How might agriculture develop in Southern Africa?
Making sense of complexity

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How will it be possible to feed the world’s growing population through the 21st century?

Why does Southern Africa suffer from a high degree of food insecurity, and in some cases malnutrition, while it has abundant fertile agricultural land; and will such paradoxes continue into the future given rapidly growing populations? These are complex questions that do not necessarily have answers. However, it is possible to make sense of some of this complexity and try to get a better understanding – gain clarity – about the driving forces shaping the future of agriculture in Southern Africa. This may ultimately contribute to better decision making. These were the reasons for conducting a study, during the 2008 food price spike, on ‘How might agriculture develop in Southern Africa?’.

The study was requested by the Trade Knowledge Network (TKN), a global collaboration of research institutions working on issues of trade and sustainable development, and was led by the South African Institute of International Affairs (SAIIA), a top-rated, independent think tank that promotes a wider and more informed understanding of international issues among South Africans. The work was paid for by the International Institute for Sustainable Development (IISD) a non-governmental organization that contributes to sustainable development by advancing policy recommendations.

In addition to the scenario-planning workshop, which took place in Harare, Zimbabwe in October 2008 and was attended by 18 TKN regional agricultural stakeholders, four specially commissioned country briefing papers (Mozambique, Namibia, Zambia, and Zimbabwe) and a briefing paper concerning the negotiations on agricultural market liberalization under the Doha Development Round served as inputs. These briefing papers contained a mixture of quantitative and qualitative analysis and forecasts, and highlighted problems with state incapacities as well as broader constraints concerning economic development in the region, notably weaknesses in provision of supply-side infrastructure and inputs into productive processes.

The region at a glance and the rationale for the study

The study concurred that Southern Africa is extremely vulnerable to high food prices and food insecurity, despite competitive advantages such as abundant agricultural land and a generally favorable climate. It lags behind other regions in the world in agricultural development and investment, while still having large proportions of its population based in rural areas. Global agricultural trade regimes tend to lock the region into its current status, while the impact of global uncertainties (such as the 2008 food price spike and global financial crises) and rapidly shifting international dynamics (such as the rise of BRIC (Brazil, Russia, India, China) and ‘demise’ of traditional trading partners such as the European Union - EU) are being felt throughout the region. There are alarming socio-economic implications to these issues which threaten to aggravate pervasive poverty and the lack of human development that characterizes the region.

2For the purposes of this study Southern Africa consists of the following countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.
Food security and agriculture in Southern Africa is a complex, problematic and ‘messy’ topic to address. The issues are not static, linear, rational or stand alone, and they have massive impacts and consequences. The issues are further characterized by being interconnected in complex ways. Add ‘emergent issues’ to the mix, such as the impact of climate change, and it becomes useful to augment typical analytical approaches with techniques such as scenario planning that are designed to enhance the understanding of complex situations. This study set out to tap into the sense-making benefit of conducting scenarios.

Accelerated scenario planning by means of structured facilitated conversation from multiple perspectives was employed as a tool (methodology) to assist in analysing the issues. One of the main objectives of scenario planning was to help understand the driving forces (the underlying social, political, environmental, economic and technological trends that ‘cause’ the future) and to identify the critical uncertainties that affect Southern African agricultural futures.

Before engaging with possible, probable and preferable futures for Southern African agriculture, and because of the importance of systemic political and economic drivers for the future of agriculture in the region, it was important to provide a political economy analysis relating to the challenges facing governance in Africa. As part of the study, a literature review paid particular attention to constraints on state action, whether the African state is capable of pursuing appropriate policy courses, and whether external finance is essential to Africa’s broader development process.

Southern Africa contains a high concentration of least developed countries: 8 out of the global total of 49. The region is by and large incorporated into the global economy as an exporter of commodities based substantially on preferential access to developed country markets, primarily the EU via the Cotonou Partnership Agreement, and as an importer of manufactured goods and services. According to Collier¹, Africa’s development prospects are hindered by ‘development traps’ (see box), in which the countries he classifies as containing ‘the bottom billion’ are wedged.

**BOX: The region's four development traps**

**The conflict trap:** Essentially, wars and coups keep countries from growing and hence dependent on primary commodities. But since they are poor, stagnant and dependent on primary commodities, they remain prone to wars and coups. It is difficult to develop commercial agriculture under such conditions (Angola, Mozambique and the Democratic Republic of the Congo [DRC] being the principal examples in Southern Africa).

**The natural resources trap:** Resource rents make democracy malfunction by unleashing patronage politics in societies lacking sufficient restraints on such behavior owing to pervasive institutional weaknesses. In Collier’s view, this closes off economic development possibilities. In Southern Africa, some countries seem to have evaded this trap (Botswana, South Africa); others seem to be mired in it (DRC, Zimbabwe). Regarding agriculture, the effect is to siphon off resources that should be productively invested into rent-seeking activities.

**The trap of being landlocked with bad neighbors:** Poor landlocked countries depend on their neighbors not just for their economic infrastructure and access to the sea, but also as export markets (in Southern Africa this includes a number of states: Botswana, Lesotho, Malawi, Swaziland, Zambia, and Zimbabwe).

**The bad governance trap:** Countries in the bottom billion that also have bad governance and bad policies are most likely to end up as ‘failed states’ in which reform initiatives are quickly overwhelmed by those who benefit from disorder. However, Collier qualifies this by arguing that even good governance and good policies cannot propel a country into rapid growth if it does not have opportunities to grow. This reinforces the importance of external (to Southern Africa) constraints on agricultural development, particularly the nature of developed-country agricultural protection systems.

The study accentuated Collier’s view, that it is possible for countries to break free of these traps, but that the current global economic environment characterized by China and East Asia’s manufacturing dominance is much more hostile to new entrants now than in the past; hence, breaking free and sustaining the path is much more difficult. Clearly, this constraint has been rendered even more challenging as the global financial crisis continues to unfold; similarly, developed-country agricultural policies share a substantial part of the blame for the underdevelopment of African agriculture. One key to unlocking the development of Southern African agriculture is appropriate policies and implementation supportive of domestic initiative and rooted in domestic realities: the state has a critical role to play.

¹Collier, P. The bottom billion: Why the poorest countries are failing and what can be done about it. Oxford: Oxford University Press, 2007. Paul Collier is a Professor of Economics at Oxford University who is exploring the reasons why impoverished countries fail to progress despite international aid and support. In the book Collier argues that there are many countries whose residents have experienced little, if any, income growth over the 1980s and 1990s. On his reckoning, there are just under 60 such economies, home to almost 1 billion people.
Unfortunately, sub-Saharan Africa in general, and Southern Africa too, has its share of failed states. This resonates with Herbst’s scheme, in which African states barely control the territory within national borders, let alone a concerted development process. This arises from a context where African states are geographically large, while populations are predominantly small, rural and dispersed, and physically disconnected; and institutions are characterized by pervasive weakness. This confluence renders internal political authority tenuous; hence, rulers are primarily concerned with maintaining existing authority rather than with ‘development’.

From the foregoing, it is clear that getting domestic agricultural policy and implementation right in Southern Africa is a tall order.

Four future scenarios

At the workshop, four alternate future scenarios with names of song titles were produced. These plausible views of the future were based on the workshop conversation that determined the most uncertain, highest-impact ‘uncertainties’ for Southern African agriculture. These uncertainties were extrapolated to their extreme opposites to serve as scenario axes, namely: Excellent domestic agricultural policies vs. hopeless domestic agricultural policies and Megabucks for agricultural investment vs. a money drought.

The four scenarios produced were: ‘I believe I can fly’ – a future in which there is excellent domestic agricultural policy and funds are available for agricultural investment;

‘What’s going on?’ – a future in which there is hopeless domestic agricultural policy, but funds are available for agricultural investment;

‘This is the end’ – a future in which there is hopeless domestic agricultural policy combined with a lack of funds for agricultural investment; and

‘Chabuda hapana’ [translated from Shona as ‘I have worked so hard, but my efforts are fruitless’] – a future in which there is excellent domestic agricultural policy, but a lack of funds for agricultural investment.

These scenarios, together with their driving forces ‘pushing’ to different futures, are depicted on a scenario ‘game board’ below.

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A number of interesting workshop insights emerged relating to the scenario game board and driving forces. The Southern African region (as a whole) is currently in the most undesirable quadrant: "This is the end". Mostly, this is because domestic policies and implementation are currently poor and these collectively have high impacts. Furthermore, it was generally agreed that state capacities and governance in general are weak, and that this applies particularly to the agricultural sector. Fortunately, participants were of the view that the region is not in the southwest corner of this quadrant (note the position of ‘Now’ in the quadrant), so all is not lost! Whether we can get to our ideal future in the northeast corner of the ‘I believe I can fly’ scenario depends on how the driving forces play out. Some salient points around those drivers and the game board, identified and discussed in Harare, include the following:

The money axis may be somewhat dependent on the policy axis, because, as policy improves, it is more likely to attract investment. Therefore, in ‘scenario speak’ the route to the preferred future may involve entering ‘Chabuda hapana’ (despite the driving forces pushing against it), after which it may be easier to get to ‘I believe I can fly’.

Land tenure politics embedded in post-colonial societies and pre-colonial cultural practices are a heady cocktail in a rapidly globalizing world. Increased global demand for land will sharpen these contradictions. Therefore, this driving force is a bold one, whose direction participants agreed is a major brake on the region's development.

Climate change has both a direct impact (weather) and potential policy impacts (protectionism; higher costs). It has major implications for the money axis, since funds would have to be dedicated to managing its consequences, and poses major policy challenges in the form of adaptation. Consequently, this driving force is marked by a bold arrow.

Offsetting these two major negative driving forces (climate change and land tenure politics) is the potential for ‘efficient implementation’. Participants agreed that if regional governments get this right (in other words, if states function optimally), this would be a major positive driving force. To repeat a well-worn cliché: governance matters.

The roles of the private sector and government can go in any direction – agricultural stakeholders must therefore identify where business and government can be ‘managed’ and partnered with to become driving forces pushing towards ‘I believe I can fly’.

Such a positive governance spiral would be reinforced by sustained attempts to improve transparency in policy processes. Transparency is the enemy of corruption and opaque governance; hence, it is a positive driving force.

‘Chindia’ (the confluence of Chinese and Indian economic emergence) holds huge potential for increased demand for food imports from Southern Africa and foreign direct investment (FDI) into the region, but this must be well managed (especially the FDI) in order to avoid negative governance impacts.

The global financial crisis confronts the region with a host of challenges, notably regarding access to finance. Recapitalizations in developed countries implies major pressures on funding and demand; trade credit has been severely squeezed; the potential for increased protectionism, especially in agriculture in developed markets, is on the rise; and FDI is likely to decline substantially. It is to be hoped that these cyclical factors will reverse soon so that this driving force could be removed from the game board.

Internal markets in the region are notoriously un-integrated. There are many barriers to internal trade, especially in agricultural products, and many transport bottlenecks across and within borders. Currently, this constitutes a negative driving force that will take some years to reverse.

The developed world and some emerging developing countries are forging ahead with developing the scientific base of their agricultural sectors. Consequently, the knowledge gap will widen, which one participant in the Harare workshop likened to ‘scientific apartheid’. Given that much knowledge is easily transferable via electronic means, this negative force is represented as weak; in other words, in the relatively short time horizon captured in this report, it will not have a decisive influence. Over the longer term, though, this is a major driving force.

Study findings and recommendations

Given the region’s abundance of land and international interest in this, it is imperative that regional governments work out transparent and sustainable terms under which foreign governments and companies gain access to their land. This is particularly important in light of the centrality of land tenure politics to the region.

The spread of supermarkets, with their concomitant cold chains, and the food manufacturers that add value to basic agricultural produce, could be a major boost for regional agriculture if managed proactively, opportunistically and in the interests of regional agriculture.
Solving the problem of inefficient internal markets in the region substantially depends on securing sufficient investment in infrastructure. It also depends on establishing regional trading arrangements that facilitate agricultural trade and connect surplus regions with deficit regions. Both opportunities are within the reach of national governments.

Urbanization presents a set of opportunities for domestic producers. Harnessing these opportunities depends on resolving problems related to inefficient internal markets and access to land, among others.

Developing and supporting the institutions, capacity and ability to implement good agricultural policies will make a major difference. Good examples and benchmark practices in the region must be identified, studied, shared and, where possible, replicated.

Increasing transparency, and increasing calls for more transparency, will enable actors (especially domestic private sector actors and farmers) to take advantage of opportunities, while at the same time help limit unsavory, unproductive and unfair practices when it comes to who is producing what for whom in the region.

**Impact of the study**

The study has not yet had any direct policy-making impact, although it has been referenced a few times, in particular informing an Economics Association of Zambia report entitled *The Policy Implications for Zambia of the Global Economic Crisis*. However, it has been followed-up by a larger, more comprehensive study on the *Future of Agriculture in Africa*. SAlIA also subsequently commissioned another study about the future of the Southern African Customs Union (SACU) based on the same approach and methodology.

There are no single, simple answers to the complex questions and issues around the future of agriculture in Southern Africa. However, in terms of its original purpose – to make sense of complexity – the study was successful in that it helped clarify some of the myriad issues and driving forces shaping that future. It helped the participants, and readers of the report, figure out what can and cannot be controlled by policymakers, what is certain vs. uncertain, and where strategic leverage points are, given seemingly insurmountable issues such as development traps and weakness of the state.

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4 This was funded by, and conducted in 2010 for Standard Bank Group Limited (Africa’s largest bank). It is not publically available.