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THE POLITICAL ECONOMY OF AGRICULTURAL COMMERCIALISATION IN AFRICA

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INTRODUCTION

Much of the existing literature on the political economy of agricultural policy in Africa, including studies by the Future Agricultures Consortium (FAC) and Agricultural Policy Research in Africa (APRA), adopts a case study approach to explore the dynamics of policymaking and implementation. These studies highlight numerous local, national and international factors that influence policy outcomes, but this raises the question as to whether any consistent patterns can be discerned across cases.

This paper focuses on the policy that influences the process of agricultural commercialisation. Poulton (2017a: 4) defines agricultural commercialisation as occurring 'when agricultural enterprises and/or the agricultural sector as a whole rely increasingly on the market for the sale of produce and for the acquisition of production inputs, including labour'. This definition encompasses two contrasting commercialisation trajectories:

- Smallholder farm households shift from semi-subsistence agriculture to production primarily for the market, in the process coming to rely increasingly on purchased inputs and perhaps also labour in their production;
- Smallholder farm households are complemented or replaced by medium- or large-scale farm enterprises that are predominantly or purely commercial in nature.

Both trajectories respond to (growing) market demand for agricultural products – most importantly in rapidly growing towns and cities in Africa, but also in export markets – combined with improvements in transport and communications infrastructure. These developments stimulate investments in downstream value chain activities, such as retailing, wholesaling, processing, storage and transportation, which in turn transmit demand signals to producers. Some value chain actors may also offer support services to smallholder producers as a way of increasing their supplies of high-quality produce. In addition, smallholder commercialisation may benefit from public interventions that seek to overcome supply-side constraints to commercialisation (imperfect information, high costs associated with small volumes per transaction, poor access to capital, limited ability to bear risk). These interventions include efforts designed to link smallholder producers to commercial actors who are willing to provide support services.

When it comes to the balance between the two trajectories, an important, but under-appreciated, constraint to establishing large-scale farm enterprises is the ability of such enterprises to compete with smallholder farm households, given the low wages prevalent in much of rural Africa and the challenges of monitoring and motivating wage labour. The relative competitiveness of large vs smallholder farms varies across commodities, as well as with prevailing wage rates. Where larger farm units are potentially competitive, access to land for large-scale farm enterprises can act as an additional constraint.

Establishing large-scale farm enterprises can be attractive to politicians because they are able to operate without public provision of support services, such as extension, which are valuable to smallholders, but which African states often struggle to provide. On the other hand, there are generally fewer beneficiaries and more losers from the establishment of large-scale farm enterprises than there are from a successful process of smallholder commercialisation (Poulton 2017a). There has been a dramatic increase in the number of medium-scale farms in several African countries in recent years (Jayne et al. 2016). Urban residents, including civil servants, have been prominent within this. The implications of these developments for smallholder farmers are still to be seen.

While Poulton (2017a) primarily reviews the economics of agricultural commercialisation, this paper develops a framework for examining political economy factors that:

- Support and impede the commercialisation process across contexts
- Influence the trajectory of agricultural commercialisation across contexts, in particular whether smallholder commercialisation is promoted or whether smallholder farm households are complemented or replaced by medium- or large-scale farm enterprises.

It is beyond the scope of this paper to examine the politics of policy processes in detail. Other work – for example, Keeley and Scoones (1999), Fabella et al. (2014) and Resnick et al. (2018) – does this. However, a general insight from this work is that, at every point at which a policy is proposed, debated, requires approval, budget or defending, or when implementation has to be enforced against inertia or opposition, champions and supporters are required. Therefore, an enduring policy requires a constellation of supporters in different positions of influence – sometimes referred to as a coalition of support – as there are likely to be other individuals and groups who wish to see the policy reformed or dropped altogether. In this paper we seek to identify key factors that influence the strength and composition of coalitions in favour of and against policies to promote the two contrasting commercialisation trajectories described above.

Smallholder commercialisation is a farm- and household-level phenomenon, in that over time, the household shifts from semi-subsistence agriculture to production primarily for the market. Nevertheless, in common with the establishment of medium- and large-scale farm enterprises, it is often driven by expanding opportunities within particular value chains. Policies to promote agricultural commercialisation can thus be implemented at (a minimum of) three scales:

- The national level – for example, national policies on land tenure, investment promotion and the provision (and content) of extension services to smallholder farm households;
- The regional or area-specific level – for example, infrastructure investment in a particular region or area;
- Value chain specific – for example, tariff policy in relation to particular imported products.

There is, of course, some overlap between these three scales – most obviously that production of a certain commodity is often concentrated in a limited number of areas that are agro-ecologically suited to it. This also means that supposedly national policies – for example, in relation to fertiliser subsidies – in practice benefit some regions far more than others.

It may, therefore, be equally helpful to think of where relevant policy decisions are taken. Many are taken in central government, by national ministries. However, others are devolved to sub-national administrations and perhaps to parastatal organisations, which, in practice, are rooted within a particular region (or regions). The degree to which policymaking is (de)centralised varies considerably from country to country and even by value chain within countries (Poulton 2017b).

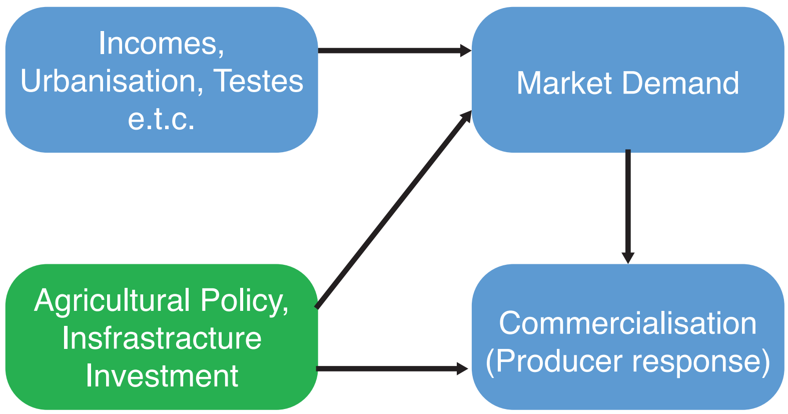
Either way, it is clear that most coalitions in favour of particular policies to promote agricultural commercialisation will comprise actors with national profiles and/or positions of authority as well as those with regional or local profiles / positions of authority. The same is likely to be true of coalitions that oppose such policies. Moreover, there will usually be both informal (e.g. personal, kinship) and formal (e.g. party) links between these actors at different levels. Those with national profiles and/or positions of authority typically obtain these positions because they can draw upon support from people in their home region and in turn are considered effective in championing the interests of their region.

Two examples illustrate different aspects of this:

- Poulton and Kanyinga (2014) note that, following the electoral defeat of President Moi in Kenya, a succession of ministers of agriculture all came from the same Kalenjin tribe as Moi (in fact, five, who held the post from 2003 to 2017). They link this to the priority that Kalenjin maize farmers in the Rift Valley attached to defending the rent streams (see below) that Moi had instituted for them, via maize procurement prices and access to subsidised fertilisers. These are administered through the National Cereals and Produce Board (NCPB), the head of which accounted to the Minister of Agriculture. In high-level political bargaining, therefore, Kalenjin leaders insisted that one of their number should be in charge of agriculture – even though three of the five were ousted due to corruption scandals or other shortcomings in performance. Their voice was powerful, because the Kalenjin are one of the larger ethnic groups in the country, produce most of the marketed maize (the staple food) and have demonstrated their willingness to fight when their interests are threatened. Since 2013 they have also held the vice-presidency.
- In Tanzania, efforts to introduce contract farming into the cotton sector, so as to support farmers to raise productivity, have been opposed by a coalition of local and national actors. Although the policy had consistent endorsement from President Kikwete and most cotton farmers welcome the access to inputs on credit that contract farming brings, the regulation of seed cotton marketing that it implies threatens two important groups of local actors: buying companies that do not wish to engage in year-round operations supporting

farmers; and contracted buying agents. Several of the former are either owned by local MPs or have close connections to them, while many of the latter are also local councillors who work as election agents for MPs. Between them they have managed to oppose or overturn several district-level initiatives to introduce contract farming, but to sustain the fight at sector level they have enlisted the support of national political figures, notably the most prominent Minister of Agriculture during the Kikwete presidency, whose constituency was in the cotton zone (Poulton 2017b). The cotton zone covers much of northern Tanzania, so its MPs are numerous within the governing party, Chama Cha Mapinduzi (CCM).

Figure 1: Agricultural policies and commercialisation



Source: Authors' own.

As with the previous two examples, the paper draws on insights from previous work undertaken by the FAC, plus six country background studies commissioned by APRA, along with wider literature and secondary data. It attempts to synthesise qualitative insights regarding processes of commercialisation and the political dynamics that drive them. The paper is not able to draw on cross-country comparative data on commercialisation outcomes – for example, what proportion of smallholder farm production is sold (perhaps further disaggregated by major regions or farmers involved in the production of particular high-profile crops). Its focus is, therefore, restricted to policies that are assumed to influence commercialisation outcomes (the green element in Figure 1).

1. LINKING INTO EXISTING DEBATES

Earlier literature on the political economy of agricultural policy in Africa is reviewed by, among others, Birner and Resnick (2010) and Poulton (2014).

Analysis of agricultural policy prior to structural adjustment has focused on the heavy taxation of the agricultural sector in most African countries. The single biggest factor accounting for low prices received by farmers was overvalued exchange rates. However, for major export crops this was often reinforced by export taxes and/or the buying prices that were set by parastatal marketing boards. By contrast, especially in southern and eastern Africa, food crop producers could receive some countervailing support through pan-territorial pricing (if the bulk of production took place far from major consumption centres) or other support measures (Jayne and Jones 1997).

Bates (1981) explained the general pattern of taxation in terms of urban bias, with politicians (fearful of the volatility of hungry urban populations), agro-industries (buyers of raw materials) and state agencies (major employers, hence concerned about their wage bill) all favouring low agricultural prices. Meanwhile, selective distribution of subsidised inputs and other production support to rural elites dissuaded them from leading rural opposition to pricing policies. Where this failed, targeted state repression could be used.

The puzzle that this narrative presents is why agricultural taxation was so comprehensively dismantled during structural adjustment (Anderson and Masters 2009), if it was deeply rooted in domestic political economy concerns. Various explanations have been offered for this. In countries such as Tanzania, even urban elites came to realise the disadvantages of agricultural taxation when diminished producer incentives translated into urban food shortages (Lofchie 1994). Binswanger and Deininger (1997) argued that international financial institutions exerted a significant effect over domestic policy choice during a period of acute fiscal crisis, even though attempts by donor agencies to impose policy conditions on aid recipient nations have generally been unsuccessful (Collier 2007). Van de Walle (2001) argued that African states were never as beholden to forces within civil society as Bates's (1981) analysis had implied. According to van de Walle (2001), the most striking feature of African states was their autonomy from societal pressure, despite the fact that they were simultaneously quite weak and ineffective. Meanwhile, international prices of staple foods were generally low during the 1990s, making it easier politically to liberalise food markets, but potentially also dampening the supply response to such liberalisation (Poulton 2014).

Several of these debates continue into the present. As might be expected in a continent as large and diverse as Africa, a spectrum of experience is now accepted across countries, even if, on some issues, there is a dominant modal experience (Booth and Golooba-Mutebi 2014a). The influence of external actors on agricultural policymaking – as opposed to a 'primacy of domestic policy' (de Renzio 2006) – is considered in section 4 of this paper.

There is a general expectation that democratisation will cause states to become more responsive to societal interests (Birner and Resnick 2010), even if the process is slow and uneven (Poulton 2014). However, which societal interests manage to organise themselves to impose their demands on state agencies and policymakers will vary, both across and within countries. Politicians and policymakers may find that they need to be sensitive to a broad swathe of rural opinion, if rural areas represent potential places of refuge and/or (latent) sources of support for militant opposition to the government in power. Alternatively, more clearly defined groups may emerge to advocate or defend particular entitlements (as in the example of Rift Valley maize growers in Kenya noted earlier), or to push for enhanced service provision or pricing (as cotton farmers in Burkina Faso or Mali have done). At the same time, democratisation can strengthen the bargaining position of rural elites vis-à-vis central government, if the national leadership of political parties becomes more dependent on their local cadres to deliver votes (Therkildsen 2011). This is pertinent to the Tanzania cotton example noted previously.

One thing which seems clear is that, with the removal of blanket taxation for tradable crops (export and import-competing) through overvalued exchange rates, the incentives for commercialisation are likely to vary more across crops and value chains within a given country than they did historically. These incentives may arise from differential public investment (for example, in infrastructure), from pricing and taxation policy (tariffs, administered procurement prices) or because some crops depend more heavily than others on inputs or services (for example, fertiliser or public extension) that are either provided effectively or neglected by the state. Behind these differences we expect to find variation in the strength of coalitions that either advocate for or oppose support to particular value chains and the farmers that supply them.

1.1 Rents

A core concept underlying the arguments in the paper is that of rents, defined as 'the super-normal returns (in excess of opportunity costs) that an individual or firm obtains from a particular activity as a result of a particular policy intervention' (Poulton and Chinsinga 2014: S125, following Khan 2000). Although these are absent (presumed undesirable) in a hypothetical perfectly competitive market, rents are indispensable to political systems.

In a country with weak institutions of governance, the creation and sharing of rents by the most powerful political actors functions to disincentivise them from resorting to violence to achieve their ends and so may be seen as the economic cost of realising basic levels of order and political stability (North, Wallis and Weingast 2009). At a more mundane level, politicians at all levels require support in terms of both votes and campaign finance. Commonly they offer rent streams to supporters in exchange for their support (Drazen 2008). In high-income economies, these rent streams are typically negotiated through transparent political bargaining focused on the budget process. By contrast, in low- and middle-income economies, many of them are off-budget and some are also extra-legal (Khan 2005). Examples of off-budget rent flows include transfers of property rights and discretionary decisions in favour of an individual or enterprise – for example, the award of a contract, a tax or tariff waiver or access to rationed resources such as subsidised inputs or credit from a state agency. Junior and/or aspiring politicians, therefore, seek to draw upon links to more senior politicians and/or positions of influence over state agencies to deliver rent flows to supporters. In addition to creating rents for supporters, politicians may also seek to capture rents themselves that either finance their political campaigns or simply contribute to their personal enrichment.

In an economy where agriculture remains important to livelihoods, employment, foreign exchange earnings and (to a lesser extent) public expenditure, we should expect the agricultural sector to be both an important source of and beneficiary of rents. The questions that we are interested in, then, are as follows:

- Under which conditions will the creation and distribution of rents stimulate or impede agricultural commercialisation?
- Who captures these rents and with what consequences for the observed patterns of agricultural commercialisation?

Rents may be associated with the production, processing, trade or marketing of agricultural commodities. Rents can be created for smallholder farmers through policy intervention, thereby encouraging them to invest in intensifying production and increasing the volumes of production that are marketed. However, rents are also sought by current and aspiring politicians, as above. For simplicity, we consider three levels of rent accumulation to support political activities:

- low (e.g. councillors)
- medium (e.g. MPs and/or their funders)
- high (e.g. national leaders and/or their funders).

As illustrated by the Kenyan and Tanzanian examples given earlier, the creation and maintenance of these rent streams may or may not be compatible with the promotion of commercialisation by the majority of smallholder farmers.

1.2 Ideas

The influence of ideas and ideology sits uneasily within much work on political economy, which focuses primarily on interests, but is deserving of greater attention as a determinant of policy outcomes (Binswanger and Deininger 1997; Birner and Resnick 2010). The beliefs and ideology of individual policymakers (and/or groups of policymakers) can motivate their policy choices (Drazen 2008). This will exert a bigger influence the more autonomous or autocratic the state or government in question is (van de Walle 2001). Policymakers can also seek to satisfy the ideological preferences of those whose support they rely on to obtain or maintain power (Drazen 2008). These efforts may complement their attention to their supporters' economic interests, but may at times act as a partial substitute for delivering targeted economic benefits.

Birner and Resnick (2010: 1449) cite a threefold classification of beliefs originally proposed by Sabatier and Jenkins-Smith (1993):

Core beliefs relate to fundamental values, such as the role of equity as compared to other goals... Policy beliefs are related to the policy solutions that actors consider appropriate to realize their values… Secondary beliefs refer to the way in which a particular policy is implemented. Secondary beliefs are more likely to change than core or policy beliefs.

Core and policy beliefs are of particular relevance to this paper, as significant differences in such beliefs are observed across countries. Beliefs at these levels may be considered exogenous to current policy debates, although policy beliefs clearly do evolve over time. One argument for prioritising interests over ideas in political economy analysis is that ideas and information are used selectively in the service of interests to influence policy choice (selection, design and implementation). However, for ideas and information to be persuasive within policy debate, they generally have to be consistent with prevailing core beliefs and perhaps with dominant policy beliefs, too. We comment on the incentives for learning during policy implementation (which may involve changing secondary beliefs) later.

Once again, structural adjustment presents something of a puzzle here. It represented the triumph of a set of neoliberal policy ideas over previous ideas of state-led economic modernisation in which agriculture could legitimately be taxed to generate investible funds for industrialisation. The extent to which these ideas gained the ascendancy because of their inherent superiority and evidence base is hotly debated. Arguably, some policymakers have never been fully convinced, although whether this is for reasons of ideas and evidence or interests can be debated (Jayne et al. 2001). However, over time, neoliberal policy ideas have become firmly established within both national and international policy discourse, such that they now exercise considerable influence both in agenda-setting and framing the way in which policy problems are approached (see Keeley and Scoones 1999 and Sumner et al. 2011 for discussions of agenda-setting and framing).

Focusing more specifically on agricultural development, the comparison is often made between the degree and consistency of support provided to smallholder farmers across a range of Asian countries on the one hand and the majority of African countries on the other (Dorward et al. 2004; Birner and Resnick 2010; Wiggins 2017). Some authors emphasise the threats posed by food shortages in some Asian countries and the need to counter latent rural support for communism in others as reasons for the increased emphasis by Asian governments on promoting smallholder agriculture in the second half of the twentieth century (Birner and Resnick 2010; Poulton 2014). However, others argue that ideological differences between policymakers in the two continents were at least as important for the different development strategies pursued (Henley, Tirtosudarmo and Fuady 2012).

Important differences in beliefs – with implications for policies in pursuit of agricultural commercialisation – can be discerned across APRA countries, too. For example, in Ghana, it is widely accepted, by both main political parties and within the population at large, that wealth generation through productive activity (i.e. not by corrupt means) is an unqualified social good. By contrast, in Tanzania, a substantial number within CCM and within the wider (rural?) population would question this. For these people, it depends on who is generating and capturing the wealth: accumulation by both foreigners and Tanzanian Asians is seen as perpetuating the power and wealth inequalities that have historically disadvantaged Tanzanian 'workers and peasants' and which motivated the independence struggle prior to 1961. Related to this prominent core belief in Tanzania is a policy belief about the important role that cooperatives have to play in the economic empowerment of Tanzanian farmers. This belief is alive and well within elements of CCM – perhaps sustained and reinforced by the various selection mechanisms for positions within the party – even though it has long ceased to resonate with the vast majority of the rural population.

1.3 A conceptual framework

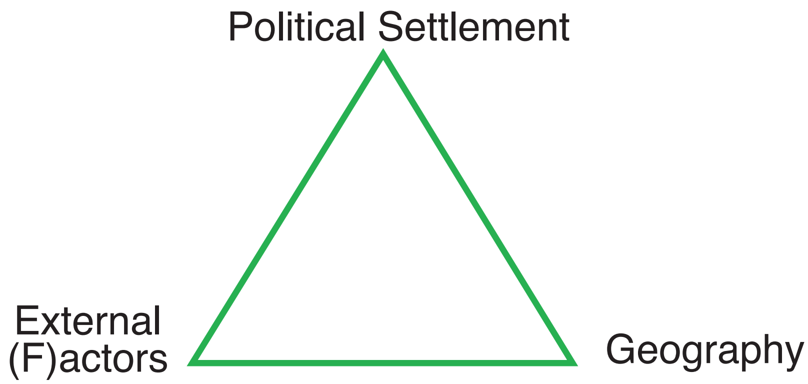
Birner and Resnick (2010) present a conceptual framework to guide case studies of policy change in African agriculture. It combines:

- central elements of the policymaking process
- interest coalitions that mobilise interests, beliefs and resources to advocate for or against particular policy changes
- a list of political economy conditions that influence the policy changes that are contested, the relative strength of competing interest coalitions and the nature of the policymaking process itself.

In this paper we seek to develop the third of these bullet points. Specifically, we consider the influence on the agricultural commercialisation process of three sets of factors that are illustrated in Figure 2, so as to shed light on differences in agricultural commercialisation policy both across and within African countries. The three sets of factors are: (1) the relationships between politicians and rural citizens arising from the domestic political settlement; (2) a range of geographical factors; and (3) the influence of international actors. The paper seeks to illustrate the interactions between the three sets of factors. Sometimes they reinforce each other to generate a particular commercialisation dynamic.

At other times they pull in different directions, such that commercialisation outcomes are more difficult to predict.

Figure 2: Factors influencing the pace and trajectory of agricultural commercialisation



Source: Authors' own.

Many of these factors operate at national level. However, others exhibit significant diversity across sub-national regions, generating diverse commercialisation outcomes across major agricultural value chains within a country. The paper seeks to highlight factors that exert predictable influences over commercialisation outcomes. However, precisely who gains rents from which agriculture-related activities is impossible to predict a priori, as it is heavily influenced by (national and local) history. Thus, there will always be room for detailed case study analysis; a rigorous comparative case study approach remains an excellent tool for comparative analysis (Africa Power and Politics Programme et al. 2012).

2. THE DOMESTIC POLITICAL SETTLEMENT: HOW DO POLITICIANS RELATE TO RURAL CITIZENS?

While smallholder commercialisation ultimately responds to (growing) market demand for agricultural products, on the supply side it is often facilitated by public investments – in transport and communications infrastructure, and sometimes also in 'softer' interventions that work with farmers to overcome problems of imperfect information, high costs associated with small volumes per transaction, poor access to capital or limited ability to bear risk. In highly aid-dependent economies (see section 4), many of these investments are funded by development partners and so depend in part on fashions in donor financing. However, where the national government is highly committed to investment in rural and agricultural development, we should expect to see a greater and more consistent effort to support intensification and commercialisation of smallholder agricultural production. From a political economy perspective, therefore, how politicians relate to rural citizens is important.

According to Khan (2010), a 'political settlement' is a political equilibrium that 'emerges when the distribution of benefits supported by its institutions is consistent with the distribution of power in society, and the economic and political outcomes of these institutions are sustainable over time'. A coalition of political actors controls the main levers of power and distributes rents to supporters and to others in the population through formal institutions, which they may shape over time, and through informal institutions, which inter alia may determine how the formal institutions really operate in practice. These rents allow actors within the coalition to reproduce their power over time, hence maintaining the equilibrium.

Some powerful actors may be excluded from the coalition and hence at least partially excluded from rent flows. However, if too many influential individuals or groups are excluded, they may be able to act collectively to challenge the prevailing settlement, either through legal means (e.g. political campaigning) or by force.

The distribution of rents must also be compatible with reasonable levels of economic growth to keep the general population happy. If rent acquisition serves primarily to discourage productive activity, such that growth is undermined, then dissatisfaction within the population at large can provide latent support for elite individuals and groups within or outside the governing coalition who have their own reasons for seeking to challenge the prevailing settlement.

This description of a 'political settlement' majors on power relationships between elite members. However, it is clear that the way in which elite members, especially politicians, relate to ordinary citizens is also important for the sustainability of any settlement. We distinguish four basic ways in which politicians may seek to obtain or maintain the support of ordinary citizens and choose to focus here on examples relating to rural citizens.

Most political strategies entail a combination of these ways of obtaining support, but the balance varies from country to country, reflecting each country's history and, of particular note, the political responses to past crises and conflicts. The balance can also vary across regions of a country (Boone 2003). For example, in some countries, politicians take the support of voters in their core regions somehow for granted, with the result that core voters actually gain less from their party in government in return for their consistent support than more fickle voters in swing regions may demand in exchange for their more qualified and transitory support (Kasara 2007; Bates and Block 2009). In other countries, a turn in government is a chance for core support regions to gain access to the resources of the state (Wrong 2009; D'Arcy and Cornell 2016). One hypothesis is as follows: in hierarchical cultures, followers receive less in exchange for supporting their leaders; in less hierarchical cultures, they receive more.

The first way in which politicians may seek to obtain or maintain the support of ordinary citizens is by creating conditions conducive to overall economic growth. Growth creates employment and livelihood opportunities, as well as new experiences for consumers. Survey evidence shows that voters in Africa assess governments on their performance in delivering growth, as well as on perceptions of high-level governance (Bratton, Bhavnani and Chen 2011), just as they do elsewhere. Moreover, growth can be a much more cost-efficient way of spreading benefits to voters than distributing huge numbers of individual transfers (Kitschelt and Wilkinson 2007).

Few African economies have yet established internationally competitive manufacturing industries. Thus, primary sectors – minerals and agriculture – remain the dominant sources of foreign exchange, supplemented by aid revenues and sometimes tourism, while expansion of non-tradable services has driven much urban growth (Gollin, Jedwab and Vollrath 2013; Jedwab 2013). The need to generate (or save) foreign exchange provides an immediate reason for promoting agricultural commercialisation of some sort – a point that we return to in section 3 – and the management of particular value chains (cocoa in Ghana, maize in Malawi, cotton in Burkina) becomes a matter of national importance. However, export revenues from agricultural commodities are often concentrated in specific geographic regions; other areas may receive less attention, if stimulating agricultural growth in these areas is considered a difficult task and/or the political support of citizens in these areas can be achieved more readily through other means. Meanwhile, economic growth that is concentrated in urban centres or mining enclaves does create market opportunities for farmers, but such growth is not automatically transmitted to rural areas.

The second way in which politicians may seek to obtain or maintain the support of ordinary citizens is by making investments that benefit them directly and by delivering reliable public services to them. However, the track record of African governments in making investments that benefit rural citizens and delivering services to them is mixed. While public spending is an imperfect proxy for the quality of investment and service delivery, and agriculture is only one sector of interest to rural citizens (albeit a very important one), the failure of the majority of African governments to fulfil their spending commitments for agriculture – made in Maputo in 2003 and reiterated in Malabo in 2014 – is telling. Previous work by the FAC (Booth and Golooba-Mutebi 2014a; Berhanu and Poulton 2014; Poulton 2014) highlighted Rwanda and Ethiopia as having demonstrated the greatest commitment to investment in rural services. Formerly military regimes and still facing a combination of external and internal threats to their existence, the governments of these two countries have sought legitimacy through delivering broad-based benefits to citizens. As a result, these states have delivered impressive results in terms of smallholder agricultural intensification. Both are also actively promoting smallholder commercialisation, although contending with the constraints imposed by very small average landholding sizes (throughout Rwanda and in the highland areas of Ethiopia).

The third way in which politicians may seek to obtain or maintain the support of ordinary citizens is by distributing transfer rents to them. These can range from token handouts of cash and cheap goods at election time to the establishment of formal, developmental programmes such as farm input subsidy and cash transfer schemes. Where transfers are highly discretionary, this perpetuates a system of patron–client relationships in rural areas – the inverse of empowered citizens holding elected representatives to account for their performance in service delivery. By contrast, where transfer programmes are more programmatic, they can usefully support productive activity (Devereux and Sabates-Wheeler 2004; Chinsinga and Poulton 2014). Nevertheless, on their own they are unlikely to be effective instruments to promote smallholder agricultural commercialisation.

The final way in which politicians may seek to maintain the support (active or passive) of ordinary citizens is by various forms of political or social control. A soft version of this is to maintain close links with opinion formers within a particular community or ethnic group – possibly involving some form of rent flows to these opinion formers – such that the political allegiance of that community or ethnic group remains with the party or regime. This can be reinforced by a conspicuous presence in an area, giving credibility to the claims of the party or regime to understand the needs of the citizens there, and perhaps by campaigning rhetoric that spreads fear of the less-present alternatives. In a more autocratic variant, an expectation is created that normal citizens of an area will be loyal to the party or regime. Those who question this may be subjected to surveillance or be denied access to land or other resources (e.g. government transfers or participation in donor projects). They may ultimately be arrested or worse if they openly challenge the party or regime.

A common feature of the use of political, or indeed social, control to maintain support is that rural citizens receive few direct benefits in exchange for their loyalty. Instead, local elite members – e.g. party leaders and workers, chiefs, religious leaders – are rewarded for their efforts to cultivate the loyalty of local citizens. These rewards cost much less than the provision of enhanced infrastructure or services to the communities concerned. As a result, there is little prospect of concerted support to smallholder farmers to raise productivity and/or to commercialise their production activities if the relationship between politicians and rural citizens is predominantly one of control.

Table 1 illustrates these arguments by suggesting mixes of strategies that have been used across APRA countries over different time periods. The case of Ethiopia has already been discussed. With current pressures for greater regional autonomy over decision-making and the resulting need for the central government to be visibly active within the different regions, there may be a greater emphasis on rent distribution (short-term focus) rather than service delivery.

Table 1: Illustrative means of maintaining support among rural citizens

	Political power obtained/maintained through			
	Economic growth	Service delivery	Broad rent distribution	Political control
Ethiopia	√	√	-	√
Ghana	√	√	√	-
Malawi (2005-09)	√	-	√	√
Tanzania (2005-15)	√	-	-	√
Tanzania (2015-)	?	?	-	√
Zimbabwe (1980s)	√	√	-	√
Zimbabwe (2000s)	-	-	√	√

Source: Authors' observations.

Our assessment of Ghanaian policy is that it strikes an unusual balance. The two dominant parties both have enduring regional and ethnic support bases, with alternation of power based on competition in a few swing regions (Greater Accra, Central, Brong Ahafo, Western). However, there is little evidence that the enduring support in core regions is the result of any coercion or control. Since 1983, successive governments have maintained an enviable record of economic growth, based on a liberal regime for investment and reasonable macroeconomic stability – albeit punctuated by recurrent post-election fiscal crises. High levels of per capita donor investment have been sustained through relatively efficient government–donor relationships, within which donors have been able to invest in diverse public goods, including technology support programmes to farmers. Meanwhile, governments have directed much of their discretionary rural expenditures to transfer programmes (Benin et al. 2012), apparently for political ends (Banful 2011).

The Farm Input Subsidy Programme (FISP) has been a dominant feature of agricultural policy in Malawi for over a decade and has now been extensively studied. Chinsinga and Poulton (2014) describe its political origins and motivations and also the abortive attempt by President Bingu wa Mutharika to intensify his political control following his election victory in 2009. At local level, political control achieved through the loyalty of chiefs has become an important feature of rural politics.

In Tanzania, the ruling CCM party maintains a dominant position in rural areas through its presence in every village (down to sub-village level), reinforced by its control over the security apparatus where required (Hoffman and Robinson 2009; O'Gorman 2012; Whitehead 2012). The extent to which the party has ever invested in agricultural service provision – as opposed to forms of rural organisation that were designed primarily to control the rural population – can be debated. However, with the advent of multi-party politics, local party cadres were able to claim an increasing share of rents from national development efforts in exchange for their role in bringing in the rural vote, with the result that implementation capacity for many agricultural development initiatives was undermined (Therkildsen 2011). More positively, sustained macroeconomic growth has begun to transform rural centres, and farmers in some areas have been able to respond to the resulting market opportunities. Nevertheless, election performances in 2010 and 2015 sent warnings to the party that it had to deliver more to its core rural voters. Since 2015, President Magufuli has sought to re-centralise power within CCM and has promised improved service delivery as corruption is tackled. Domestic agricultural production is being protected against competition from imports (see below) and rural infrastructure investment has been prioritised, but in the context of a tight fiscal squeeze. Agricultural value chains are being addressed on a case-by-case basis, but the overall impact on agricultural commercialisation remains to be seen.

In Zimbabwe, the strategy of the Zimbabwe African National Union – Patriotic Front (ZANU-PF) for maintaining rural support has evolved considerably over time. The 1980s witnessed a major effort to improve education, health and other services to the majority of the population. This included extending to smallholder farmers in communal areas similar agricultural support services that were available to white commercial farmers. The results, in terms of increasing production and marketing of maize, cotton and other crops by smallholder farmers, were impressive. A fiscal squeeze plus recurrent droughts in the 1990s curtailed these efforts, such that, by the end of the 1990s, President Mugabe was looking for other means to sustain rural support. His new strategy was the Fast Track Land Reform Programme (FTLRP), initiated in 2001, by which land formerly owned by white farmers was transferred by force to security chiefs and senior political figures, plus a larger number of ordinary Zimbabweans. However, the resulting economic crisis meant that few services could be provided to support the new occupiers to develop their farm enterprises. Thus, marketed volumes of many commodities fell. Increasingly, the government had to rely on political control and intimidation to maintain power. Nevertheless, for many beneficiaries of land reform, access to a larger area of land (perhaps of higher quality than their previous land in the communal areas) should enable them to produce more for market in the longer term.

The core message from this section is as follows: where – as in Ethiopia, Rwanda or many countries in Asia from the 1960s onwards (Birner and Resnick 2010; Poulton 2014) – a government perceives the need to invest in infrastructure and services for rural citizens as a way of obtaining legitimacy or countering rural opposition, broad-based progress towards smallholder agricultural commercialisation is likely. Outcomes will still vary regionally due to distance from major centres, agro-ecological diversity and the varying fortunes of major value chains, but smallholders in most major regions should be able to access some support. In other political contexts, given the general weakness of smallholder political organisation in Africa, progress towards commercialisation is likely to be more uneven across regions. Here, outcomes will depend not just on the factors just mentioned, but also on the variable strength of advocacy coalitions associated with specific regions and value chains.

We therefore now turn to the impacts of geography on incentives for agricultural commercialisation. In section 3 we look not just at economic considerations, but also at the impacts of geography on the potential for rent accumulation.

3. GEOGRAPHY, RENTS, AND AGRICULTURAL COMMERCIALISATION

Given the spatially dispersed and natural resource-dependent nature of agricultural production, it is not surprising that geography influences both the pace and trajectory of agricultural commercialisation. In this section we consider the influence of four factors: whether a country is landlocked or coastal; its dependence on agricultural export revenue, its agro-ecological potential and its population density. All these influence both the potential and incentives for agricultural commercialisation. The mechanisms are both direct and indirect, economic and political.

3.1. Landlocked and coastal countries

We identify multiple and conflicting ways in which a country's status as landlocked or coastal may influence the pace and trajectory of agricultural commercialisation. We argue that demand for marketed agricultural produce is, on average, higher in coastal countries, but that the political incentives to support commercialisation are typically higher in landlocked countries. Correctly diagnosing constraints to commercialisation is important when designing interventions to promote it.

Collier (2007) argues that landlocked countries surrounded by poor neighbours are very likely to become stuck in a growth trap, especially if they are small countries. The central issue is access to markets: if the domestic market is small, immediate neighbours are poor, and the costs of reaching more distant but wealthier markets are high, the country has limited market opportunities to drive growth. Pessimistically, Collier (2007) sees such countries as having few alternatives but to rely heavily on semi-subsistence agriculture with an emphasis on ensuring food security. He emphasises the importance of manufacturing in drawing countries out of poverty, but sees little prospect for sustained manufacturing growth in small landlocked countries surrounded by poor neighbours. In an African context, he envisages that manufacturing growth will occur primarily around the coast, where transport costs to ports are low, and if necessary that this will draw labour from inland to work in these factories.

Table 2 suggests that a country's status as landlocked or coastal does indeed influence its economic growth and the speed of its structural transformation. However, as emphasised by Gollin et al. (2013) and Jedwab (2013), this growth has rarely yet been driven by growth of manufacturing.

Given that agricultural commercialisation responds to market opportunities and that the majority of marketed output is sold in domestic markets (Diao, Dorosh and Rahman 2003; Poulton 2017a), the implication of Table 2 is that the demand drivers of agricultural commercialisation are much stronger on average in coastal countries of Africa than in landlocked countries.

Political imperatives to support or impede agricultural commercialisation may, however, be rather different. The previous section explored strategies that politicians and governments use to obtain or maintain broad-based rural support and considered the potential impact of these on agricultural commercialisation. At the same time, in order to obtain and maintain power,

Table 2: Coastal and landlocked countries in sub-Saharan Africa compared

	Number of countries	Total population	Urban population as % of total	Gross domestic product (GDP) per capita (current US$)
Coastal	33	717,955,872	44.8%	US$ 1,803
Landlocked	16	311,555,443	23.7%	US$ 707

Source: World Development Indicators database (accessed 15 March 2018)

Notes: Coastal countries include island states (Cabo Verde, Comoros, Madagascar, Maldives, Mauritius, São Tomé and Príncipe, Seychelles). Eritrea is excluded due to lack of data. Democratic Republic of Congo (DRC) is defined as coastal, despite only having a tiny strip of coastline relative to its vast size. Calculations are weighted by population. If South Africa is excluded, values for coastal countries fall to 43.0% and US$1,510. These figures remain essentially unchanged if the island states are also excluded.

politicians also need the support of fellow elite members to provide campaign finance and endorsements for their selection as candidates, to positions of influence and so on. In exchange for this support, they typically promise favours – i.e. access to rent flows that they gain influence over through their political office. In economies where the agricultural sector continues to account for an important share of both consumption and production, in part due to limited alternatives, we should expect some, though not all, of these rent flows to be associated with agricultural activities.

How does a country's status as landlocked or coastal influence the rents that are available for politicians to distribute? Our insights here are derived primarily from the six APRA countries, three of which are landlocked (Ethiopia, Malawi and Zimbabwe) and three of which are coastal (Ghana, Nigeria and Tanzania).

Landlocked countries experience high costs of importing food from international markets due to the long distance to ports and the sometimes poor quality of road and/or rail infrastructure. These costs can be exacerbated by cartels in the trucking industry, multiple clearance processes and bribe-taking. It is, in fact, estimated that landlocked countries pay around 50 percent more in transport costs than coastal countries and have up to 60 percent lower volumes of trade (World Bank 2008). High costs also impact the exportation of agricultural produce. As a result, the price wedge between export and import parity price of tradable commodities is high, leading to high price volatility, especially for food crops, in landlocked countries. Periodic high prices are bad for food security, given the high share of expenditure that poor households devote to food. On the other hand, when high production beyond a country's requirements for food depresses prices, this creates disincentives for farmers in subsequent growing seasons.

Politically, what incentives does this create for agricultural commercialisation? Both economically and politically, it is in the interest of landlocked countries to intensify agricultural production in order to avoid the high food importation costs. In theory, this could be achieved through promotion of large-scale commercial agriculture, producing marketed surpluses, or through support to smallholders. The latter is more likely where population density is high and where urban populations are fairly passive. In this case, the emphasis may be placed on food security (i.e. enhancing the food self-sufficiency of households with small plots of land) rather than commercialisation. However, there may still be political support for commercialisation of some crops, so as to supply domestic markets.

Given the imperative to secure food supplies in landlocked countries, political and business elites are likely to pursue rents that are associated with efforts to stimulate agricultural production. For example, since 2000, government-controlled input subsidy schemes have proliferated around Africa (Jayne and Rashid 2013). In countries such as Malawi and Zambia, they have accounted for substantial shares of the national agricultural budget and even the total national budget. Subsidy schemes can be used to distribute rents in a more or less broad-based manner directly to voters (Poulton 2014). They may also direct rents to influential rural elites (Chinsinga and Poulton 2014). In addition, administratively controlled procurement processes for the importation of inputs can be used to distribute substantial rents to small numbers of individuals within and/or close to the government. A Malawi example is provided by Chinsinga and Poulton (2014:s143–s144).

By contrast, food imports into landlocked countries do not offer the prospect of high rent streams in normal times due to the limited ability of consumers to pay for food. There is little scope for import tariffs or, therefore, for rents to be gained from discretionary tariff waivers or distribution of import licences. However, poor harvests in landlocked countries do create opportunities for rent-seeking, through the award of official contracts to import food. These are often doled out to individuals or groups that are closely connected to the incumbent regime.

Given the particular problems of price volatility in landlocked countries, there may also be pressure for the state to intervene with some sort of price stabilisation measures, including national food storage. These measures may aim both to protect poor consumers from price spikes and to avoid price collapses when harvests of staple foods are plentiful (Poulton et al. 2006). In the latter case, however, better-off individuals may decide to enter farming and/or larger producers may lobby for increased production support, knowing that they can then sell their surpluses to the state at guaranteed prices. The rise of medium-scale farmers in several countries in Africa (Jayne et al. 2016) has already been remarked upon. While simple market demand is a plausible driver for much of the observed activity, if politically well-connected farmers can gain preferential access to stocking the food grain reserves at favourable prices, this provides an additional incentive. This may be a more important driver in landlocked countries than in coastal ones, as urban market demand for food is lower in landlocked countries (Table 2).

Finally, recent Malawian experience shows that rents may also be available from circumventing export bans where these are imposed in years of plentiful harvests. Export bans have a superficial populist logic, especially where the state has supported food production through expensive subsidies. In landlocked countries, export bans may be justified on the grounds that food imports (at an unspecified time in the future) are likely to be expensive. However, unlike official purchase and storage operations at times of plentiful harvest, they further depress prices for surplus producers, thereby creating considerable disincentives for agricultural intensification and commercialisation (Gondwe and Baulch 2017). On the other hand, well-connected individuals and groups can earn high rents from exporting food crops while export bans are in place, if there is strong demand for the crops in question in neighbouring countries.

The foregoing discussion suggests a path dependence in policy and in the pattern of rents. Where national food storage operations exist, these become magnets for rent-seeking activity. Where such operations do not exist or are restricted in scope – perhaps because they were closed or curtailed due to rent-seeking activities – export bans emerge as a populist policy and create their own opportunities for rent-seeking.

The dynamics just described are not unique to landlocked countries, but we note important differences in the patterns of rent-seeking within coastal countries, which are not as constrained by high transportation costs to import food and benefit from trade opportunities (Binswanger-Mkhize et al. 2011). The biggest of these differences is that there are large trading opportunities in supplying coastal cities with cheap commodities, including imported foodstuffs. This creates major opportunities for high-level rent-seeking and dampens the incentives for commercialisation among domestic producers.

Four of the biggest import opportunities are in sugar, rice, wheat and edible oils. Tables 3a and 3b show per capita imports of these items into the six APRA countries in 2012 and 2013, the two most recent years for which data are available in FAOstat. There are both country and crop specificities, but a general pattern of higher per capita imports in the coastal countries is evident. The difference would be even more pronounced were it not for the dramatic increase in food imports into Zimbabwe since the onset of the FTLRP in 2001. On average, between 2000 and 2003, sugar imports into Zimbabwe were only 0.4 percent of the 2013 level, rice imports 12 percent, wheat 16 percent and edible oils 66 percent of the 2013 level. It is also possible that the difference between landlocked and coastal countries is understated by these tables – if official figures in landlocked countries are too low due to smuggling (see below).

Expressed in value terms, imports of sugar into Nigeria in 2013 were worth $785m, rice $1.57bn, wheat also $1.57bn and edible oils $1.52bn. For Tanzania, the comparable figures were sugar $145m, rice $128m, wheat $312m and edible oils $221m.

Few African countries grow much wheat, but most APRA countries grow sugar, rice and some edible oils. In coastal countries, therefore, there is considerable contestation over policy between importers and domestic producers. The latter typically favour a degree of tariff protection. For years, a distorted world sugar market meant that international prices were a residual price that was below the cost of production in all but

Table 3a: Imports of major food items (kg per capita) 2012

	Sugar	Rice	Wheat	Edible oils
Landlocked				
Ethiopia	2.3	1.2	17.7	3.2
Malawi	0.1	0.2	9.3	1.5
Zimbabwe	5.7	11.3	12.7	8.3
Coastal				
Ghana	8.2	15.6	7.4	4.1
Nigeria	8.4	14.7	24.3	5.5
Tanzania	6.5	4.0	22.7	6.0

Sources: import data from FAOstat, population data from World Development Indicators (accessed 16 March 2018)

Notes: Sugar data comprise sugar confectionary, sugar raw centrifugal and sugar refined. Edible oils data comprise boiled oils, castor bean oil, coconut oil (copra), cottonseed oil, groundnut oil, linseed oil, maize oil, olive oil, palm oil, palm kernel oil, rapeseed oil, sesame oil, soybean oil, sunflower oil and various oils not otherwise specified. Palm oil accounts for around 90% of all edible oil imports, except in Malawi and Zimbabwe (10–15%).

Table 3b: Imports of major food items (kg per capita) 2013

	Sugar	Rice	Wheat	Edible oils
Landlocked				
Ethiopia	3.9	1.6	17.1	3.9
Malawi	0.2	0.1	11.6	1.0
Zimbabwe	9.1	10.6	13.2	4.9
Coastal				
Ghana	12.7	24.5	9.9	5.4
Nigeria	10.1	12.7	25.4	7.0
Tanzania	5.4	5.6	15.7	6.0

Sources and notes: as per Table 3a.

a couple of countries (Tyler 2007). In rice, arguments focus on the export of cheap broken rice from Asia to Africa, although the corollary of this is that local varieties can occupy a market segment distinct from imports, as claimed by Lazaro, Sam and Thompson (2017) for Tanzania. In edible oils, few producers can match the price of palm oil from South-East Asia, although it is argued that the environmental cost of South-East Asian production has been high. Policymakers may respond by imposing tariffs and/or import licensing, so as to be seen to be supporting domestic producers. The problem – from the perspective of those producers – is that implementation has rarely then been reliable. One reason for this is that restrictions on imports hurt consumers, and politicians may decide to placate consumers when world prices rise or as an election approaches. This has been observed in Ghana in relation to rice policy, not least because the Greater Accra region – home to the country's largest urban population – is one of the swing regions in Ghanaian politics. It has also been observed in Tanzania, where rice is the staple food on the politically volatile islands of Zanzibar (Therkildsen 2011). The second reason, however, is that substantial rents can be shared between politically well-connected importers, the relevant minister and customs officials, if either the need for an import licence or payment of tariff duty is waived. This may mean that official import figures understate actual imports (Therkildsen 2011).

Unfortunately, unpredictable imports tend to undermine investment incentives in import-competing commodities, and therefore, reduce the impetus towards agricultural commercialisation. The question becomes: why invest when the potential benefits can easily be wiped out by cheaper imported foodstuffs?

The tension between importers and domestic producers can alternatively be expressed as a tension between trading and productive capital. Our observation is that, in all three coastal APRA countries, the balance of power has historically favoured trading capital. For generations, trading has been the main source of accumulation around the African coast. In the initial decades after independence, importers benefited from heavily overvalued exchange rates (Anderson and Masters 2009). The market liberalisation that commenced in the 1980s favoured domestic production relative to imports by correcting exchange rate distortions. However, it was soon accompanied by political liberalisation, and trading interests allied themselves with major political parties, providing party funding in exchange for rents from favourable treatment for their imports. Few comparable producer interests existed, as most smallholder farmers are poor, geographically dispersed (or distant from centres of power) and unorganised.

According to Poulton (2017b), this situation could be changing in Tanzania. Illustrating the importance of the political incentives discussed in section 2, President Magufuli has taken decisive action to strengthen producer incentives by taking personal control of import licensing for sugar and rice. The previously captured edible oil policy regime is now also being contested. This will be an interesting case to observe, as conflicting forces represented in Figure 1 play out.

A second difference in patterns of rent-seeking requires further exploration. The imperative to intervene to stabilise food prices should be weaker in coastal countries, if international food prices are relatively stable. The amount of rent-seeking activity associated with price stabilisation activity – for example, through public procurement activity – should, therefore, be lower. However, the difference may temporarily disappear if international food prices are themselves volatile, as has been the case over the past decade. Large urban populations can become politically volatile if food prices spike. Berazneva and Lee (2013) document food riots in 14 African countries, including four in North Africa, in response to world food price rises in 2007–08. Of these 14 countries, 11 are coastal and 3 (Burkina Faso, Ethiopia and Zimbabwe) are landlocked. Faced with urban instability, politicians may respond through (more or less programmatic) tariff waivers for importers or even dedicated import contracts. Recall that, insofar as the response (1) focuses on increased importation, and (2) is unpredictable, it erodes the incentives for longer-term investment in intensification and commercialisation of domestic production.

3.2. Dependence on agricultural exports

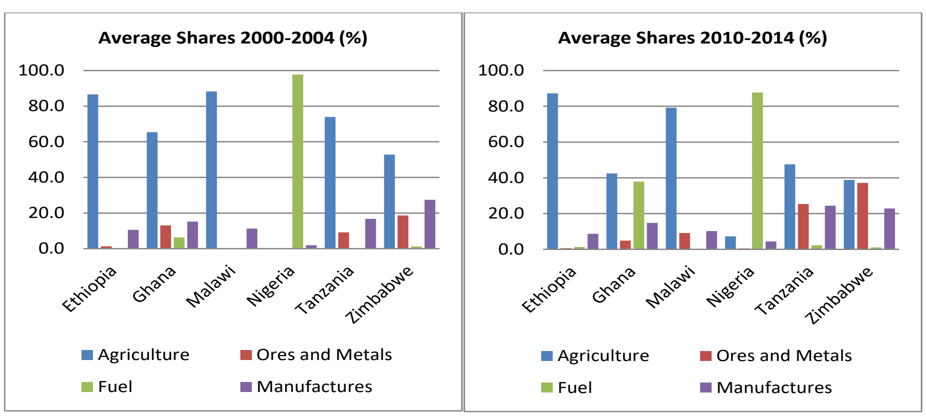
A country's dependence on agricultural exports also acts as a strong political driver for agricultural commercialisation, albeit sometimes only in selected commodities where the country is perceived to have (or to be able to achieve) a degree of comparative advantage. This is because export revenues are required not just to provide basic consumption items, such as food, but also vehicles, consumer durables, etc. – the consumption of which disproportionately benefits the elite. Moreover, across Africa, almost all defence and security technology is imported. Thus, both a country's ability to defend itself and to maintain law and order – and the ability of the ruling elite to maintain its control – depend on access to foreign exchange.

Dependence on agricultural exports is, by definition, inversely related to the vitality of other sectors producing tradable goods and services within the economy. It may, therefore, reflect a paucity of opportunities for diversification due to natural resource endowment (e.g. lack of minerals or touristic assets) or location (see previous discussion of manufacturing in landlocked vs coastal countries). Limited diversification within the economy also means fewer non-agricultural routes to rent accumulation. However, while elites may be forced to look to agriculture-related activities as a source of rents, they can rarely afford to undermine those exports through their rent-seeking activities when the country is heavily dependent on agricultural exports for its foreign exchange. Thus, the pattern of rent-seeking is likely to be supportive, rather than destructive, of some form of agricultural commercialisation.

Figure 3 shows the importance of agricultural exports in total merchandise exports for the six APRA countries and how this has changed since the start of the 2000s. Ethiopia and Malawi – two of the three landlocked countries and without major minerals deposits – stand out as the two countries most heavily dependent on agricultural exports. Ghana, Tanzania and Zimbabwe all started the 2000s heavily dependent on agricultural exports (53–74 percent of merchandise exports between2000 and 2004), but have become somewhat less dependent since (falls of 15–25 percent in agriculture's share of merchandise exports between 2010 and 2014). Nevertheless, agriculture remained the biggest contributing sector to merchandise exports (2010-2014) in all three countries. Only in Nigeria is agriculture's contribution to merchandise exports small, albeit higher from 2010–2014 than 2000–2004 and a policy priority since the fall of the international oil price in 2014.

Across the six countries, the degree of diversification beyond agricultural exports is a function primarily of availability of mineral resources (oil, gold, coal, etc.). Zimbabwe's apparent diversification may also in part reflect efforts to build local industries starting in the Unilateral Declaration of Independence (UDI) period of 1965–1980, when the country faced international economic sanctions. In addition, however, it reflects the

Figure 3: Composition of merchandise exports within APRA countries (%)



Source: World Development Indicators database (accessed 22 March 2018)

Notes: 2014 is chosen as the final year, because, as of 22 March 2018, Ghana, Malawi and Nigeria all lack data for 2015 and/or 2016. Agriculture encompasses both food products and agricultural raw materials. Manufactures are defined as 'commodities in SITC sections 5 (chemicals), 6 (basic manufactures), 7 (machinery and transport equipment), and 8 (miscellaneous manufactured goods), excluding division 68 (non-ferrous metals)'. Combined, the four categories encompass 98–100% of all merchandise exports across the six countries.

negative short-to-medium term impacts of the FTLRP on agricultural exports after 2001. Meanwhile, despite Ethiopia's efforts to promote industrialisation (now being further intensified), it remained as dependent on agricultural exports from 2010–2014 as it had been from 2000–2004. The converse of this is that growth in exports counts as a significant achievement for the country's agricultural policy during this decade.

Thus far we have talked in terms of agricultural exports. However, in practice, this often means one or at most a few commodities. Historically, coffee has been the dominant export crop in Ethiopia, tobacco in Malawi and Zimbabwe, and cocoa in Ghana. Tanzania's agricultural exports are more diversified, with coffee, cashew, cotton, tobacco and sesame vying for supremacy in recent years, but not accounting for more than 50 percent of total agricultural exports between them.

In all these countries and in most periods, the state has sought to maintain control over major agricultural export value chains in one way or another, always officially so as to promote them, but often (also) so that elite members can extract rents from them. In Ethiopia, it is currently mandatory for all coffee to be sold through auction at the Ethiopia Commodity Exchange. In recent years the state has acquired a bank of large-scale landholdings that it can lease to commercial investors interested primarily in export agriculture or the production of agro-industrial raw materials. In Malawi, under Dr Banda's one-party dictatorship, estate agriculture dominated by burley tobacco was at the centre of the country's development agenda and was, in many ways, very successful, as major buyers were assured of reliable supplies of high-quality leaf. At the same time, Banda granted leaseholds on small estates to numerous bureaucrats and aspiring politicians, thereby giving the holders access to the national tobacco auctions, in exchange for their personal loyalty to him and support for his regime in their local areas.

In Ghana, the state retains significant control over cocoa marketing through the parastatal Ghana Cocoa Board (COCOBOD), despite adopting a more liberal approach to most other agricultural activities (Whitfield 2011). Since structural adjustment in the 1980s and then political liberalisation in 1992, COCOBOD has progressively increased the share of the international market price that is passed onto producers. Moreover, it has used retained revenues to support productivity-enhancing measures among cocoa producers (mass spraying against black pod disease, distribution of hybrid cocoa seedlings, fertiliser subsidies). Production and export revenues have thus increased dramatically, aided until recently by rising international prices. Nevertheless, COCOBOD's marketing margins remain high and there are strong suspicions of patronage and rent-seeking in its operations – for example, in relation to imports of liquid fertilisers (Kolavalli and Vigneri 2017). Retaining COCOBOD as a monopoly state organisation also allows the government to borrow money each year from international markets, primarily for cocoa purchase, but with other uses also possible.

A similar story of managed rent-seeking, such that the basic viability of a dominant export industry is not threatened, could be told in relation to cotton industries in Francophone West Africa. In relation to Burkina Faso, Loada (2012) explains an additional dynamic: that the south-western part of the country, where cotton cultivation is concentrated, has traditionally sought to resist political domination by the Mossi tribe. Therefore, if cotton producers perceive that they are not receiving a fair deal from government policy towards the cotton industry, they can cause political trouble.

The experience of Tanzania's traditional export commodities – coffee, cashew and cotton, in particular – provides a partial contrast to these previous examples. In all cases, the state has maintained an active role in regulating the sector through its respective crop boards. This has provided rent-seeking opportunities through positions on boards, licensing requirements and the governance of sector-focused input funds (Cooksey 2003). What deserves more examination is that this rent-seeking activity has been allowed to undermine the performance of the sectors as a whole. This could be because no sector individually has been critical to foreign exchange generation and/or because other sources of foreign exchange (tourism, minerals) have grown in importance over time. Relating back to section 2, it also reflects the fact that the governing party CCM has been able to maintain its dominance – at least until very recently – without delivering much to its main rural support base.

3.3. Agro-ecological potential and population density

We discuss these factors together, because they are linked, albeit only imperfectly correlated. They are discussed further in Poulton (2017a). They exert a major and fairly obvious influence on both the potential for and trajectory of agricultural commercialisation, and also influence the rents that elite members can obtain through commercial agricultural production.

There are variations in agro-ecological conditions and potential within all countries, but these are more pronounced in some countries (e.g. Zimbabwe, Ethiopia, Kenya) than others (e.g. Malawi).

It is common to observe rural lands of high (low) agro-ecological potential supporting high (low) densities of population. This is partly why, according to Jayne, Chamberlin and Headey (2014: 1): 'Just 1% of Africa's rural land area contains 21% of its rural population, while 20% of its rural lands contain 82% of its rural people'.

Areas of medium-to-high agro-ecological potential and population density are likely sites of smallholder commercialisation (Table 4). High population densities and the potential for surplus crop production make infrastructure investment an economically and politically attractive proposition, while high population densities preclude significant land acquisition by large-scale farms under most political circumstances. Smallholder commercialisation is proceeding under these circumstances across much of East and South-East Asia (Wiggins 2017).

allow cultivators to achieve a minimum net revenue of $250 per hectare that might encourage settlement. A second reason is that settlement and/or cultivation is inhibited by human disease (e.g. onchocerciasis) or animal disease (e.g. tsetse fly). A third set of reasons are historical and/or political: for example, the area has been prone to conflict or a border has cut it off from the closest markets. In a few African countries, large tracts of land were claimed by force and settled under a small number of large farms. This final reason is the only one that is likely to be associated with present commercial cultivation of the land.

These circumstances can all change. The continuous increase in urban populations, reinforced by increases in urban incomes, plus investment in road and other infrastructure, gradually expand the frontier of land that can be profitably cultivated. Public investments can

Table 4: Agro-ecological potential, population density, and agricultural commercialisation

		Population density	
		High	Low
Agro-ecological potential	High	Smallholder commercialisation	Potential interest for large- and/or medium-scale farms
	Low	Peri-urban?	Little commercialisation potential

Source: Authors' own.

High population densities in areas of low population density are unusual, except in peri-urban areas. Here, small plots and gardens around homesteads could provide either food for home consumption or small surpluses (e.g. of horticulture) for sale. Intensively reared livestock – for meat, milk or eggs – are also possible, as feed can be purchased. However, the main source of household income in such areas is likely to be non-farm, with agricultural activity supplementing this.

The most intriguing cell in Table 4 is arguably that of high agro-ecological potential, but low population density. Two questions arise immediately here. First, why has population density historically been low? Second, who will claim the land as the potential profitability of commercial cultivation rises?

There are several possible answers to the first question and these are not mutually exclusive. One of the main reasons why land of medium-to-high potential remains relatively under-exploited is that it is remote from urban centres and hence centres of both market demand and input supply. Chamberlin, Jayne and Headey (2014: 56–57) estimate that between one-third and two-thirds of low density 'non-cultivated, non-forested, not protected' arable land in Africa is too remote from markets to eradicate human or animal disease from an area. Peace deals can be signed and restrictions on cross-border trade relaxed. This then triggers the second question.

Much of the gradual expansion of cultivated land area over time has been driven by smallholders. At the land frontier, pioneers endure challenging living conditions until they are able to bring enough land into cultivation to generate a modest income. Others follow behind, increasing the density of population in settled lands, as cultivation itself becomes more intensive. However, another dynamic is that wealthier individuals, driven by the pursuit of profit, seek rights to larger tracts of uncultivated or 'under-exploited' land for commercial cultivation. Historically, this interest has come in waves (Baglioni and Gibbon 2013), related inter alia to episodes of high food prices. The most recent of these waves followed the 2008 spike in world food prices (see section 4). Of even greater importance in terms of areas acquired, a number of African countries have witnessed a dramatic rise in the area of land cultivated by medium-scale farmers over the past two decades (Jayne et al. 2016). These medium-scale farmers are overwhelmingly nationals. Evidence to date suggests that the majority of them are urban-based, including many civil servants, who are responding to the growing market opportunities as urban populations and incomes rise.

Areas of high agro-ecological potential but low population density are where the greatest rents from land acquisition are likely to be obtained. The extent of such areas varies greatly from country to country (Chamberlin et al. 2014). Classic Ricardian rents from land acquisition come from obtaining land of above-average quality or location for the price paid. For elite members, lower- and medium-level rents can be obtained either by acquiring land themselves or by facilitating others to acquire it.

Many African countries have different rules governing acquisition of land parcels of different sizes and perhaps also acquisition by nationals as opposed to foreigners (Alden Wily 2011). Commonly, large land parcels cannot be bought – especially by foreigners – so have to be leased from the state. Lease rates per hectare may be low, but a range of decision-makers (both local and national) have to be satisfied before a lease is agreed. This requires connections and perhaps side payments. The extent to which nationals have engaged in large-scale land acquisition in rent years has varied from country to country (Cotula et al. 2014). Where foreigners are the main investors, local elite members can facilitate the land acquisition process in exchange for some form of payment. In some countries, foreign investors are required by law to have local business partners. Meanwhile, the process of acquiring medium-scale parcels of land can be considerably less onerous than that of acquiring large parcels (Sulle and Nelson 2009), especially for urban-dwellers with kinship connections to particular rural communities. Thus, medium-scale farms may have a competitive advantage over large-scale farms when it comes to land acquisition.

Finally, it should be noted that the rise of medium- and large-scale farms may impact the prospects for smallholder commercialisation in a number of ways. The assumption so far in this paper has been that the two commercialisation trajectories introduced at the outset are to some extent in conflict with each other. The most obvious reason for this is that cultivable land is in finite supply. Therefore, medium- and large-scale farmers are ultimately in competition with smallholders for remaining cultivable land (Jayne et al. 2016). As smallholder populations continue to grow, this puts downward pressure on average holding sizes, given the land constraint. While food prices remain volatile in the presence of high transport costs, this makes the challenge of commercialising even greater due to risk, as it is hard both to satisfy basic food needs and generate marketable surplus from tiny plots.

Medium-scale farmers – perhaps even more so than large-scale farmers – may also compete with smallholders in output markets. In addition, given that many are urban-based and some are politicians and bureaucrats, medium-scale farmers are also a potentially strong lobby group. This power could be used to divert agricultural expenditures away from public goods that benefit all farmers (and perhaps primarily smallholders) onto transfer expenditures that can be captured by the better connected (Jayne et al. 2016).

However, as shown in Table 5, the rise of medium- and large-scale farms could also stimulate smallholder commercialisation in a number of ways. Some lobbying activity (e.g. for protection against imports) may benefit all (surplus) producers in a sector. Similarly, at a local level, medium- and large-scale farms may be able to secure commitments to infrastructure investment. On their own, smallholders rarely exert much direct influence over such policy and investment decisions. Some large-scale farms – especially those that have invested in processing facilities – may engage with surrounding smallholders through contract farming schemes.

Additional effects not captured in Table 5 are also possible. There may be knowledge spillovers from large-scale farms to surrounding smallholders, although initial evidence on these in Ethiopia suggests that they are modest (Ali, Deininger and Harris 2016). There could also be market effects from the presence of medium- and large-scale farms, prompting additional input suppliers, buyers and processors to establish operations in an area, with spillover benefits for smallholders. The balance of these impacts is undoubtedly a subject for further research.

Table 5: Complementarities and competition between large- and medium-scale farms and smallholders

Year	Large-scale farms	Medium-scale farms
Complementarities with smallholders	Lobbying on policy, e.g. protection against imports	Ditto, where policy concerns public goods; may be competitive where policy concerns private good distribution, e.g. subsidised fertiliser or tractors
	Securing local public investment, e.g. road upgrading, from government or donors	Possibly, but only if there is a critical mass of medium-scale farmers within a given locality
	Support to smallholders through contract farming	-
Competition for smallholders	Land access	Land access
	Competition in output markets	Ditto; may be stronger than for large-scale farms to the extent that medium-scale farms produce similar crops using similar production technologies and marketing channels to smallholders

Source: Poulton (2017b: 16)

4. INTERNATIONAL ACTORS: DEVELOPMENT PARTNERS AND INTERNATIONAL INVESTORS

Both for historical reasons and as a result of liberalisation and globalisation, external actors play a conspicuous role in policymaking processes in most African countries. In this section we review the influence of development partners (traditional and non-traditional) and international investors (especially agribusiness), and their influence on processes of agricultural commercialisation in Africa.

The argument in this section can be summarised as follows:

- The effect of engagement by international actors is overwhelmingly to promote agricultural commercialisation.
- However, the commercialisation trajectory that is promoted (smallholder vs large-scale farming) varies across actors and interventions.
- The impact of external actors on domestic policy outcomes should not be overstated. The influence of external actors can reinforce the position of like-minded domestic actors and, therefore, strengthen one policy coalition against another. However, as literature on conditionality teaches us (Binswanger and Deininger 1997; van de Walle 2001; Collier 2007), external actors rarely exert sufficient leverage to enforce a domestic elite to implement policy against their will.

The subject matter of this section takes us into the realm of international political economy (IPE). In relation to agricultural commercialisation, IPE examines how global processes play out within African agriculture – for example, through large-scale agricultural production and processing investments and the development of corridors such as the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). IPE considers the strategies of international capital in continuously seeking new opportunities for accumulation. It also considers the geopolitical strategies of rising powers such as the BRICS countries (Brazil, Russia, India, China and South Africa) in extending their influence in Africa and contrasts this with the strategies of established powers and their aid and investment programmes. Some analyses see the actions of states as serving the interests of 'their' capitalists, e.g. in opening up new markets or protecting investments.

IPE perspectives are rooted in, and inspired further by, the globalisation discourse. The underlying argument is that the capacity of national policymakers to frame their own agenda is reduced because the international environment forms much of the context for policymaking (Zaei 2014). The influence of global forces on ultimate policy outcomes within developing countries is increased owing to their heavy dependence on the international community for financial and technical assistance.

By contrast, domestic political economy (DPE) emphasises the 'primacy of domestic politics' in relation both to technical narratives of development and to international actors who engage with Africa and its development. In relation to agricultural commercialisation, domestic political economy starts by asking how power is obtained or maintained in a country, then considers where processes of agricultural commercialisation fit into this. It is a contention of DPE that the claimed potency of global forces in shaping agricultural outcomes often overlooks how factors such as a country's regime type or economic development level moderate the extent to which global or domestic forces dominate. Booth and Golooba-Mutebi (2014b) contend that global actors may have real opportunities to reshape the international context for development but they have little ability to influence domestic politics. While a domestic policy agenda may become globally orientated, the policymaking and implementation remain largely nationally conditioned (Pritchett, Woolcock and Andrews 2010; Andrews, Pritchett and Woolcock 2012). Moreover, strategies for responding to change are largely conditioned by the capacities of local actors (Hazell and Wood 2008).

4.1. Western development partners

In this section we consider the influence of development partners primarily from Europe and North America, although also extending this to include the Japan International Cooperation Agency (JICA), Korea International Cooperation Agency (KOICA) and the African Development Bank. We group together not only traditional multilateral financial institutions and bilateral donors, but also philanthropic organisations, some of which are more recent in origin.

The funding provided by these organisations gives them seats at the table during the formal processes of policy identification and design. In the agricultural sector, they are broadly supportive of efforts to promote commercialisation, concerns also to ensure food security notwithstanding. This stems from a broad neoliberal consensus that development should be market-led. Agricultural commercialisation responds to growing market demand for agricultural products both in urban Africa and in export markets. The broad neoliberal consensus also favours open market competition as the best response to the growing market opportunities: if private capital, dynamism and innovation are embraced, then market demand will be efficiently transmitted to primary producers (many of whom are poor) and creative solutions will emerge to some, if not all, of the challenges of enabling poor producers to benefit from the available opportunities.

Development partners manifest a range of views on the desirability of smallholder commercialisation as opposed to support for large-scale farm enterprises. This can be the subject of debate within, as well as across, organisations. For example, the World Bank has traditionally supported smallholder development, but has also re-examined the merits of large farm models since the world food price spike of 2008 (World Bank 2009; Deininger and Byerlee 2012). The G8's New Alliance for Food Security and Nutrition envisages large-scale commercial investment at all levels of agricultural value chains, including primary production. Traditional development partners are also supporting corridor initiatives, such as SAGCOT, which envisage farms of multiple scales co-existing to take advantage of new infrastructure investment linking high-potential land to growing markets.

These diverse positions reflect ongoing debates about the relationship between medium- and large-scale farms and smallholder commercialisation (see end of previous section). Most, though not all, development partner advocates of commercial investment in large-scale farms see these as complementary to smallholder commercialisation, with contract farming often advocated as a way of transmitting the benefits of the former to the latter. In some contexts, large-scale farms may be promoted as a source of direct employment for rural citizens, if this is seen as a better option than support for smallholder farming activities (van den Broeck, Swinnen and Maertens 2017). Given the poverty reduction mandates of Western development partners, concern for smallholder farmers is likely to remain an important part of their discourse on commercialisation, although it can manifest itself in multiple ways.

To what extent do the policy recommendations and investment priorities of development partners get translated into practice, however? African states and elites recognise their need for development finance, but many have aspirations to assert their autonomy from development partners. There is a legitimate perception in many countries that political independence has yet to translate into full economic independence, with aid dependency and the associated influence of international development partners within domestic policymaking as conspicuous symptoms of this. In some countries, advocacy by Western development partners for greater political freedoms is received as an irritant. At times, their concerns about human rights are felt to impinge on the sovereignty and security interests of the recipient nation.

Meanwhile, and of direct relevance to agricultural commercialisation, much of the formal commercial activity in many African countries remains controlled by international businesses or minority ethnic groups (for example, in East Africa those of Asian origin), as was the case during the colonial era. The neoliberal policy prescriptions of international development partners are seen by some as a means of defending or reinforcing this. Importantly, liberal markets undermine a government's ability to control who receives profit from commercial activity, hence potentially providing avenues for accumulation for opposition political groupings (North et al. 2009). Governments that seek to maintain political control so as to remain in power (see Table 1) will resist this. This is a particular dilemma in both Ethiopia and Tanzania at present and is likely also to be an issue in Zimbabwe under President Mnangagwa.

Within the APRA countries, there is substantial diversity in the extent to which states depend on aid to fund national government expenditures and hence may be susceptible to pressure from development partners to implement particular policies (Table 6). There is also substantial diversity in the extent to which states are currently trying to assert their autonomy from, and increase their bargaining power vis-à-vis, international actors and also in the strategies that they are using to achieve this (Table 7).

Broadly speaking, Ethiopia has established a robust bargaining position vis-à-vis development partners despite high levels of aid dependency. Tanzania, under President Magufuli, looks to be pursuing a similar path. Starting in 2000, the Zimbabwe government of President Mugabe chose a development path that predictably alienated both development partners and significant categories of international investors.

Table 6: Aid dependency indicators

	Net official development assistance (ODA) received (average 2010–2015)			
	Per capita (current US$)	% of gross national income (GNI)	% of imports of goods, services and primary income	% of central government expense
Ethiopia	37.20	8.28	24.95	97.80
Ghana	61.20	4.23	7.76	25.72
Malawi	62.23	16.47	34.44	86.33
Nigeria	12.89	0.49	2.20	8.58
Tanzania	56.58	7.21	21.92	29.69
Zimbabwe	53.86	6.78	9.69	30.84
Sub-Saharan Africa (average)	49.47	3.06	8.39	-

Source: World Development Indicators database

Notes: (1) Data on ODA as a % of central government expense are sparse. Only Malawi has data for all years 2010–2015. Only Malawi and Ethiopia show any data prior to 2009. (2) Comparing 2010–2015 with 2000–2009 and 1990–1999, in general, ODA received per capita has been rising, ODA as a % of GNI has peaked and is now falling, and ODA as a % of imports of goods and services has been falling.

By contrast, Ghana continues to pursue a largely cooperative relationship with development partners, tensions over financial and economic mismanagement since 2012 notwithstanding. Interestingly, the perceptions of international bond markets regarding economic mismanagement appear to have been as important as the views of development partners in prompting the government to embark on reform and a deal with the International Monetary Fund (IMF) in 2013.

Zimbabwe's experience since 2000 clearly illustrates the medium-term economic costs of breaking with major international actors. Tanzania, under President Magufuli, could yet experience a moderate case of this. Strong domestic political leadership and control are preconditions for sustaining a broad set of policy positions that major international actors dislike.

The most heavily aid-dependent country within the APRA sample is Malawi. This gives development partners considerable influence over policymaking. However, as FISP illustrates, (and as do major corruption scandals in all six countries), a recipient government can still find ways of protecting or advancing their domestic political interests. This observation is at the root of the argument regarding the 'primacy of domestic politics'.

Following his landslide election win in 2009, President Bingu wa Mutharika sought to introduce a series of laws that would considerably restrict political freedom in Malawi. These were modelled on legislation previously passed by the Mugabe government in Zimbabwe. There are parallels in Ethiopia and in Tanzania since 2015. President Bingu also tried to take on the international tobacco companies through which the country received the majority of its export revenues (see note 15). The result, predictably, was the onset of a mini Zimbabwe-style economic crisis, with parallel exchange rates and

Table 7: APRA countries' relationships with donors

Country	Aid dependency	Bargaining space and strategy	High-level corruption
Ethiopia	Heavily aid dependent (in terms of % of GNI, % of imports [though both falling], and especially % of government expenditure)	Robustly disagrees with donors, e.g. with respect to elections, human rights, NGO registration, input marketing liberalisation. Strategies: (1) ally of West on security issues in the Horn of Africa; (2) diversify financing sources – early courting of Chinese, land to Indian investors, $1bn commercial bond 2013; (3) seek areas of agreement with donors, e.g. agricultural growth (Comprehensive Africa Agriculture Development Programme, CAADP); (4) serious about delivery.	Yes

Ghana	High and rising aid per capita, but moderate and falling in terms of % of GNI and % of imports. Little data on % of government expenditure	Broad neoliberal consensus across the two dominant political parties since 1992. Flexible sector-wide strategies that accommodate diverse donor interests. Highly reliant on donors for public goods investments (beneficial for growth). Much discretionary government expenditure is channelled to 'transfer' spending (especially in agriculture) and visible, large-scale projects (political). First sub-Saharan African (SSA) country to issue commercial bonds in recent wave: \$3.95bn since 2007.	Various scams as elections approach. Macroeconomic instability after elections, e.g. 2013 devaluation
Malawi	Most heavily aid dependent (all indicators)	Substantial donor influence, but 'transfer' spending through FISP protected as long as direct budget support and the government's own funds permitted. Bingu wa Mutharika took on tobacco companies with disastrous results in 2009–10 – reinforced country's dependence on (irritated) donors? No commercial bonds	FISP rents and contracts;
Nigeria	Low aid dependency, except 2005, 2006	Oil. However, government autonomy declines when the oil price falls, as has been the case since 2014/15. \$1bn in commercial bonds since 2011	Cashgate
Tanzania	Still heavily aid dependent, although decreasing steadily in terms of both % of GNI and % of imports. Little data on % of government expenditure	Broadly neoliberal approach under Presidents Mwinyi, Mkapa and Kikwete reversed under Magufuli. Current economic squeeze, linked to change in political and economic strategy, being weathered through restrictions on political space. Hence, tensions with donors, although still plenty of areas for cooperation. Politically, strategy depends on entering medium-to-long run growth trajectory through infrastructure investment and governance changes to enhance service delivery. No commercial bonds	Massive!
Zimbabwe	Aid dependency close to SSA average, despite donor reluctance since 2000. Now expect this to rise again?	President Mugabe demonstrated willingness to take on both commercial farming interests and donors over Fast Track Land Reform, even though there were severe medium-term economic consequences. Look East policy courting Chinese investment in an attempt to fill the gap. No commercial bonds	Several major scandals under President Kikwete, e.g. Independent Power Tanzania Ltd (IPTL), Richmond (Gray 2015) Elite extraction through land, minerals …

enforced devaluations. With Bingu's sudden death in 2012, however, there was no leader with the ambition or ability to maintain a stand-off with international actors, and the country has returned to grudging acceptance of its habituated aid dependency.

As noted, aid dependency does not mean that international actors get to dictate agricultural (or other) policy. Literature on aid conditionality is replete with examples of governments agreeing to certain policy changes, taking the resulting aid money, then stalling on implementation of the changes (van de Walle 2001; Collier 2007). Thus generally, development partners exert considerable influence over policy formulation, but formal policy can change considerably during implementation or not be implemented at all. Inadequate budget is one presenting reason for this. Equally common is that those tasked with policy implementation lack the power to enforce it in the face of opposition from vested interests that could reside elsewhere in the government, party or bureaucracy at either central or local (e.g. regional, district) levels.

APRA countries illustrate a diversity of dynamics here. In Ethiopia, where there has been (until recently at least) considerable centralisation of power within the Ethiopian People's Revolutionary Democratic Front (EPRDF), formal policy, once settled upon, is a good guide to intentions. By contrast, in Tanzania under President Kikwete, several major agricultural policy initiatives were either blocked altogether or were so emasculated during implementation that they had virtually none of the intended impact. Malawian experience represents a mix of the experiences in Tanzania under President Kikwete and in Ghana.

Ghana presents an intriguing case of accommodation between government and donors. During the 2000s the share of total agricultural expenditure financed by donors rose steadily, reaching almost 40 percent in 2009–11 (World Bank 2013, as cited by Teye and Torvikey 2018). In exchange, the government has apparently been happy to allow donors to exercise considerable influence over formal agricultural policy, albeit with important limits (e.g. the status of COCOBOD). Major policy documents are donor-friendly and broad enough to allow all donors to fund their preferred projects. This has likely contributed to the emphasis on commercialisation within these documents.

Meanwhile, the influence of donors ensures that a significant proportion of agricultural expenditure goes on what are essentially public goods, which are good for broad-based growth. At the same time, many of the donor projects are actually funded by loans, so the Ministry of Food and Agriculture (MoFA) does exert influence over content. There are, in fact, plenty of areas of consensus between donors and technocrats about what should be done, although there are also disagreements. Ministers of agriculture have repeatedly shown willingness to trust their technocrats and the major donors to get on with things in many areas. One of the roles of the Minister is to keep donors happy and keep the funds flowing. MoFA, therefore, has to deliver on its commitments under each project. All of this allows agriculture to continue to contribute to growth, which is good for re-election. Nevertheless, each government also has to be seen to be 'doing something', so any available funds that are controlled by MoFA (i.e. not committed as counterpart funds to particular projects) are channelled into populist spending projects, such as fertiliser subsidies and Agricultural Mechanization Services Enterprise centres. These are quite overtly political and the effectiveness of some of them can be questioned (Benin et al. 2012). Meanwhile, routine extension gets terribly squeezed to make way for these populist initiatives. Extension staff are only effectively mobilised when a donor project comes to their area.

Ultimately, framing the discussion in terms of whether or not development partners can enforce their policy prescriptions on recipient countries is unhelpful. Instead, one should think of development partners as being one group of actors within the policymaking process in African nations. They have influence because of their money and hence a place at the policymaking table. However, if they are convinced that certain policies for agricultural commercialisation should be pursued, they have to work with like-minded domestic actors to make the case for these.

4.2. BRICS

The rise of large, middle-income countries such as China, India and Brazil represents arguably the greatest geopolitical shift of the twenty-first century to date. As part of this shift, they have sought to position themselves as new development partners within Africa and offered the promise of new forms of development partnership.

Access to minerals has been a major driver of BRICS interest in Africa, most notably in the case of China. However, China is also interested in sourcing agricultural raw materials (such as cotton and tobacco), staple foods and animal feed from relatively land-abundant Africa. The large infrastructure investments that have accompanied some minerals extraction also have the potential to stimulate agricultural commercialisation in the regions concerned – a complementarity that some agricultural development corridors seek to exploit (Weng et al. 2013).

All three countries see themselves as enjoying comparative advantage in certain types of agricultural commodities and expertise in sub-tropical or tropical agriculture that can assist agricultural commercialisation in Africa (Scoones et al. 2016). They have thus sought to engage with agricultural sectors in Africa in various ways, including state-sponsored business investment and technology transfer. Land acquisition has not featured prominently in the mix, although there are some examples. African governments have often welcomed these new players in their agriculture sectors as a way of strengthening their bargaining position vis-à-vis traditional donors (see Table 7).

Scoones et al. (2016) review Chinese and Brazilian engagement in the agricultural sectors of four African countries, including three APRA countries (Ethiopia, Ghana and Zimbabwe). They note the combination of business interest and initiatives for technology transfer, both of which should contribute to commercialisation if successful. A distinctive feature of the business interest is the close relationships between (Chinese and Brazilian) state and business in these enterprises, either because the investors are (Chinese) state-owned enterprises or because state development banks have supported private investors from their countries. However, the principle of state agencies working to enhance market opportunities for 'their' businesses has already been noted in relation to the activities of traditional donors.

Will the engagement of China and Brazil promote smallholder commercialisation in Africa or the entry of agribusiness into African agricultural value chains? According to Scoones et al. (2016), the picture is mixed. China is proud of its ongoing progress in commercialising and modernising smallholder agriculture, but some technology transfer efforts have appeared to promote mechanisation more appropriate to large-scale farms. Brazil's domestic agriculture sector is dualistic and its engagement in Africa has projected its domestic debates between (and within) agribusiness and 'family farming' into African countries.

Meanwhile, as with the interventions of traditional donors, the initiatives of Chinese, Brazilian and Indian actors have so far met with mixed success. Some projects have been captured by elite interests within the host country (Scoones et al. 2016). Thus, the 'primacy of domestic politics' remains alive.

4.3. International investors

A third category of external actor – albeit already touched upon in the previous section – is international investors. Once again, these are often portrayed as powerful in relation to African governments and able to influence policy processes in ways that benefit their own aspirations for commercial agricultural investment. However, ultimately they respond to market opportunities and only invest to the extent that they are confident that their investment is secure. As foreign enterprises, they have to forge links with domestic politicians and bureaucrats to secure their interests. Small foreign investors can be extremely vulnerable in the unpredictable investment climate of many African countries, which is why it is often larger ones that risk their hand as and when market conditions seem particularly promising.

Large-scale commercial investment in the processing and marketing of agricultural products is likely to be conducive to smallholder commercialisation, given the preponderance of smallholder suppliers in most of Africa. By contrast, large-scale investment in primary production directly contributes to the second commercialisation trajectory discussed in this paper.

Especially since 2008, considerable attention has been paid to large-scale commercial investment in agricultural production in Africa, much of it by international investors. Multinational agribusiness firms and development partners have collaborated through the New Alliance for Food Security and Nutrition to promote conditions conducive to such investment. Most APRA countries have witnessed large-scale land acquisitions by agribusiness during this period, with Ethiopia, Ghana, Nigeria and Tanzania among the African countries that have allocated the most land for such purposes. All four countries have high-potential land apparently available in areas of low population density (Table 4; Chamberlin et al. 2014; World Bank 2009). In Malawi, the amount of land that could be allocated was limited by land scarcity yet the government has sought to inflate its claims regarding the availability of land for investors in order to accede to the New Alliance for Food Security and Nutrition.

In all these countries there are communities that feel aggrieved at the loss of land they have traditionally used (albeit not necessarily for regular crop cultivation). However, this does not mean that their governments have been coerced into leasing their land out. A government that wishes to promote agricultural commercialisation may have a preference for large-scale foreign investors over domestic, as profits from foreign investment are unlikely to end up financing opposition political activity in the country (Cotula et al. 2014). Moreover, as noted in section 3, where foreigners are the main investors, local elite members can facilitate the land acquisition process in exchange for rents. International agricultural investment thus tends to occur where the interests of investors coincide with those of some portion of the domestic elite.

In Ethiopia, the government has sought proactively to encourage large-scale investment, generally in less densely populated lowland areas, as a way of increasing agricultural export revenues and employment (Rahmato 2011), albeit with mixed success. This has been part of a twin-track approach to agricultural growth, alongside existing efforts to promote smallholder agricultural intensification and, more recently, commercialisation. Local opposition to large-scale land allocations has highlighted that land was rarely unutilised and some leases have been reviewed where commercial development had not proceeded as expected. For similar reasons, in Tanzania, the largest individual land allocations have involved privatisations (often much delayed) of former state farms. SAGCOT has had to revisit its ambitions as the absence of large tracts of 'unutilised' village land in the target zone has been realised. Moreover, this was a high-profile initiative of President Kikwete and its future under the policy direction of President Magufuli is uncertain. In Ghana, chiefs have been as active in making land available to large-scale investors as the state, while in Nigeria, state governments (rather than the federal government) have been important players. These initiatives, plus the Green Belt Initiative in Malawi, reflect elite visions of the transformation of agriculture in their countries, which happen to coincide with the interests of agribusiness, especially after the global food price rises of 2007–08.

5. CONCLUSIONS

Agricultural commercialisation has been presented in this paper as broadly a desirable objective and one that will anyway increasingly come to pass as an economy undergoes the structural transformation from agriculture- and rural-based to urban-, industry- and service-based. In practice, however, not everyone seeks to advance the cause of agricultural commercialisation. Actors in sectors other than agriculture inevitably lobby for scarce state resources that could otherwise support commercialisation (and smallholder commercialisation in particular). Some politicians, businesses and bureaucrats treat the agriculture sector primarily as a source of rents – for example, to fund the pursuit of political office – and their actions have the consequence of impeding the commercialisation process by raising the cost and reducing the effectiveness of interventions designed to support it. Others have interests that are more directly opposed to commercialisation, of which a prominent example is interests in the importation of major food commodities that compete with domestic production.

This paper has, therefore, argued that progress with commercialisation – and the trajectory that such commercialisation takes – depends on the strength and composition of coalitions in favour of and against policies to promote it. The paper has also sought to identify key factors that influence the strength and composition of such coalitions. It has structured the discussion in terms of political incentives, the influence of various geographic factors and the influence of external actors, but ultimately argued that the interplay of these factors has to be examined on a case-by-case basis.

Table 8 summarises some of the main factors identified in the paper as being supportive of agricultural commercialisation efforts in Africa and those that are likely to encourage a pro-smallholder orientation to agricultural development. The former are more numerous, meaning that the trajectory of agricultural commercialisation in many African countries remains uncertain.

The paper has argued that there exists a 'primacy of domestic politics', such that the political incentives discussed in section 2 carry particular weight. Where a government perceives the need to invest in infrastructure and services for rural citizens as a way of obtaining legitimacy or countering rural opposition, broad-based progress towards smallholder agricultural commercialisation is likely. Outcomes will still vary

Table 8: Political and other factors encouraging agricultural commercialisation

	Commercialisation	Pro-smallholder
Market demand		
Urbanisation and income growth	√	?
Political incentives		
Emphasis on service delivery for legitimacy	√	√
Geography		
Reliance on agriculture for foreign exchange	√	?
High land pressure	?	√
Landlocked (via rent-seeking)	√	?
External (f)actors		
Influence of traditional donors	√	√
Impact of new players (BRICS)	√	?
International commercial investment	√	?

Source: Authors' own.

regionally due to distance from major centres, agro-ecological diversity and the varying fortunes of major value chains, but smallholders in most major regions should be able to access some support. In other political contexts, given the general weakness of smallholder political organisation in Africa, progress towards commercialisation is likely to be more uneven across regions. Here, policy choices will depend on the variable strength of advocacy coalitions associated with specific regions and value chains.

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1. The term ‘coalition’ is not intended to convey that the individuals and groups within it formally collaborate to achieve a particular policy outcome, although some of them may do so. Equally, it does not imply that their views and interests are closely aligned in all areas; merely, that they converge over the policy issue in question.

2. There is no neatly agreed set of policies to promote agricultural commercialisation. Public contributions to initiatives to link farmers to markets are one example of policy that specifically targets commercialisation. However, commercialisation and intensification of production often go hand-in-hand, with market demand providing the incentives to intensify production and increased surpluses driving commercialisation. In this paper, therefore, we are interested in policies to promote intensification, as well as policies directly to promote market linkages – even though, in the absence of effective market linkages, one can get intensification (ultimately unsustainable?) without commercialisation.

3. Cultural differences may be derived from historical differences in how traditional leaders were chosen, the scope of responsibilities conferred upon them and the checks that were instituted on their authority.

4. Linking to the previous point, such targeted rural investments are one way of transmitting the benefits of urban growth to rural areas.

5. For example, Malawi’s FISP has been designed to support maize production by poor, food insecure households. While a minority of such households may be able to sell an increased proportion of their maize as a result of the productivity boost from FISP (Sibande, Bailey and Davidova 2017), for most, the main effect is to increase the quantity of maize available for consumption at home. To promote commercialisation among such households, FISP should be complemented by extension and marketing support that facilitates them to devote a portion of their land to higher-value crops for market, secure in the increased maize yield that FISP makes possible on the remainder of their plot. Similar observations could be made about social protection schemes that are targeted at very poor and often food-insecure households. Thus, in Ethiopia, extension support and credit to support agricultural intensification and commercialisation are part of the official pathway for households that are judged as being ready to graduate from the Productive Safety Net Programme (MoARD 2009; Lavers 2013).

6. These are average effects and proactive policy can seek to overcome the constraints imposed by geography, as illustrated by recent experience in Rwanda (landlocked, surrounded by poor neighbours and small) and Ethiopia (landlocked, surrounded by poor neighbours, but large). Nevertheless, despite impressive recent growth, both of these countries remain poor. Stimulating manufacturing growth remains a big challenge.

7. Nevertheless, while perhaps an exception that proves the rule, the FTLRP that was unleashed in Zimbabwe in 2001 shows that this is not determinative. Other political imperatives related to ideology or retention of power (see section 2) may override this.

8. However, input subsidy schemes have not been limited to landlocked countries. Aside from Malawi, the two biggest schemes in Africa have been in Nigeria and Tanzania, both of which are coastal. In these countries the schemes have been used to support producers in breadbasket regions that are far from the main coastal cities.

9. Bates (1989) explained how agricultural institutions arise in response to presenting problems, but, once established, they create their own vested interest groups that lobby for their continuation and for increased resources to be channelled through them.

10. In 1985, as part of structural adjustment measures and in response to declining domestic agricultural production, the importation of all major cereals into Nigeria was completely banned.

11. Berazneva and Lee’s (2013) analysis finds that the following variables influenced the likelihood that an African country would experience food riots in 2008: poverty level, captured by the Human Poverty Index (+ve); urban agglomeration in excess of one million people (+ve); food production per capita (-ve); Political Rights Index (-ve); Civil Liberties Index (+ve); coastal country (+ve).

12. Once again, Zimbabwe post-2001 provides an exception. In this case, the government's control was maintained in part by granting sizeable areas of land to senior figures within the defence and security services, as part of the FTLRP (Shonhe 2018).

13. In 2000 and 2001 agriculture accounted for 60–65 percent of merchandise exports in Zimbabwe. This share fell below 30 percent in 2006 and 2007, but has returned to close to 60 percent in 2015 and 2016.

14. Subsequently the Muluzi government, which was dominated by trading interests, liberalised the marketing of tobacco in Malawi, with ambivalent results on production and quality. Later still, Bingu wa Mutharika took on the buying oligopsony that had once worked closely with Dr Banda, over issues of pricing. He did this once he had secured his political position through a landslide electoral victory in 2009, based on a combination of broad-based and strategically targeted rent distribution through the FISP. As in Zimbabwe in 2001, the economic impact of taking on the dominant export value chain, at the same time as falling out with donors over corruption and political freedoms, was disastrous. However, Bingu then died in 2012.

15. Chamberlin et al. (2014) recognise that some – perhaps much – future cropland expansion in Africa will be encroachment into areas that are currently forested. Most of this land already qualifies as potentially profitable for cultivation, according to their (low) profit threshold.

16. The juxtapositioning of relatively high population density Malawi and low population density Mozambique (with plenty of high-potential land), without any physical boundary or border separating them, is a striking example of political effects.

17. Probably the majority, but the phenomenon has still to be properly documented in many countries.

18. The recent wave of large-scale land acquisitions in Africa, following the 2008 spike in world food prices, was heavily concentrated in fewer than 10 countries (Schoneveld 2014).

19. The small-scale estates in Malawi, cited in the previous section, were an exception to this, as they typically required high-level approval: a classic example of centralised rent distribution within agriculture.

20. It will be interesting to see how post-Mugabe governments choose to engage with development partners.

21. President Magufuli is now vigorously enforcing such legislation. However, it was presented to parliament towards the end of the tenure of his predecessor President Kikwete.

22. The copying of policies and institutional arrangements that are globally considered best practice, as opposed to the discovery of solutions to problems posed in specific country contexts, is technically referred to as isomorphic mimicry.

23. Indian company Karuturi received a lease for an implausibly large area of land from the Government of Ethiopia. This has subsequently been cancelled on the grounds that Karuturi were not making sufficient progress in developing the land.

24. In Zimbabwe, the current century started with the accelerated Land Reform Programme that broke up some, though far from all, existing large-scale holdings, many of which were family-owned farms. Subsequently, a range of companies – including domestic, Chinese and Western – have sought to work with owners or lessees in the new agrarian structure, in some cases consolidating operational management across multiple holdings.

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