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The Efficacy of Agriculture-led Development in Zimbabwe: A Theoretical Review

Mutami Cephas
Department of Rural and Urban Development, Great Zimbabwe University, P.O. Box 1235, Masvingo, Zimbabwe

Abstract: This study looks at the theoretical proposition of an agriculture led development in the post-2000 Zimbabwe. The paper traces the theoretical foundations of development in developing countries and revisit critical role of agriculture in Zimbabwe. By engaging emerging literature on development and envisaging the opportunities being presented by the current development paradigm, the paper posit Zimbabwe's future development as one which should be on agriculture particularly smallholder farmers in cash crops. The rectification of the policy discord in the agriculture sector is the hallmark of this study.

Keywords: Agriculture, rural development, smallholder, subsistence and commercial agriculture

INTRODUCTION

Zimbabwe is at cross roads today. Industrial growth has receded, with 80% of the country's manufacturing sector closing shop or scaling down production with even a far more number operating at 40% of their capacity. This categorically puts an industrial led development strategy on the back foot. The other sectors of mining and tourism though have greater potential to stimulate development maybe entangled with inconsistencies investments laws and the isolationist policies of the western countries. This leaves agriculture as the only other viable option to pursue for development. Thus, even if these other sectors were experiencing growth, would that growth be broad based, distributive particularly to the rural areas where over 60% of Zimbabweans live and work. Thus it has become increasing clear that any effort to fight poverty and stimulate sustainable development in Zimbabwe ought to be pragmatic and inclusive to the poor who are basically farmers.

This study begins by tracing the development history of Zimbabwe interlocking it with the theoretical intrusions of dualism, integrated development and the liberalization thrust of the 1990s. The further looks at the recent contributions on the role of agriculture for national development hinged on the World Development Report of 2009 which put agriculture on the world radar again. The further juxtaposes this kind of development with the current policy conditions in Zimbabwe.

Dualism and rural development in Zimbabwe: As a pioneer classical development economist after the World War II, Lewis's work resonated well to western colonial governments particularly in Africa who conceived African development process as one which should follow the success stories of developed countries, albeit a dynamic socio-economic environment. Zimbabwe is no exception as the colonial government established rural reserves where indigenous populations were crowded in low resource arid regions like Gwayi and Shanghai. This development strategy was conceived to depose the majority Africans of productive land and thereby creating conditions of food insecurity within rural reserves which would then force households to seek employment particularly in the urban industries and to some extent commercial agriculture.

Colonial and post-colonial development process in Zimbabwe has some patently influential narratives which continue to spur or constraint rural development. It is expedient that an exposition of the colonial rural development policies be provided here, particularly on how classical development theorists like Lewis and Ricardo shaped the concept of development and nation building.

The reality of the rural economy in both colonial and post-colonial Zimbabwe points to a dual economy driven by both agriculture and urban industries as the backbone of the nation state. The dual economy as expounded by Lewis (1954) seek to construct a "classical framework to solve the problems of distribution, accumulation and growth" by depicting two economic sectors namely subsistence and capitalist sectors which he conceive as key drivers in the development process. This is true to Zimbabwe during the period 1958 to 1980 when the country has distinctly two economic sectors, rural and urban clearly marked by their racial and capital accumulation disposition. It is in this regard that a careful analysis of the dual economy model of development which was advanced in 1954 by Lewis be reconsidered in order to trace early policy implications of colonial development in Zimbabwe.

In conceiving the dual sector model, Lewis (1954) denotes an economy which has subsistence and capital sectors. This sectorial view is qualified by excluding western countries and other developed countries where labour has proven to be scarce due to the advanced stages of development in the countries and areas where the population appears to be too small for the resources available. The chief assumption which Lewis (1954) makes is the unlimited supply of labor particularly in countries where the population is so large relative to capital and natural resources and marginal productivity of labour is zero or negligible. The economic conditions in colonial Zimbabwe point to the validity of Lewis's assumption on unlimited supply of labour. This is however subject to debate as to what created the excess labour as during pre-colonial period African farmers were engaged in productive farming with some trade activities happening particularly in central and southern Zimbabwe. It becomes clear that the colonial government created conditions to generate excess labour through a cocktail of impoverishing measures. This was done for example through dispossessing Africans of fertile and productive land and relocating them in semi-arid and arid regions where climatic and soil conditions inhibit productive agriculture. In colonial Zimbabwe the country was divided into five natural regions and Africans were resettled in Natural Region 4 and 5 which were the driest areas in the country. This impoverishing policy made sure that there will be unlimited supply of labor for the capitalist sector where even wage level is kept just at the minimum at which farmers can earn (Fei and Ranis, 1964).

The colonial government achieved this through levying punitive taxes upon the African populace and coercing them out of their land and as forced laborers in farms and mines. This has an important dimension to rural development. Keeping wages in the capitalist sector low and maintaining a subsistence agriculture which is not enough for the whole household will perpetuate poverty and vulnerability especially when there is collusion between the capitalist and political authorities as agriculture extension work is hamstrung and there will be no technology transfers.

It is expedient to point out that the colonial government in Zimbabwe was more interested in keeping total economic and socio-political control of Africans to further the interest of the capitalists in both cities and commercial agriculture than it was to rural development. It is interesting to note that in 1965 when the colonial government of Ian Smith declared a Unilateral Declaration of Independent (UDI) from Britain, this impoverishment policy intensified with some protrusions even in commodity pricing where the same crop would be priced differently depending on the racial and class structures.

In post independence Zimbabwe, the influences of the dual sector model in development process is camouflaged by the nationalist and populist policies but a closer analysis reflect the same basic tenets of the model as envisaged by Lewis. It is thus of paramount to decipher such policy dilemmas and how this dual model has been influencing rural development. Although the policies of post-independent Zimbabwe sought to dismantle the tenets of the dualistic economic philosophy, the reality shows otherwise. The policies and programmes implemented by the government of Zimbabwe show a myriad of policy inconsistencies which perpetuated the disenfranchisement of the rural peasantry at the expense of the capitalist sector.

The focus of the government after independence was to transfer polices and economic rights to the peasants and lower the wealth gap with their urban counterparts. This was done to dismantle the core of class society previously championed by the white settlers. Bird and Shepherd (2003) note that these rights were not effectively transferred to the peasantry particularly those in rural areas as the capitalist simply embraced the new black bourgeoisie class. For instance the decentralization policy of 1984 which was suppose to give rural people more say over their development process was a huge failure as most developments plans of villagers were simply ignored or were not financially supported by treasury.

Of much significance in the 1980s was the land reform and agricultural policies which were geared towards the communal areas so as spur regional development. Though some scholars like Chitsike (2002) view this initial land reform as a success, the government itself admitted that it was not effective as not adequate land was ever bought to suffice the productive need of peasant farmers. The programme did not change the demographic spatial characterizes of Zimbabwe with over 60% of the population still remaining in arid communal lands. Though agriculture extension work did improve during this period, the market huddles particularly for cereal crop did not allow the creation and sustenance of surplus within the rural communities. The monopoly of state agricultural marketing agencies later proved a huge cost to peasants as they were riddled with corrupting and began setting price ceili9ngs so as to safeguard the food security of urban population. This view is corroborated by Chattopadhyay (2000) who analyzed the performance and effectiveness of the Grain Marketing Board (GMB) which later negatively affected the viability of cereal farming particularly maize among the rural peasantry.

In the 1990s the government implemented the structural adjustment policy which has profound effects on the agricultural sector particularly the small scale farmers who are virtually peasants. The policy thrust of the reform agenda were:

- "Reduction of direct state involvement in the production, distribution and marketing of agricultural inputs and commodities
- Removal of subsidies on agricultural inputs and credit
- Liberalization of export and import trade
- Privatization of agricultural marketing" (Villanger, 2003)

The implementation of these polices resulted in a number of challenges particularly to rural communities. Scholars note the SAP policies led to widespread food insecurity and in some cases 30% of children fewer than five were having malnutrition (Villanger, 2003). This has been attributed to the rolling back of government input schemes and agricultural support services. The general liberation policy push meant that the rural subsistence sector was curtailed while at the same time the capitalist elite farmers and urban enterprises became active thus further disempowering the rural peasantry. This market based agricultural production shifted focus from staple production to cash cropping which has a significant effect to the food security of the nation. Villanger (2003) further revealed that at the national level, "Zimbabwe, since the privatization of its marketing boards and the liberalization and deregulation of the agricultural sector, has been transformed, from a country that met all its domestic food needs and still had enough maize and wheat to export, to one that must import food from South Africa, Kenya and Mozambique".

The experiences of post 2000 Zimbabwe in rural development shows a cocktail of various theoretical narratives which may warrant a closer interrogation particularly to the effects to rural development. It suffices to point out here that Zimbabwe implemented a wide land reform program which was followed by an economic recession.

Agriculture-led development-the theoretical debates: The dual sector has shown not to spur broad based development in particular to the rural poor who are always relegated to poverty miseries. In fact Lewis (1954) model does not envisage a process of development which benefits the poor nor push them out of poverty. Its main focus is to initiate development to the capitalist sector. Poor rural citizens are supposed to benefit through wages and employment opportunities in the modern sector, such benefit is peripheral and may not necessarily lead to above subsistence wage levels.

This dissatisfaction with the dual model particularly its relegation of the agricultural sector to the fringes of development process has led to serious interrogation on the alternative pathways of development. Agriculture led development appear to have succeeded to provide holistic answers to rural poverty (World Bank, 2000).

Dorward *et al*. (2010) posit a number of questions on the feasibility of agricultural growth led development. Though Dorward *et al*. (2010) concede that agricultural growth is a fundamental pre-requisite to wide spread poverty reduction, it must clearly show the linkages between agriculture, rural economy and poverty reduction. This entails dissecting the nature of economic growth within countries, pointing to its magnitude and source, that is whether industrial or agricultural and then clearly following the trickling benefits to rural people and the level of impact of such growth to poverty. The grand question would be whether direct agriculture growth would lead to sufficient development and if it is the best possible creating such development.

Such questions may be answered quite clearly by the Green Revolutions in Asia, where it has been proved that ''agriculture can be transformed from a traditional sector to a modern sector '' (Dorward *et al*., 2010). In these Asian countries, agriculture has shown potential to stimulate broad based economic growth and development. Of course, it may be argued that economic growth may not translate to development, worse still from agricultural growth. Proponents of agriculture posit that the positive impact of agriculture growth leading to rural development was found to be strongest in agrarian economies in their initial stages of development and where small farms dominate such agriculture (Rosegrant and Harzell, 2000).

To prescribe agriculture growth strategy, because of the Asian countries without looking at the context of these countries will be missing the point. African development may require different strategies, analysis and policy thrusts. That is if we take into cognisance the continent's historical development which has not been responding to development stimulus as evidenced by the minute growth rate of the 1960s and 1970s (Diao and Pratt, 2006). Therefore the grand questions would be whether agriculture growth is feasible in Africa and whether such growth would lead to development and whether that kind of development would reduce poverty, particularly to the continent's 80% people who live in rural areas. Birdsall *et al*. (1995) note that, "to significantly reduce poverty it would be necessary to promote shared growth".

The issue of "shared growth'' which Birdsall *et al*. (1995) are prescribing here is of immense importance to Africa particularly in Sub-Saharan Africa. In South Africa, though the country has witnessed successive economic growth of above 5% for the last 5 years, inequality has also been increasing over the years. Obviously this is not the kind of "shared growth" that Africa needs today. Diao *et al*. (2010) note that in many African countries it is perhaps agriculture which has the type of scale and growth linkages which could significantly influence aggregate growth and spur broad based development.

The efficacy of agriculture led development in Africa requires both theoretical and empirical evidence that is if concrete policy measures are to be realized. Theoretical arguments for agriculture led development date back to the 1960s when Johnson and Mellor (1961) detailed economic benefits of agriculture particularly in early economic development stages in agrarian dominated economies. These benefits include balance of payments through export earnings, labour and capital generation increased domestic demand for products of agriculture and other growth sectors. In the early 1960s, agricultural growth would lead to population growth which will lead to high demand of agricultural products and improve income elasticity of the population. These conditions are ideal for economic growth and probably for reducing poverty.

Dorward *et al*. (2010) and Diao and Pratt (2006) offer insightful narratives on agricultural growth. They argue that farm activities are more likely to offer opportunities for broadly based expansion with tradable activities with direct and indirect income and employment opportunities. It is clear here, that such growth in African countries like Zimbabwe where about 80% of the population are unemployed, then any form of intervention which may have direct employment benefits is welcome. Other scholars argue that even if the growth is in non-tradable, it would have much impact on reducing poverty provided such non-tradable are widely consumed as staple food. Diao *et al*. (2010) argue that agricultural pro-poor and broad based than industry export oriented growth.

Empirical evidence for agricultural led growth is somewhat disappointing except that they point to huge policy bias and neglect to the sector. Since the 1980s agricultural growth has become slow and sometimes negative (Dorward and Morrison, 2000; FAO, 2002; World Bank, 2006). The World Bank (2006) notes that agricultural growth was slow during the period 1965 to1998 than growth of the agricultural labour force. Dorward *et al*. (2010) suggest that since 1980s there was a slight increase in cereal production attributed to yield increase as opposed to the increase in cereal hectarage. Thus critics of agricultural development (Ellis, 1999, 2000; Bryceson, 2001;Collier, 2002) argue that such empirical evidence showing the weak [performance of agriculture reflects the weak institution in rural development and the unfavorable agro-ecological conditions of most sub-Saharan African countries. Collier (2002) further emphasize that the large size of the agriculture sector and its failed performance as one of its chief indicator for failure. Such criticism of agriculture come from the 1980s Washington Consensus which views agriculture as just any other economic sector, albeit one which often suffer 'negative protection' in the form of repressed prices and incentives to farmers (Krueger *et al*., 1991). However proponents of agriculture for development posit that the poor performance of agriculture reflects the inadequate investments and policies that are historically biased against agriculture (World Bank, 2000; Diao *et al*., 2010). Besides, there are a few alternatives to agriculture when Africa's small industry is taken into account. This is true to Zimbabwe where agriculture contributes about 40% of the GDP and 60% of the total raw materials for industry (Bautista *et al*., 2002). Industrial growth in Zimbabwe is currently hamstrung as most companies are operation below half their capacities. Thus growth in the sector both in the short and medium run is unlikely to be significant to reduce poverty. Using empirical evidence from Ethiopia, Diao and Pratt (2006) conclude that if Ethiopia is lower its poverty prevalence from 44.4% (in 2006) to 28% in 2015 it has to follow a development pathway which emphasize cereal and staple food production which is coupled by massive infrastructure and market investments. This supports the view that if Africa is to be developed, it has to follow a broad based agricultural approach.

The superiority of agriculture development in Africa is now on the development radar again. Interest in agriculture has been rekindled by the World Development Report for 2008 (World Bank, 2000) which prescribe investments in agriculture to reduce poverty using various pathways in recognition of the different contexts of the world. The Organisation for Economic Cooperation and Development (OECD, 2006) views agriculture development as an effective strategy of reducing poverty through four pathways namely:

- By raising farm incomes thereby benefiting the many farmers who live in poverty
- By creating employment on farms given agriculture tends to employ more workers per unit output than other sectors
- By stimulating the rural non-farm economy through linkages in both production and consumption systems
- By pushing down the prices of staple foods to the benefit of the many poor who are net food buyers even in rural areas, (2006)

However it must be pointed out that agriculture today is facing many challenges which were not prevalent during the Green Revolutions in Asia. Understanding the kind of strategy for agriculture whether it be small scale or large scale, or cereal based or export based agriculture led growth requires prompt review of challenges and difficulties that agriculture faces today at the local and global scale. These challenges are multifaceted and appear to be three dimensional as local conditions, policy conditions and global conditions. An analysis of these conditions may require contextual issues hence the debate may be narrowed to Zimbabwe whose characteristics are similar to other African countries.

The local conditions for agriculture in Zimbabwe depend on whether it is commercial or subsistence and whether it in communal or resettled areas. It is in the communal areas where there is a confluence of difficulties and where the majority of the poorest live. The communal areas continue to hold over 60% of the country's population yet they have the poorest geological and agro-ecological conditions, (Chitsike, 2002). These natural conditions may require intensive use of fertilizers if agriculture growth is to be achieved.

The current state of policy conditions in rural Zimbabwe is precarious. The prevailing dollarization monetary policy resulted in the State rolling back most of its agricultural support programmes such as input facilities, marketing financing and infrastructure. The sole State buyer of cereals, Grain Marketing Board (GMB) is in arrears in terms of payments to farmers, meaning farmers' cash flow has been heavily disrupted. Thus this state of bankruptcy of the central government mean no meaningful state intervention programmes particularly to support agriculture in rural areas can be effectively pursued.

Zimbabwean agriculture today faces a plethora of global challenges. The global markets for agricultural produce have declined during the last decade albeit some price hikes in 2007/8 (World Bank, 2000). The producer prices of cereals on the international markets have declined that only the heavily subsidized farmers of Europe and USA are making huge profits. Moreover the 'dumping' of food products on the developing countries' markets threatening the local viability of farmers. In Zimbabwe the dumping of Brazilian poultry products has led to the closure of most chicken processors. This provide a continual threat to Zimbabwe' development.

CONCLUSION

It is expedient that if agriculture is to result in economic growth and reduce poverty, there is need to tailor it to suit the needs of the poorest and the majority. This calls for a strategy of whether the agricultural development has to follow small scale or large scale orthodoxies. Despite the general understanding on the role of agriculture in development as reflected by the World Bank (2000), there appear to be two varying strands of debate of smallholder agriculture versus large scale commercial agriculture and agriculture and non-farm strategies for development.

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