 3.8 per cent overall for agriculture (probably 3.5 per cent food and 4.0 per cent export/industrial — page 122). The area of divergence

is concealed, for the *Agenda* totally avoids considering distributional aspects lucidly or even coherently. Apparently it believes output growth can or should come primarily from existing better off smallholders (page 52).

*Fourth*, incentives — both price and non-price — are needed. But in its chapter on agriculture this *Agenda* deals only with incentives which are directly agricultural (health, water, education, for example, are excluded). Such an approach may be seen as both too economic and too narrowly sectoral, even to encourage cost efficiency of incentives used to raise production.

*Fifth*, peasant participation in decision-making and policy design is cited *en passant* as a key goal. How common this ground is remains unclear. There is little real articulation. The whole thrust of the chapter bears few marks of having used surveys of peasant opinion, or having designed policies in terms of testing them against, or modifying them in light of peasant preferences.

*Sixth*, the need to select clear priorities (and therefore to choose and to exclude) and to articulate policies, programmes, projects from them is broadly agreed. The divergencies are on what the priorities are and how much they vary among themselves.

*Seventh*, there are significant, remediable public policy inefficiencies in two senses: inconsistencies within policy/programme/project packages and the use of more scarce resources than are needed to carry out policies (including commercial institutional performance). However, to the extent that judgments on priorities diverge, a third category of inefficiencies, namely wrong priorities and/or objectives, may not be common ground.

*Eighth*, more data are needed, a point which the Report repeatedly stresses. It is not clear what is happening, because present qualitative and quantitative data are of dubious quality, fragmentary and inconsistent.<sup>1</sup> Without more data, analyses of the same events will often be quite different on factual as well as normative grounds, and unduly open to the convictions which govern the analyst's selection

<sup>1</sup> Thus there are alternative 1970-80 annual agricultural output growth estimates for Tanzania from 1.5 per cent to 3.5 per cent. (An ongoing detailed FAO study seems to be coming out in the 2.5 to 3 per cent range — *Agenda* uses 1.5 per cent.)

<sup>2</sup> Contrast Wallace [1980] with *Agenda* (p 53) on World Bank Northern Nigeria Agricultural Projects. Neither is non-partisan and both have selective empirical data (not all of which can be correct!) on 'their side'. Or Green [1982] on external causes of agricultural crises, weaknesses in present capitalist and socialist approaches and priorities with those of *Agenda* analysis. Again, neither is unbiased, and both are generalising from a very incomplete and doubtfully accurate set of observations (quantitative and qualitative).

among inconsistent data.<sup>2</sup> As a direct result more data are needed to be even reasonably certain of key priorities, much less their articulation, and *a fortiori* measurement and evaluation of future results which would allow for more coherent strategy in the future through project testing and adjustment.

*Ninth*, more knowledge is needed. Packages of knowledge/physical inputs/technology to raise net real output per worker simply do not exist in more than a handful of cases (and equally few adequate delivery systems for what do exist, pages 69-76). In its *World Development Report 1982* the Bank has upgraded this to the main reason for poor performance — a distinct shift from the analysis contained in the *Agenda*.

## And So To Implement

Unfortunately, the real and apparent breadth of common ground does not allow any user of the *Accelerated Development Report* to move directly to implementation. This is not for want of a wide range of proposals (including virtually all those to which the present author or most critics would give high priority). This *Agenda* proposes almost all plausible lines of action with no systematic setting of priorities except in the vaguest terms, and with careful 'let out' exception citation (eg pages 50-2 on smallholder emphasis, but not always or only smallholders). Certainly, no coherent presentation of a consistent priority package and the first stages of articulation is achieved. At most the success and debacle examples illustrate particular policies or approaches in particular contexts. Furthermore the *Agenda* is not really consistent. For example, it havers on food self-sufficiency, intuitively supporting it, almost pulling back (eg page 65) on the basis of its commitment to letting short run global market prices decide and pushing exports, and also arguing (pages 62-3) that food and export/industrial crops are complementary anyhow.<sup>3</sup>

These limitations would not matter if the *Agenda* were consistently seen as a set of suggestions and insights from which, and on the basis of which, to analyse and act in the divergent contexts of different African economies. Admittedly the Report says this at times (eg in President Clausen's 'Foreword'), but the overall tone is one of a direct guide to immediate, relatively uniform action. The latter is certainly how proponents — including the Bank — seek to use the *Agenda*.

Finally, the common ground is not universal. Some of the proposals seem to be either *impossible* (for

<sup>3</sup> While this may well be true in some contexts it is clearly not always the case (eg cashew versus traditional grains and legumes in Tanzania) and really begs the relative price question.

example, raising real agricultural prices in a context of falling national *per capita* consuming power); *implausible* (for example, raising domestic real prices for export crops whose world market purchasing power is declining sharply); highly *contentious* on past empirical evidence (for example, the sectoral macro-economic efficiency of private road haulage and marketing);<sup>4</sup> or involve very *high-risk* for example, export crop emphasis in the face of low — 1.6 per cent — projected demand growth (page 23) and *highly shaky* (indeed altered by the Bank in 1981 as the Report appeared!) positive terms of trade shift projections (page 22). This is not a case for inaction. Whatever is desirable, continuation of the 1970s pattern of policy and performance is impossible given present fiscal and import constraints. It is also highly undesirable given the typically low growth rates of output and the present external balance and terms of trade contexts. For these reasons, among others, dialogue on the *Agenda* should be both extensive and intensive, articulative and quizzical before any country designs its own Agenda for Action.

### Incentives — a Perspective

The importance of incentives is not a matter open to debate. Nor is the importance of material incentives and participation. The divergence is on *which* incentives are most cost-effective and *how* to package them in specific contexts.

The *Agenda* defines an 'incentive structure' as: 'all those aspects of the farmer's environment which affect his willingness to produce and sell', and lists price, marketing, input and consumer goods prices and availability and participation. It quite overtly concentrates on selected aspects of prices and marketing (pages 53-5).

This approach poses certain general problems. First, the coverage is rather narrowly sectoral and economic. Cost (in time or money) of fuel and water would seem critical incentives to, or constraints on, production; but they are not treated in this context. If peasant answers to open-ended questions are to be believed, access to education and health services are often crucial incentives (or their absence key disincentives) to staying in agriculture. Second, incentive packages may not operate by simple addition (the combinations as well as the elements probably matter). Third, the empirical data on incentives and performance are not such as to permit multiple regression to weight incentives separately, and often are inexplicable without further data.

<sup>4</sup> This is quite different from the question of whether they are flexibly profit oriented. That can mean concentration on the 'best business' and the highest profit margins with no gain to overall transport efficiency or peasant share of final market price.

Fourth, cost efficient/possible packages and the changes needed to achieve them vary from country to country (and over time).

### Price Incentives: Complexities, Ambiguities, Limits

Real prices paid for most African producers' crops fell during 1970-79 (and during 1979-82). Within this general decline real prices for domestic food crops fell more slowly (or in some cases, such as Tanzania during 1975-81, rose sharply even at official prices). Real prices for export crops usually plummeted and, with few and brief exceptions, exhibited a downward trend. In general both trends paralleled the evolution of prices at the global level.

In most cases, official farm-gate prices (and probably private and parallel market prices as well) fell as a percentage of wholesale or export proceeds. Real unit costs of other elements (including administration, storage, spoilage, interest charges) also rose, in many cases for reasons including patent inefficiency.

Export taxes (at least since 1977 and dramatically since 1979) have declined as a share of fob value. This has reversed the earlier rise cited in the *Agenda* (page 55). Farm-gate food prices are now usually above import parity less farm-gate to market costs (which is far more than the older data on page 65 suggest), albeit they are often below parallel market prices.<sup>5</sup> Profits of marketing bodies have become virtually historic memory, large losses are typical. In a number of cases post-1979 farm-gate price as a share of final price has risen, but this is due to cuts in export tax and rises in marketing body losses.

These generalisations appear to hold for most countries with no particular correlation to economic strategy (see Harvey's article on Malawi which reveals smallholder results radically worse than the smallholder/plantation data contained in Table 5A, p 3 of the Report, which itself shows little correlation with domestic barter terms of trade by either ideology or performance).

The practicable lines of response to an admittedly unsatisfactory pattern are — perhaps contrary to what a quick reading of the *Agenda* suggests — neither self-evident nor simple. Simply raising prices does little good in a context of extreme real resource scarcity, when accelerated inflation rapidly moves one back to square one.<sup>6</sup> Nor are appropriate patterns of

<sup>5</sup> Though not always. In the second quarter of 1982 parallel market rice in Dar es Salaam sold at or below the official price, and during the 1976-78 surplus years this was frequently true for maize and sembe in much of the country.

<sup>6</sup> *Agenda* sometimes speaks of prices unmodified, but presumably means real prices throughout in its discussion of incentives. Few African smallholders can have many money illusions left!



ILO

Most peasant agriculture involves hard work, uncertainty and low incomes. (Cotton picking in Mali)

relative price changes among crops clear, except after the event in the case of massive inefficient relativities.

The first problem is getting usable elasticity estimates. What is demonstrated clearly is that cross elasticities are often high, even in the short run. Therefore if a price shift from one crop to another would clearly benefit value of output and reduce the trade deficit, it is fairly unambiguously desirable (for example, the radical post-1979 boosting of relative and real cashew nut prices in Tanzania). But cross-elasticities do not appear to be uniform by crop, by place or over time, nor are the estimates available accurate enough for anything beyond identifying gross mistakes.

Whether elasticity of total output to average real prices is high (it is almost certainly positive) is less

clear. This is recognised (page 55 — especially note 14 of the Report); but not always in summary references, (as, for example, page 61). African smallholder agriculture does not have generalised surplus labour and inputs. National resource and external imbalance constraints preclude massive increases in capital or recurrent input intensity across the board. Certainly in some contexts — which need to be identified specifically — significant overall output responses should be attainable.

Pan-territorial pricing to make production for sale in outlying areas viable and give a vent for surplus labour and land (à la Adam Smith) is the most evidently

<sup>7</sup> This has been a secondary reason for its use — bolstering cash income of poor peasants in disadvantaged areas has been more influential.

cost/output efficient use of real price rises;<sup>7</sup> but is condemned by the *Accelerated Development Report* (pages 66-7). Certainly this approach raises average transport (and therefore foreign exchange) costs per unit produced (and in extreme cases can represent a subsidy of 100 per cent of grower price); but in cases as diverse as Malawi and Tanzania, it has been very effective in creating new stable sources of marketed staple foodstuffs. It is not necessarily inconsistent with incentives for regional specialisation. It makes full privatisation of marketing impossible, but not decentralisation and/or privatisation of short and medium distance marketing. While this price tool offers no panacea and is sometimes too costly, it is appropriate to some contexts.

The second problem is what can be done to raise average real prices. Marketing agency books already use gallons of red ink (as do government recurrent budgets). In most countries real national per capita purchasing power (constant price GNP adjusted for terms of trade losses) is falling. In order to raise real farm-gate prices it is necessary either to reduce the real income of some other sub-class or cut downstream costs.

Real wages and salaries have fallen much more than real grower prices in at least some cases (for example, Tanzania 1975-82, possibly Malawi 1973-80) during the 1970s. So have urban 'informal' sector incomes. Considerations of equity, economic prudence and socio-political stability foreclose major shifts (eg a 30 per cent real wage cut to cover a 20 per cent real grower price increase).

Cost reduction (especially in administration, physical loss, malfeasance and wasteful use of transport) is not in principal controversial.<sup>8</sup> However, interest (which the Bank wants raised), fuel and vehicle costs, as well as storage (which need more resources to reduce loss) are not easily reduced; nor are processing, wholesale and retail margins. Over a three to five year period with maximum political commitment and extensive use of first rate administrators, managers and accountants, a five to ten per cent gain in farm-gate prices (far less than present marketing loss in many cases) could be clawed back. That is worth having, but it is a limited gain as an overall production incentive.

Price certainty is generally agreed to be an incentive. It is an incentive inconsistent with full privatisation, which would entail prices swinging with import and export parity. Government minimum price announcements one or two years in advance of harvest; a buyer

<sup>8</sup> Certain beneficiaries of these costs will resist, but that is not a reason for not trying.

<sup>9</sup> In both Kenya and Tanzania lower coffee prices in 1976 and 1977 with the held back portion used to soften 1978-79 and 1980-81 falls would seem likely to have had better incentive results than near

and storer of last resort capacity; and a means (whether in a marketing board, a fund or by fiscal means to smooth sharp swings)<sup>9</sup> would appear the minimum for achieving this price incentive.

## Marketing — Availability and Cost

The greatest price disincentive is not being sure where, when or whether there will be a buyer and whether he will pay promptly. That test is, to a greater or lesser degree, failed by most public sector (and some private sector) marketing institutions. (Malawi is an exception. During 1975-78, but not since, so was Tanzania's grain marketing corporation.) In both cases officially marketed grain output rose. Further, ensuring that buying points within range of farmers exist, having personnel to buy at convenient scheduled times and pay cash (at least a substantial downpayment with a lower quality, or export price-related second payment) is neither administratively nor financially impossible, if it is given top priority. The *Agenda* does not contradict this assertion but it does not stand out as a clear priority among its barrage of detailed notes and proposals on incentives.

Similarly, the case for decentralisation to reduce transport costs, allow local selling price differentiation, reduce institutional dis-economies of scale and complexity would seem to follow from pages 58-61 where this issue is compared with the less than identical one of privatisation. Decentralisation can be in the public, the co-operative or the private sector. Oddly, it has not to date enjoyed much external agency support when proposed in the public sector.<sup>10</sup>

As argued in the *Agenda* (pp 64-9), a mixed public/private marketing system is appropriate. Arguments turn on the mix and on the real efficiency of the private sector in terms of farmer incomes and scarce resource use. On the latter, the *Agenda* gives a somewhat too general and too roseate picture. Certainly for some crops the private sector does have lower scarce resource costs, and pays at least the same price to the grower as the public sector even abstracting from physical shortage factors, as for example, rice in Tanzania cited earlier. However, this may not be general. For the two staple, widely marketed, food crops in Tanzania — cooking bananas

doubling and subsequent halving of real grower prices during 1975-79, albeit the force of this argument is reduced by the 4.8 per cent average annual growth rate in Tanzanian coffee production over 1975/76 — 1980/81 (both ecological cycle peak years and poor price years).

<sup>10</sup> This has been particularly true of AID and IBRD advice in Tanzania in respect to the purchase and sale of main exports and grain, but in transport the Bank is now supporting regional public lorry companies.

<sup>11</sup> This may be caused by very high private marketing profits, but these do not increase smallholders' incentives and their subsequent impact on demand for scarce resources is ambiguous.

and Irish potatoes — for which no public sector or large private sector buyers exist, preliminary evidence suggests a lower ratio of farm-gate to consumer price than for public sector marketed staples.<sup>11</sup>

Price stabilisation (or smoothing); pan-territorial grower prices; ensuring coverage of low volume or inaccessible areas; management of price and access during physical scarcity; intra-year reserve storage and planning/handling of deficits by bulk forward import purchases; are *either* unattractive to the private sector (inefficient for maximising profit) *or* beyond the capacity of African economy private sectors or both. They can however, be critical to national output levels and to social stability as well as to equity. Use of private agents and contractors, decentralisation of local purchases and sales (subject to maximum consumer and minimum farm-gate profits) and some legal parallel private marketing in long-distance domestic grain trade on the other hand deserve case by case attention.

If a pure buyer and supplier of last resort role (with associated import, export and storage functions) is assigned to the public sector (as *Agenda* appears to advocate), it will suffer losses whatever its efficiency, because it has been allocated all the unprofitable functions, and the private sector almost all those which are profitable.

### From Producer to Available Transport and Storage

Transport problems are analogous to those of marketing. Clear inefficiencies exist both in pure waste of resources (eg cross-hauls, empty back loads, pure scarcity rent payments to hauliers, excessive vehicle down-time) and in the continuation of patterns which made sense before the fuel and vehicle price explosions of 1973-80. These require case by case identification — especially to see how to correct them — although



Margaret Murray

at present fuel prices) and suffers from import constraints on spares. (Grounded tractor in Upper Volta)

problems such as inadequate spares imports are fairly general.

Public/private issues, again, are not subject either to simple generalisation or to black and white solutions. Private hauliers in transport scarcity conditions can both secure pure rents (exploit users) and reduce risk by refusing to venture off main roads. If adequate foreign exchange to 'flood' the haulage market is absent, the public sector, *faute de mieux*, ends up handling the least profitable and trickiest sectors. Decentralisation provides part of the answer — perhaps to rural communities or village-based small businessmen, both of which have some successes on record.

Storage is not mentioned as a priority on the *Agenda*. This is perhaps because intra-year reserve stocks are rejected in a way which totally ignores transport cost issues, especially for landlocked states (p 69). But main commercial grain system annual losses run as high as 15 per cent (Tanzania 1978-79) and as low as 1.5 per cent (Zimbabwe 1980-81) for reasons which appear to be subject to correction at bearable capital and operating costs. What technology is appropriate probably varies. Expert promotion of both high (central silo) and low (tarpaulins over slabs) technology approaches has led to debacles, sometimes by successive adoption of both approaches.<sup>12</sup> Again, decentralisation with basic storage near purchase point until location of user is known, seems critical in order to reduce back and forth haulage associated with moving food in to central stores and out again to users (eg Zambia, Tanzania, Sahel).

Marketing, transport and storage have still not adjusted to four factors: urban population growth as a share of total population (eg three per cent to 15-20 per cent in Tanzania, and 15 per cent to 45 per cent in Zambia during 1960-80); greater swings in output around average levels; longer runs of good and bad years; and radically increased real transport costs. The first three require additional annual throughput and intra-year storage capacity. The last alter appropriate patterns and modes of transport in ways which are structural, not marginal. Unfortunately there has been very little research in this context and the Report does not even identify these issues in any systematic way.

### Research, Extension, Inputs and All That

Research, extension and input supply are on the *Agenda* (pp 69-76). Their weaknesses and the costs these entail are noted. A working list of things to be done is presented. Some are probably candidates for

<sup>12</sup> In Tanzania, 1976-79 grain storage losses (spoil, deteriorated and fed to poultry, exported at heavy loss to avoid spoilage) totalled about 600,000 tonnes — equal to 1979-81 maize imports.

general articulation into policy and practice, for example, improved seed (p 73) and small-scale irrigation (p 80). Coverage is ultimately deeply depressing and unimpressive however. All the themes could be — and were — set out two decades ago and have been regularly repeated since. Apparently the Report's writers (like other analysts) are no nearer answers than the authors of the Bank's 1950s country studies of African economies. Furthermore, there is no coherent selection of priorities, no clear linking to other aspects of incentives (eg price); no indication that fuel, health, adult education, and water supply are interlocked sectorally with agricultural research and extension; either in terms of incentives to farmers or the provision of rural services.<sup>13</sup>

Most criticisms of existing approaches are fair, but what is less clearly stated is that most known practicable options have been tried and also failed. For example, at least one African state has totally reorganised extension three times (a fourth is being considered) in a cyclical fashion over 20-odd years, under expert international advice. What remained

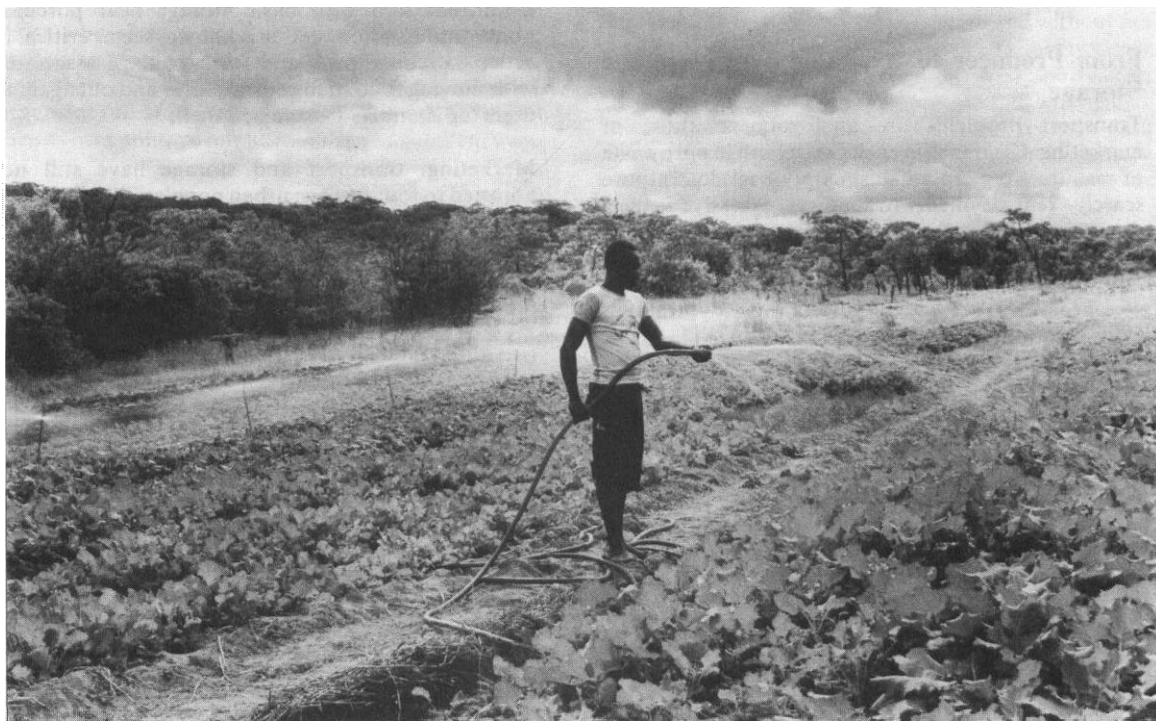
<sup>13</sup> Indeed the repeated call (eg pp 42,84) for charging for health, education and drinking water (usually very administration intensive and cost-inefficient as central government revenue sources) hardly seems a positive incentive to rural residents, and oddly, is not paralleled by any plea to charge for research and extension services.

unchanged was that, except for three crops (coffee, tobacco, tea) and a few local cases, agricultural extension and research had the lowest demonstrable benefit/cost ratios in evidence of any large government expenditure head.

One of the Report's most useful statements (p 70) is that in Africa there are few packages of inputs/technique changes which are tested, practicable, economically viable and related to local (often very local) contexts, and equally few effective delivery/extension systems. What is needed — and lacking — is identification of priority sub-areas which show promise of quick payoff and articulation of a longer-term approach to achieving broader breakthroughs.

### African Agriculture, Aid Agencies and Expertise

The need for more external involvement in African agricultural decision making, personnel provision and finance is stressed as part of the *Agenda*. If one is to take the tone of the Report's agricultural chapter as a guide, this is a polite way of calling for an externally led platonic guardianship team of aid agencies coordinated by the World Bank. That approach poses problems. African agricultural policy and practice



John and Penny Hubley

Zimbabwe)

has, in the majority of countries, been more studied, planned, advised on, staffed at the policy level and in general shaped by external agencies than any other sector. The results do not, automatically, suggest that 'more of the same' is a plausible answer in this aspect of policy any more than in most others. Several weaknesses have been common (some noted in chapter 9 of the Report):

- a. low effective emphasis on smallholder agriculture and domestic food production;
- b. inconsistent, rapidly changing price policy advice based on models and whims more than analysis and incentives;
- c. a rigidly technocratic, bureaucratic structure unable to communicate with, much less learn from, peasants and often marginalising — rather than developing — local expertise;
- d. creation of a plethora of agency-linked projects fragmenting any national sectoral approach;
- e. failure to integrate marketing-transport-storage into overall agricultural development, and a tendency to treat rural health-education-water-fuel-participatory institution building either as trivial optional additions or as no part of a general agricultural/rural development nexus;
- f. creation of parallel planning, policy and operational institutions with autonomy from political economy, government and local control, but linked to, and dependent on, the agencies (which the *Agenda* denounces on pp 131-2 without indicating that the Bank has played a leading role in creating many of them);
- g. a tendency to centralise all aspects of agriculture (in order to keep it in expert, technical hands) even when smaller, more decentralised units within a clear policy frame would seem more efficient *ex ante* and even more *ex post* (again an area in which the *Agenda*, especially in chapter 9, reverses past Bank advice without saying so);
- h. a remarkably high proportion of bad economic and technical advice (related to failure to build up an analytical and data base, or even in many cases to see the need for local ones) versus 'off the shelf' model and technology imports.

<sup>14</sup>In one case a parallel agency was 'subcontracted' national agricultural price, parastatal control and planning, crop forecasting and target setting and citizen policy/planning personnel development. Over five years it operated autonomously with its advice acted on. Agricultural prices became markedly less consistent (destroying the third ranking agricultural export), in all but one case parastatal financial and physical control collapsed, huge storage losses emerged, no decentralised crop targets were set, senior citizen personnel in the ministry were marginalised and demoralised and the ministry nationally discredited. During 1980-82 citizen ministers and officials clawed back control to the ministry and the overall policy process in the face of external agency opposition, but getting back to square one will take at least five years.

The costs of these weaknesses have been, and remain, high.<sup>14</sup> They are not the result of ill-will or general incompetence. To examine them openly, frankly and analytically is vital if external cooperation is to be more useful in the future. The *Agenda* makes no such general analysis, but argues for minor changes within what appears to be the same old framework. This is counterproductive for two reasons. To understand the past is vital to avoid repeating it. Further, the credibility and acceptability of the Bank's (or any other cooperating agency's) new advice is heavily dependent on admitting its own past mistakes, and showing how its new approaches will avoid repeating them.

### Some Overall Questions and Doubts

The Report calls for an agricultural export-led growth strategy based on raising African shares of slowly growing markets and depending on favourable terms of trade evolution for coffee, tea, cocoa, tobacco and cotton. At least on one plausible reading, it advocates raising export crop relative to domestic food crop prices, and reducing priority to food self-sufficiency. If it works this would be admirable, but:

- a. the Bank has reversed its projections on terms of trade improvement for these crops;
- b. the global price projections do not assume a doubling of the growth rate in African output; if they did, future price trends would be radically lower;
- c. Africa as a region has market shares above price elasticities. Thus for all African exporters taken together faster volume growth means lower revenue. This suggests that the approach inherently rests on a 'fallacy of composition';
- d. speedy, smooth shifts from food to exports are unlikely; bad years for domestic food crops, and years in which food prices explode globally are likely to recur.

Therefore, for many African economies, whole-hearted acceptance of a shift to an agricultural exports strategy would probably be a recipe for starvation.

The tendency to generalise across diversity warps the private/public sector and free managed market discussion. Few of the tables show much correlation between economic ideology or interventionism and overall agricultural output growth. The variations are much more complex than that. Equally, the short-run cost of radical shifts on the public/private margin is high (as the more evangelistic proponents of each often forget, but as Robert McNamara recently stressed). Far firmer evidence and clearer identification of specific shifts required in concrete contexts is crucial before action can safely or responsibly be taken.



Failure to include fuel-water-health-education factors among incentives; to treat distribution questions with any seriousness; to consider how technical and narrowly economic policy considerations interact with political-economic factors; to give any avowal to the need for peasant participation; or to consider the tensions between the technocratic-economistic-foreign expert centred *Agenda* and genuine participation, are not marginal. Unless and until they are tackled, together with the agricultural production-procurement-pricing-institution issues covered (in chapter 5), no coherent sectoral strategy, priority package and articulated programme of action can be built. This *Agenda* could not fairly be expected to have built such strategies, priorities, or programmes. It could, however, have provided fuller coverage of the necessary components; by way of dialogue posed options; and explicitly cited basic (not merely

secondary) uncertainties. The impression it gives of comprehensiveness, certainty and revealed wisdom are counterproductive for its intended contribution to rehabilitating and revitalising agricultural sectors in SSA countries.

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