A TIME TO LISTEN : A PERSPECTIVE ON AGRICULTURAL POLICY IN ZIMBABWE

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Working Paper 5/81.

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June, 1981.

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Stated government policy in Zimbabwe has three explicit objectives. Firstly there is the need to repair the physical infrastructure damaged or destroyed during the independence war and to resettle the low-income refugees from that war. Secondly, skilled manpower needs to be trained or recruited to replace the human capital drained from the nation in the past few years. Finally, the unbalanced agricultural sector that evolved under successive Rhodesian governments needs urgent overhauling if it is to continue to play its part in the development of the country. This last task is both the most expensive and the most explosive. At the 1981 ZIMCORD conference, some Z$800 million out of a total development budget of $1,2 billion was pledged to agricultural development and land redistribution (Economist, 1981). The policies that are formulated and their method of implementation will be decisive in determining the future viability of the agricultural industries of Zimbabwe. In this paper, agricultural policy in Zimbabwe and elsewhere is examined in order to provide some initial guidance as to appropriate future policies for this country. The ideas expressed here are only a start in the long haul towards an equitable society. Much else will remain for further-sighted and more imaginative workers to elucidate.

Today, approximately 6 million of the 7,5 million people of Zimbabwe live in the countryside. Most inhabit areas that are overcrowded and of low agricultural potential. The main infrastructure of the country (banks, all-weather roads, clinics and schools) is remote from the bulk of the rural people. The distance is not only physical, but also in terms of the experience of the people themselves. A farmer who has to travel 200 kilometres by bus to deposit his marketing board cheque into his own bank account, only to be told to wait fourteen days until it can be turned into cash, may probably never fully comprehend the service that banking institutions can render. Yet included amongst the rural dwellers of this country are a small group of some 6,500 commercial farmers who occupy approximately half the agricultural land. Their farms lie on the best third of the agricultural soil of Zimbabwe and are well served by the infrastructure necessary to a modern economy.

There are those to whom the solution to Zimbabwe's agricultural development is straightforward; it is a simple exercise in land redistribution. To those who understand the land and its people, the situation is more complex. The commercial farmers produce some 94% of marketed agricultural output and support directly approximately 1,8 million Zimbabweans. By contrast, the remaining farming areas produce only some 15% of the total measured agricultural output, while providing at least subsistence for about 4,5 million people (C.S.O. July, October and December, 1980). Zimbabwe has one of the fastest population growth rates in the world (doubling the total every 20 years). The country clearly cannot afford agricultural policies which hinder food production. Moreover, agriculture plays a major role in the overall economy. The agricultural industries accounted for 14% of gross domestic product in 1978 (Reserve Bank, 1980). Exports of agricultural commodities accounted for 45% of total exports while agricultural imports were only 2% of the total import bill (C.S.O., September, 1980).

Zimbabwe is not a typical developing country. It has a strong mixed economy and is unusually well-endowed with much of the fundamental structure necessary for development. Yet this economy has an evident dual nature, a fact which is epitomised by the agricultural sector. The poverty and ecological degradation of the peasant farming areas are in stark contrast to the prosperity and sophistication of the commercial lands. A primary goal of agricultural development must be to reduce the divergence in income distribution, resource availability and productivity between the peasant and the commercial areas. To achieve this, it is necessary first to have some understanding of the agricultural history of this country.

The period from first European settlement in 1896 to the present has seen massive changes in national farming patterns. This transition has been documented in a variety of sources (Muir, (1981) has produced a very valuable and comprehensive review of both literature and data available).

The nation, from being an obscure and unimportant outpost of the British Empire, has grown into a major agricultural nation, both on a regional and international scale. Arable farming has become increasingly dominated by maize and tobacco (although diversification during the UDI era has modified this pattern). Farmers have developed marketing arrangements to remove some of the uncertainty of production, particularly with regard to price. The divergence between the peasant and commercial sectors, although apparent soon after European settlement, became of major significance by the start of World War II. The commercial farmers, with their dominant political influence, have always been in a position to evolve policies which favoured the development of their sector. For example, ownership of land was on a racially segregated basis until recently. The peasant sector, by contrast, has become progressively disadvantaged as time has passed. While there have been attempts to improve the welfare of the peasant producer, these have been largely offset by the scarcity of capital, trained manpower, infrastructure and research facilities which tend to be concentrated in the commercial sector. It is important to appreciate that the peasant farmers are not inherently conservative or resistant to change. They have shown themselves (as have similar groups elsewhere on this planet) competent and willing to use new technology when it suits their needs. The rapid uptake of the animal drawn plough, which relieved the major constraint of labour, well illustrates this point. Market incentives have also been shown to have a significant effect on peasant production. These facts will be considered in more detail later.

It is my belief that the early 1940's were a watershed in the agricultural development of this country. By then, Zimbabwe had become an agricultural trading nation, with tobacco and maize being the main commodities exported. These were largely produced by the commercial sector and the foreign exchange earned by agricultural trade had become of major importance to the nation's economy. These facts were to mean, in the years following World War II, increasingly favourable treatment for the commercial sector; the peasant farming sector failed to move significantly beyond subsistence production. The development of Zimbabwe, with scarce capital resources and limited mineral potential, required an export-orientated agriculture. The first 40 years of the twentieth century, with two world wars and a major international depression, were difficult for a young country attempting to establish itself in world agricultural markets. In easier times, the peasant sector might have developed more effectively in spite of its disadvantaged position. The reality is that the increasing need of the country for foreign exchange and for large marketable surpluses to develop secondary industries, resulted in policies which favoured commercial agriculture. The peasant sector, where investment returns were slower, tended to be ignored. These policies, initiated in the early years of Rhodesia's history, quickly became part of the structure of Zimbabwean agriculture and were to continue, unaltered in substance, apart from the introduction of measures for soil conservation, from the 1940's until 1980. The foundation for the social, ecological and agricultural problems of the peasant farming areas was firmly laid by 1940. These last points require emphasis. The agricultural policies of the last 40 years were forged in an earlier era of widespread international insecurity. They were the policies of a small highly-motivated group in an undeveloped country struggling in an adverse economic environment. It would be reasonable to expect that as international economic conditions turned favourable in the years following World War II and as the nation entered a time of considerable relative prosperity, that more broadly-based and equitable policies would supplant the social Darwinism of the pre-1940's. It is no less than a national tragedy that this evolution never took place. The final 40 years of the history of Rhodesia saw the slow fossilisation and eventual

collapse of agricultural policy for peasant sector since that policy no longer reflected the realities of the country side.

While understanding the past can lead to future improvements, dwelling on the past contributes little. The reality today is that there is one sector of agriculture which is efficient, prosperous, productive but numerically small. On the other hand, the bulk of rural dwellers have largely been by-passed by development and in consequence nearly half the area of Zimbabwe is rapidly becoming useless for anything, much less agriculture. Zimbabwe is not unique in this regard and we can obviously learn much from understanding not only local but also overseas experience. In this regard, the Indian experience is particularly relevant.[1]

India is the home of some 670 million people with an average per capita income of US$200 per annum. Modern India came into existence in an even more violent fashion than Zimbabwe. The 1940's saw massive communal violence following religious clashes that killed probably half a million people in six weeks. Religious, tribal, caste and linguistic rivalries continue to threaten its national stability. Population growth is still too high for the resources of the country although it has eased in recent years. The 1981 census will probably show that about 160 million people survive on farms too small to provide a subsistence living. Another 120 million have no land at all; both groups together make up 40% of India's population. By contrast 15% of the land-owning households own some 45% of the land. At independence, India faced the same two critical issues that confront Zimbabwe. Food production was a vital and immediate need while the long-term stability of the country demanded resource, and particularly land, redistribution. Taken simultaneously and with equal emphasis, land redistribution and food security were irreconcilable policies. The Indians chose an immediate and intensive policy of encouraging food production while aiming, in the longer term, to solve the distribution problem.

The consequence has been an agricultural success story that has confounded the experts. For the first twenty years following independence, India imported, on average, 5% of its grain requirements. By contrast, after a severe drought and consequent poor harvest in the 1979/80 season, the country reached the subsequent harvest still holding stocks of 14 million tonnes of its own grain. No imports were needed. Predictions for the 1980/81 season are for a grain crop in excess of 131 million tonnes and the new sixth plan (which runs to 1985) envisages output rising to 145 million tonnes. This success is one of productivity, not one of expansion of ploughed land. Yields per hectare have increased on average about 3% per annum in the last 15 years while the annual increase in area ploughed has been less than 1%.

India's agricultural transformation has been phenomenal. Today, land reform remains a smouldering but not insoluble issue in India's agricultural development. The problems associated with this longer term policy remain to be resolved and are outside the scope of this paper. The point at issue is that successful and significant agricultural development has taken place in a society where there exist vast differences in income, wealth and access to land. It has come about for two reasons. Firstly, the political issues of redistribution have been disentangled as far as practical from the agricultural issues of production. Secondly, agricultural policy has been based firmly on practical knowledge of the Indian farmer and of his economic, social and technological environment. Farming practices, technologies and policies have been devised to alleviate the real constraints facing the agricultural producer. This contrasts sharply with the situation in much of Africa where scientists have tended to concentrate on the improvement of exotic farming practices introduced for the commercial farming sector. The farming systems of peasant producers and the reasons for their existence have been almost totally ignored by agricultural scientists.

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1. Much of the information in this section of the paper id derived from "India : Treadmill or Take-off - A Survey", The Economist, March 28, 1981.

Some examples may assist to illustrate the Indian approach. Credit was identified as a major need for Indian small-scale farmers. A policy of providing credit through rural co-operatives was then introduced. Consequently, in the twenty years from 1951 to 1971, rural credit co-operatives expanded from supplying a mere 3,1% of India's agricultural credit to 22,7%. Rural money-lenders share of the credit market fell from 75,2% to 49,6%. In Punjab today, there is a co-operative credit association in every village. To force banks into agricultural lending, they were nationalised in 1969. By 1985, 16% of all bank lending should be in agriculture (up from 12% in 1979). At least half of these loans must be directed at the disadvantaged farmers in the community. Incidentally, this contrasts with the situation in Zimbabwe where commercial banks are almost totally absent from the peasant farming areas, even to the most wealthy. Sanyati, for example, has a growing business centre, the nearby TILCOR estate, the relatively prosperous Copper Queen Purchase Area and Gokwe Tribal Trust Land. This last district alone will probably market $20 million of crops in 1981 yet no bank has seen fit to send even a mobile unit into the area.

Other needs, too, are carefully identified and programmes devised to overcome them. Punjab Agricultural University is a world leader in the development of Third World agriculture. Agricultural extension is based on frequent visits by practically experienced advisors. Marketing of inputs and outputs has been put on an honest and reliable basis.

The remarkable thing about the revolution in Indian agriculture is that it is based on such simple principles. The problems of development in India make Zimbabwe's difficulties seem trivial. Yet by the careful and reasoned application of well-known remedies, Indian agriculture has, in an amazingly short period of time, evolved to a stage where that country can consistently be self-sufficient in grains and even produce a surplus for export. Herein lies the message for Zimbabwe. Schultz, (1980), writes:

> "According to biblical law, being rich makes it hard to get into heaven. The corresponding law in economics is: Being rich makes it hard to comprehend the economic behaviour of people in low income countries.....I have also argued that our studies of the economic dynamics of low income countries have suffered from several intellectual mistakes. The major mistake has been the presumption that standard economic theory is inadequate and that a different theory is needed.....The received core of economic theory is fully as applicable to the scarcity problems that confront low income countries as to the corresponding problems of high income countries. Another mistake is to neglect what can be learned from the economic history of Western Europe during the centuries when most people on that continent were poor. Still another mistake is to give too little attention to the economic behaviour of farm families, especially as they opt for improvements in education and wealth - the so-called contribution to the stock of human capital."

This is the root cause of the stagnation of Rhodesian agricultural policy between 1940 and 1980. Policy was set for the commercial sector. Where the peasant farmers failed to respond to this policy, the reason was attributed to the fact that peasants were motivated in a totally different fashion to the commercial producer. Administrators failed to comprehend that policy, as perceived by the peasant farmer, might be very different from that which was intended. The outcome has been a series of ill-founded and misleading myths regarding the peasant producer. An example is the belief that peasants have a 'target' income; once they achieve this, they cease to work until their money is exhausted. In the current season some commercial

farmers have used this to explain the shortage of cotton pickers. At the present rate of pay of 3c. per kilo of cotton picked, it has been said that the picker can achieve his or her target income too quickly. The reality is that peasant cotton growers employing casual labour, pay 5c to 8c per kilo. Not surprisingly, pickers tend to stay in their own areas and earn a higher wage. The peasant farmer does respond to the same economic stimuli that motivate us all. The problem has been the inability of policy makers to comprehend the economics of agriculture from the perspective of a family living close to the poverty line.

I shall illustrate this further by using a recent and most relevant example. Concern has been voiced at the decline of Zimbabwe's beef industry and the report of the Commission of Inquiry into the Zimbabwe Beef Industry (1981) has recently been released. Figure 1 combines two figures presented in that report. The authors compare the rise in the average CSC payout to beef producers with the percentage offtake of cattle from the peasant farming areas. They note the rise in the numbers of cattle held in the peasant farming areas and the inverse ratio between the level of offtake and the average payout to beef producers. The authors conclude from these data:

1. Herd expansion is causing severe overgrazing and degradation of the peasant farming areas.

2. Peasant farmers do not respond to price in determining their production policy.

3. That higher prices for cattle are necessary to draw additional sales from the peasant farming areas.

This is a classic case of inability of policy-makers from a developed economy to follow the logical decision processes of the poor. Peasant farmers are clearly responding quickly and effectively to beef prices. The beef animal is one asset to which a farmer, living and working in a communal farming environment, has effective title. Hence it is the capital and not the production value of the asset which is of primary interest to him; it is capital (or numbers of cattle) not production (percentage offtake) that is responsive to price. Cattle numbers and price move exactly together except in the last years of the independence war when disease, theft and violence became dominant. The response is typical of normal economic behaviour in a situation where capital values of an asset are increasing rapidly and predictably.

In this instance, the prescribed policy will achieve precisely the opposite of what is intended. A higher beef price will stimulate even greater growth in the peasant herd, exacerbate the existing serious veld deterioration in peasant farming areas and do little to stimulate offtake from the peasant herd. More appropriate suggestions might be to improve the marketing service for beef animals or to encourage the production of other ruminants such as goats and sheep. These last animals are kept for production rather than for capital. Production can, therefore, be expected to respond to price and marketing incentives. An efficiently promoted and run marketing system for small ruminants with correct price signals can confidently be expected to do significantly more for peasant meat production, peasant incomes and improvement in veld conditions than a substantial rise in the price of beef.

Zimbabwe is by no means unique in failing to introduce agricultural policies that achieve their stated objectives. An analysis of the performance of Zambia's agricultural industries from 1964 to 1976 indicates an almost total failure of government rural development strategy.[2]

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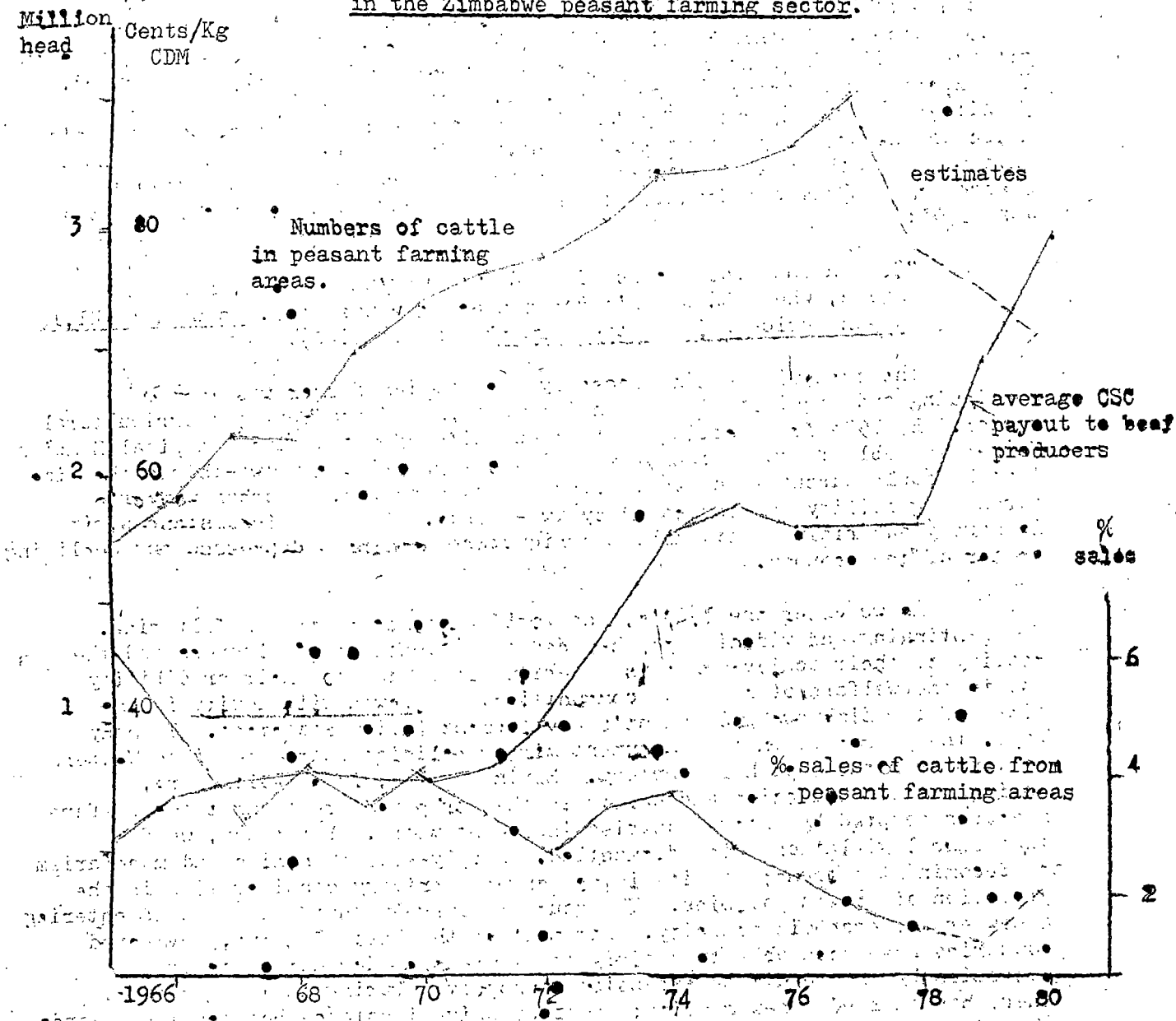
2. Data in this section of the paper are largely derived from Dodge D.J. (1977), Agricultural Policy and Performance in Zambia, Berkeley: Institute of International Studies.

FIGURE 1.

Numbers of Cattle, average payout and percentage sales of cattle in the Zimbabwe peasant farming sector.



Source: Report of a Commission of Inquiry into the Zimbabwe Beef Industry (198?)

The gap between urban and rural incomes widened rathered than narrowed while cash incomes in the rural areas remained static. National food self-sufficiency declined rather than improved and the economy stayed firmly linked to export earnings from copper. It is a popular myth in Zambia that farmers are, and have been, heavily subsidised. Again, from this springs the illusion that Zambian farmers do not respond to normal economic incentives. The National Agricultural Marketing Board of Zambia (NAMBOARD) received subsidies of K22 million in 1973 for a total marketed maize production of K33,5 million. Of this subsidy K4,77 per 90 kilogram bag of maize went to the consumer while the farmer was effectively taxed by K2,14 per bag produced. The export parity price for maize (f.o.b. Lusaka) in 1973 was K7,52 per 90 kilogram bag. Allowing for NAMBOARD charges, the farmer could have sold maize on the world market at K6,44. He, in fact, received K.4,30. Contrast this with the following statement made by President Kaunda in a keynote speech to the National Council of the United National Independence Party in June 1975:

> "Government also has subsidised foods grown at home, such as maize, where NAMBOARD's costs have been paid for, as well as K1,10 of the price paid to the farmer" (my italics).

The economic reality faced by the Zambian farmer was that of a continuing and significant erosion in the terms of trade of the agricultural sector. By 1973 from selling a given quantity of production a typical Zambian farmer was able to buy a consumption basket approximately two-thirds the size that he could purchase in 1964. Over the same period, an urban worker's purchasing ability had increased by two-thirds. In such circumstances, it is hardly surprising that Zambian agriculture remains a depressed and declining sector of the economy.

As we enter the 1980's, the world economic system is faltering. The continuing and widening gap between the intentions of planners and the reality of their achievements is a serious challenge to their credibility and to the welfare of national communities. Growth with Equity is the title of the Zimbabwe government's development policy statement. In many ways, the proposals in that document mirror policies introduced into Western nations over the past half century. Minimum wages, free health care, environmental protection and safety in the workplace are amongst the welfare measures adopted by those countries in recent years. Yet today, we find that same legislation being dismantled. Supply-side economics and monetarism are becoming the trend; equity is no longer a primary consideration in the promotion of growth policies. The cause is largely that the world is entering a new era of economic scarcity. For most of the last 50 years, developed countries have been able to satisfy the increasing demands on their economies by the requisite expansion of supply. During the past decade, there has emerged a new reality; a progressive inbalance between the demands that developed countries have placed on their economies and their ability to satisfy these demands. Kahn (1981) terms this the re-emergence of the 'economics of scarcity'.

The lesson for Zimbabwe is that if developed nations have found the burden of blanket welfare policies too heavy, then they are certainly more than our emerging economy can bear. But this does not mean a sacrifice of equity. Policies can be both compassionate and rational; planners can be idealistic in their goals and hardheadedly realistic in the means they adopt to achieve them. Kahn writes:

> "This is the task for liberals in the 1980's - to reconcile our traditional aspirations with economic efficiency, humanitarianism with the control of inflation. In the short

run, it means exercising greater selectivity than we have in the past in the kinds of programmes we support and in identifying their intended beneficiaries. In the longer run, however, it offers the promise of a resumption of economic growth, and continued progress in humanising our society. If instead we take refuge in the slogans and programmes of 20-50 years ago, and fail therefore to cope with the economics of scarcity, we will not deserve to govern."

Zimbabwe is an agricultural country and agricultural policy will dominate the performance of the national economy. The development planner, with his eyes on national goals and objectives, confronts the dilemma of reconciling these with the reality of micro-level decision-making. Behind the national development programme stands the farmer and his community. Successful rural development requires that those involved in the devising and implementing the programmes learn to forecast the changes which their proposals will bring about, by seeing those modifications through the eyes of the rural people, both individually and as a social group. From the wealth of literature on rural development, one salient fact emerges unchallenged: changes brought about by agricultural policy cannot effectively be imposed on members of rural communities, they must be wanted. If change is needed, then the first task must be describe and comprehend the status quo.

The rural community is a complex but stable system resulting from the interaction of a number of interdependent components. The peasant farmer needs to feed his family and live in harmony with the rest of the local community. Tradition and his own experience have taught him those farming practices which work, albeit imperfectly. When considering new approaches to living, he will look for guidance to the proven leaders of his community, rather than to the outside planners of whose attitudes and motivation he will, at best, be suspicious. All change brings costs as well as benefits and, except in cases of severe exploitation, the farmer will be reluctant to accept an outsider's evaluation of the benefit/cost ratio to the local community.

The need then, is firstly to describe and then to understand the systems which underlie the behaviour of rural communities. As agriculture is the predominant activity in most rural communities, it seems sensible to commence a systematic examination of these communities by describing the individual farming systems of which they are composed. At the centre of each farming system is a farmer who must apply the available factors of production - land, labour, capital and management - to crop, livestock or off-farm activities in order to meet some recognised objectives. The enterprises which he can choose, and the factors of production to which he has access are defined by the physical, social and economic environment in which he works and by the technologies available to him. From the range of possible alternatives, the farming system that emerges is only a subset selected within the constraints faced by the farmer. The planner must have reliable data on those constraints. He must comprehend where the sensitive adjustment points of a system lie and how the components of the system interact. Policies and programmes can then be targeted at specific groups for defined purposes. For agricultural policies to be both sustainable and effective in the long term, the aspirations and circumstances of the farmer must be taken adequately into account. The flaw in much rural development work is that policies are being applied in a vacuum of data. There are few hard facts as to the effectiveness or acceptability of the various programmes devised. Rural development based on reliable farm data provides a sensitive and efficient means of co-ordinating the farming decisions made at the micro level with the macro objectives espoused by development planners.

It is too easy to base policy simply on the representations of those rural groups that are well organised and accessible. The majority of farm families in Zimbabwe are remote from the centres of power and lack the experience, confidence and opportunity to voice their development needs. A sensitive,

reliable and responsive data gathering operation is essential so that the expressed needs of the very diverse rural population of this country can be properly addressed by national planners.

In short, it is time that planners ceased telling the peasant farmer what is good for him and his community. It is time that we all stop to listen to the peasant farmers of this land. Pete Seeger wrote:

"There is a season.....
A time for every purpose under heaven".

It is now the time to listen.

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