Democratization and the Political Economy of Agricultural Policy in Africa

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PEAPA Study

www.future-agricultures.org/peapa

- DFID-funded Future Agricultures Consortium
- Phase 1 Researchers from eight countries:
  - Burkina Faso (Augustin Loada)
  - Ethiopia (Kassahun Berhanu)
  - Ghana (Kojo Aidoo)
  - Kenya (Karuti Kanyinga)
  - Malawi (Blessings Chinsinga)
  - Mozambique (Domingos Rosario & Lidia Cabral)
  - Rwanda (David Booth & Fred Golooba-Mutebi)
  - Tanzania (Brian Cooksey)
Why Political Economy?

Political System → Incentives for State Action

Policy Outcomes → Agricultural Performance
Pro-Poor Agricultural Policy

• Investment in infrastructural and institutional **public goods** to support smallholder producers
  – Rural roads
  – Irrigation
  – Agricultural research
  – Extension services
  – Capacity for policy design and evaluation
  – Coordination capacity for market development

• Medium-term impact
Growth in Gross Value of Agricultural Production, % p.a.

Source = FAOSTAT; except Tanzania = ag value added (source = World Bank)
Share of Agricultural Expenditure in National Budget (%)

Source = Benin et.al. (2010)
N.B. Mozambique and Rwanda figures are 2003 only, not 1995-2003 average
## Share of Rural Population Living Below Poverty Line

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Rural Poverty Rate (%)</th>
<th>Year</th>
<th>Rural Poverty Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burkina Faso</td>
<td>2003</td>
<td>52.3%</td>
<td>2009</td>
<td>50.7%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1999</td>
<td>45.4%</td>
<td>2004</td>
<td>39.3%</td>
</tr>
<tr>
<td>Ghana</td>
<td>1998</td>
<td>49.6%</td>
<td>2006</td>
<td>39.2%</td>
</tr>
<tr>
<td>Kenya</td>
<td>1997</td>
<td>52.9%</td>
<td>2005</td>
<td>49.1%</td>
</tr>
<tr>
<td>Malawi</td>
<td>1998</td>
<td>66.5%</td>
<td>2004</td>
<td>55.9%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>2002</td>
<td>55.3%</td>
<td>2008</td>
<td>56.9%</td>
</tr>
<tr>
<td>Rwanda</td>
<td>2005/06</td>
<td>61.9%</td>
<td>2010/11</td>
<td>48.7%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2000</td>
<td>38.6%</td>
<td>2007</td>
<td>37.4%</td>
</tr>
</tbody>
</table>
Democratization

• Competitive elections ++
• Majority population is still rural, poor and dependent on agriculture
  – Vote for better agricultural policies?
  – Challenge previous “urban bias” in national policy?
• Basic answer = this is not happening yet
  – Rural votes are rarely exchanged for policies
• Where better agricultural policy is observed, why is this?
Evidence (secondary literature)

- Ethnicity remains very important
  - Regional coalitions
- Retrospective assessment of overall performance
- Strategic voting (expectation of patronage)
  e.g. Bratton et al (2011), Bratton and Kimenyi (2008), Lindberg (various)
- Mobilisation of chiefs (Baldwin 2011)
- Proliferation of Constituency Development Funds (observed)
Examples from our Case Studies

• Malawi fertiliser subsidy
  – Window of opportunity for broad-based policy
  – Transfer (immediate, tangible): at the expense of public goods
  – Emphasis shifted towards political control

• Kenya
  – Strategy for Commercialising Agriculture vs regional commodity-based interventions
  – Collective action issue?
More Positive Agricultural Policy

• Rwanda (since 2007)
  – Terracing + marshland development
  – Cooperative development: coordination for market access?
  – One cow per family
  – Extension?
  – Outcome-based management + learning

• Ethiopia
  – Sustained investment in agricultural extension (with evaluation and adaptation)
  – Growth + political control …
Sources of More Positive Agricultural Policy

• Align interests of (urban-based) elites and rural populations

• Dependence on agriculture
  – Burkina, Ethiopia, Malawi, Rwanda
  – c/w Mozambique, Tanzania

• Threats to regime survival – have to deliver!
  – c/w Communism in E/SE Asia: armed threat, rural sympathy
  – Ethiopia: fall of two previous regimes, minority regime with multiple enemies
  – Rwanda: supporters of previous regime?
  – MR perspective, but in a hurry!
Thank you!
## Scenarios in a Neo-Patrimonial World

<table>
<thead>
<tr>
<th>Political Backing</th>
<th>Technocratic Support</th>
<th>Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>1. Inertia</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>2. Anti-poor policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Success stories</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Distorted policy</td>
</tr>
</tbody>
</table>

1. Good technocratic policies with no “appeal” in patronage politics terms simply don't make it
2. Policies driven by the exigencies of patronage politics, but which make no plausible contribution to stated public policy goals, do go through
3. “Success stories“: some alignment between technocratic policies and the exigencies of patronage politics
4. Partial alignment: patronage politics distort well-intentioned technocratic policies, undermining pro-poor impact