



A changeful history and a challenging future

—

large agro-enterprises and smallholder farmers in Sub-Saharan Africa

Michael Brüntrup

IAMO Forum 2013
Halle, June 19-21

Outline of presentation - outline of smallholder-agroindustry linkages



Macro
politics

Macro
economics



Main actors



Macro-politics

- Raw material for the colonial powers
- Internal appeasement
- Dependency, imposed institutions

Macro-economics

- High food and agr. raw material prices, scarcity
 - Perceived low opport. costs in agricultural sector
 - Forced marketisation, forced labour
 - Anti-industrialisation
 - Dual economies (plantations - smallholders)
- Commodity establishment
 - Food crop neglect
 - Low productivity growth
 - Smallholder exploitation
 - Distrust in private sector
 - „exploitative trader“ supported by exploitative state

Actors

- Colonial buerocracies
- Private (colonial) traders and settlers (in selected places)
- Emerging commodity boards
- Plantation owners
- Smallholders



Macro-politics

- Cold war
- Selected dependencies
- Aid to “planned developing economies”

Macro-economics

- Export market dependency
- Strong investments into modernising agriculture
- Planned agro-sectors, Marketing boards
- Urban bias price policies

Actors

- Parastatal boards and dev. authorities
- State-ruled cooperatives
- New national elites
- Smallholders
- Supportive donors

- Plantation dismantling
- Productivity and income stagnation
- Food import bill raising

- Moral hazard, distrust in state organisations and coops
- Debt crisis of parastatals and state

Structural Adjustment Programmes and liberalisation under low and raising agricultural prices (1980s-2000s)



Macro-politics

- WB and IMF leading
- Neo-liberalism in the West
- Accelerating with end of cold war
- Emerging globalisation

- (Initially very slow) recovery
- Land expansion but yield stagnation
- Income stagnation in rural areas
- Food import bill further increasing
- Distrust in SAP recipies

Macro-economics

- Agricultural price decline until 2002/2007
- Dismantling of government organis. and coops
- Liberalisation, privatisation
- Reduction of agricultural budgets and aid until recently

Actors

- Downsized governments
- Disinterested donors
- Smallholders with few organisations
- Weak, informal private sector, few remainders
- NGOs

- Dismantled / underfunded agric. structures
- Lack of formal private sector presence

The landscape for smallholder – large scale agroindustry integration after a century of agricultural development in SSA



Private sector

- Reboot from low levels
- Widespread distrust in and bad reputation of large private actors
- Remaining (good) examples of integration in niches and enclaves
- Inexperienced private sector, and many sharks

Smallholders

- No clear interest profile of smallholders (many net consumers)
- Lack of functional and experienced farmer organisations
- Strong gender roles and disparities

Squeezed rural space
Power and information asymmetries
Stressed natural resources

Governments

- Weak government representations and lack of credibility
- Continuous weak governance especially in rural areas

Others

- Ambivalent, weakened donors
- Strong NGOs in and for rural areas
- New external actors



Renewed interest of governments and donors in agriculture

- but what paradigm ?
- financial and political sustainability
- new donors

First timid, then massive interest of private actors

- much noise
- some harm
- starting structural change

Public-private-partnerships on the move

- but potential yet to be fulfilled
- many fears, much resistance
- risks

New era of agriculture – Partnerships including smallholders and large-scale investors?



Risks

- Unequal power and knowledge of partners
 - Detrimental interference of governments
- } unbalanced distribution of profits
- Reduction of local food availability, food price increases
 - Structural monocultures → dependencies of workers, outgrowers + sub-regions
 - Out- and/or in-migration
 - Conflict
 - Investment ruins → wider domino effects
 - Land grabs: Expulsion of informal land owners without proper compensation, displacement of non-permanent users of natural resources, water scarcity and pollution (local and downstream)
 - Environmental degradation, biodiversity, water, soils, air



- **Protect the weakest** – human rights
- **Overcome unbalanced starting points** – informal user rights acknowledgement, support of farmer and rural organisations
- **Create transparency** – information generation, diffusion and dialogue
- **Create mutual accountability** – transparency, participation, trust funds, brokers / ombudsmen, complaint mechanisms, common platforms
- **Reduce risks** - creation and maintenance of alternatives, integration of large investors into larger rural development strategies, differentiation of stakeholders / farmers, land use planning
- **Go slowly and carefully**



Thank you for your attention!