Forum for Food Security in Southern Africa

Food Security Crisis in Southern Africa: The Political Background to Policy Failure

Kate Bird and David Booth

Poverty and Public Policy Group
Overseas Development Institute

Nicola Pratt

International Development Department
Birmingham University

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This Theme Paper is one of four commissioned by the Forum for Food Security in Southern Africa. Each Theme Paper covers a specific topic: institutions; markets; human vulnerability; and social protection. The aim is to contribute to analytical and strategic thinking on longer term food security options following the Southern African crisis.

The Theme Papers use economic, institutional and political analysis applied to the evidence base in the region, and informed where relevant by evidence from other parts of the South, to explore the policy implications of the priority food security issues raised in Country Issues Papers produced by resident experts in Lesotho, Malawi, Mozambique, Zambia and Zimbabwe.

The Forum for Food Security, its consortium members and funders do not necessarily subscribe to the views expressed in this paper.

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Executive Summary

This paper is one of a set of Theme Papers commissioned by the Forum for Food Security in Southern Africa which examine the 2001/02 food security crisis. This crisis highlighted a series of more chronic threats to the most vulnerable inhabitants of the region. In this paper we do not focus on the events of the crisis itself, instead we examine the underlying political-economy and governance issues which contributed to the crisis. We examine the political forces that appear to affect the practical results of market-based food policy. We examine policy failures in specific areas critical to agricultural development and food security – input provision, output marketing, import/export trade and the macro-economic environment and infrastructure provision. We hope that our analysis will stimulate debate about the interactions between donors and governments in the region and lead to a re-thinking of the viable options for food security policy.

The Forum focused its attention on five case study countries: Mozambique, Malawi, Zambia, Zimbabwe and Lesotho. In this paper we draw on the experiences of each of these countries to a lesser or greater extent, and show that the political underpinnings of agricultural policy do not differ as much as one would anticipate as a result of their economy and demography. The countries range in size, from two million (Lesotho) to 18.3 million (Mozambique), and in level of urbanisation, from quite high (Zambia, Zimbabwe) to very low (Malawi and Mozambique). By conventional measures, the countries are at different levels of development, with Zimbabwe and Lesotho at one end and Mozambique and Malawi at the other. Poverty incidence, degrees of income inequality and estimates of food insecurity vary considerably, although the comparability of the figures is doubtful in several cases. Despite these differences, there are significant commonalities. For example, both Zimbabwe and Zambia (with large urban populations) and Malawi (with a small urban population) have pursued policies to ensure a cheap and regular supply of maize to urban populations.

In this paper we introduce the conceptual framework that guides our interpretation of the pattern of policy failure in southern Africa over the last few decades. This centres on the concept of the ‘neo-patrimonial state’, which we use to explain of the policy patterns that have characterised southern Africa during the era of structural-adjustment programmes and since.

Neo-patrimonialism expresses the institutional ‘in-betweenness’ of the national states of the region – between a patronage and bureaucracy, between ‘presidentialism’ and liberal democracy. In turn, the notion of a patrimonial logic driving policy captures much of what is common to the otherwise different cases of Malawi, Zambia, Zimbabwe and Lesotho. It helps to counteract the notion that influences much political discourse in the region that the causes of food insecurity are either climatic or external.

Neo-patrimonialism in the study countries has influenced food policies and their outcomes in the following broad ways:

- The political interests of ruling elites have been defined in a way that systematically conflicts with the principle of maximising the welfare of

citizens. Agricultural policies have been formulated as a means of guaranteeing political support, particularly in the run-up to elections. This favours large symbolic gestures, the distribution of largesse and promises of favours, but not, in general, promises to resolve structural problems with better policies.

- Policies are pursued that allocate economic resources inefficiently, with high opportunity costs from the point of view of meeting the real needs of the food-insecure. State intervention in supply of agricultural inputs, pricing and food distribution persists for political reasons. While a technical case can be made for instituting some measure of official intervention to help to make markets work for the poor, it is not the case that this is what is driving current policies. The political logic revealed by the analysis of current policies would need to be taken very seriously in any design work based on these arguments.

- Intermittently, but on an occasionally massive scale, state resources are diverted unofficially for personal gain, through corruption and nepotism. Even in the face of massive threats to the food security of the population, such occurrences are not subject to effective domestic accountability. Civil society, the media and parliaments face serious difficulties in holding governments to account, despite the existence of multi-party politics. A major source of difficulty is the way neo-patrimonialism detracts from issue-based political competition in general.

These factors combine to influence policy formulation, policy implementation and accountability for results. However, policies are substantially shaped by 'implementation processes', and all those involved in policy formation and advice must recognise the distortive power of such processes.

The paper highlights the importance of accountability to the policy formulation and review process. Where there is an absence of formal accountability mechanisms, we show that one might expect a vigorous media to play a positive role. However, the regional media was strangely silent during the whole of the food security crisis. Domestic media and political debates focused on specific instances of corruption and inter-personal wrangling and despite hunger and hardship in both the rural and urban populations have been mute on the food crisis. In some countries, this may be mostly due to self-censorship and/or state control of large parts of the media. But what ever the cause, it has meant that governments have had little trouble in putting the blame for food insecurity on either the climate or outside actors (such as, donors).

Neo-patrimonialism is associated with a 'partial reform syndrome'. This is evident particularly in the agricultural sector, where national governments have 'tamed structural adjustment'. This has included the implementation of fiscal stabilisation policies whilst deeper structural reforms (such as, reducing state intervention in agricultural markets) have been resisted, despite much formal commitment and conditionality-backed donor influence in its favour.

The authors' use of political analysis to explain failure to adopt particular policies, such as market liberalisation, does not indicate their commitment to those policies; alternative policies might well be preferable, however, that is another question. However, the degree to which agricultural and food security policy in the study countries continues to involve state intervention in markets, after two decades of economic liberalisation in Africa, is striking and the bias in the form that the liberalisation has taken requires a robust explanatory effort.

Evidence from the case study countries shows that where reforms have occurred they have frequently affected the poor in negative ways and have not led to the alleviation of food security. We found that state interventions:

- are not effectively targeted at the most vulnerable (for example, the distribution of fertiliser in Zambia, two-tiered pricing structure in Zimbabwe, the channelling of maize through industrial mills in Zambia);
- are often inefficient (distribution of inputs by the Lesotho government, the operation of ADMARC in Malawi); and
- lead to government controlling the maize trade to a lesser or greater extent;
- crowd out the private sector (FRA in Zambia, GMB in Zimbabwe, the operation of restrictions on maize trade in Zambia, Malawi, Lesotho and Zimbabwe).

Also:

- agricultural sectors in many countries in the southern African region consist of a hybrid of parastatal regulation and full liberalisation; the continued domination of the state both damages the development of the private sector and places a huge burden on state finances;
- the governments of southern Africa have not retained equal levels of involvement in agricultural markets: Zimbabwe is at one end of a continuum and Mozambique at the other; but compared with, say, East Africa, the average level of intervention in food-crop markets is high;
- governments in the region have claimed to want to see the private sector develop, but have acted in many instances to undermine it. They have underestimated the time, institutional support, not to mention macro-economic stability and suitable infrastructure that are necessary for markets to develop and have acted prematurely to re-enter markets

The evidence of partial reform presented in this paper illustrates how neo-patrimonialism has distorted the policy process so that food security objectives are not met. However, even if all stakeholders were to agree on the best policies for promoting food security in the southern African region, the evidence we have reviewed suggests that it is unlikely that these policies would be implemented in a way that met their objectives.

It is debatable whether increasing marketisation of agriculture can guarantee food security in the region. However, it is equally unclear that a modified, market-friendly and pro-poor form of state intervention is a feasible option under imaginable circumstances. The point is that, in the context of neo-patrimonialism, any policies (whether 'pro-market' or 'pro-state') will be distorted by a tendency for public resources to be diverted for private or political gain and for public policies to be steered by the wish to maintain those opportunities. In consequence, policies will not be pursued consistently and the most vulnerable are the last likely to be protected.

Whilst it is almost impossible to determine what the intent of policy-makers and government officials is in regard to food security (or any other policy objective), it is not plausible to blame poor policy formulation and implementation merely on governments' lack of capacity or access to accurate information, or on donors' poor policies. It is necessary that all those concerned with food security (and development in general) recognise that the political context in which policies are formulated and implemented is an integral part of understanding why those policies fail or succeed.

So, we have found that governments in the region have maintained state involvement in agriculture, despite nominally implementing a liberalisation process, and the consequences of this pattern for food security. Due to neo-patrimonialism, economically counter-productive forms of state intervention have continued, despite having been identified as a significant source of damage to African agriculture in the past. Minimal state intervention is not necessarily desirable, and agricultural markets in Southern Africa, left on their own, are unlikely to work perfectly. However, policy analysts and development advisors should anticipate political manipulation and build this into their calculations.

We also examine the role of donors, including the big concessional lenders, in enabling the policies of countries to become misshapen in neo-patrimonial forms. The paper evaluates some of the main charges that have been levelled at the donors and IFIs not in a spirit of mere criticism, but as a first step towards the posing and answering of a question – whether they could move from being part of the problem to becoming part of the solution, and if so under what conditions. We examine the nature of the aid *relationship*, not what a single group of actors might be expected to do on its own, or in relation to a different type of interlocutor. In doing so, we explore persistent patterns in the actions of major external actors, collectively or individually, which have a bearing on the policy failures discussed in this paper. The conclusion of our assessment points towards the donors being joint architects of the current crisis.

We find that donor support to structural adjustment has not been benign but has, in fact, contributed powerfully to the maintenance of neo-patrimonialism. This has in turn affected the pattern of policy reform, compromising its coherence and effectiveness. Furthermore, adjustment funds have tended to take over developmental functions previously performed by the state; adjustment reforms, notably privatisation, have fuelled corruption; and the adjustment regime has worked against the development of democratic accountability.

However, there are different views as to whether the policies recommended by donors actually get implemented, and so the degree of direct responsibility actually borne by donors. The 'taming of structural adjustment' has been made possible by international lenders and donors putting their money and prestige behind policies of partial reform. Those policies were incoherent and could not have been expected to work. Policy conditionality has proven of limited effectiveness. While it *has* produced policy *changes*, it has not led to coherent, feasible and actually implemented policy packages informed by real vision and driven by real commitment. That is why much of sub-Saharan Africa continues in a state of permanent developmental crisis. Donor conduct significantly worsens poor quality domestic policy making. External funding has shielded political leaders from the market consequences of their actions, and the nature of the aid relationship has made matters worse.

In conclusion, we have found that the policy problems highlighted by the southern African food security crisis are due to a combination of domestic political structures and processes that inhibits the pursuit of coherent policies (neo-liberal or otherwise) for national development and the reduction of poverty, and patterns of action and inaction by the major external actors that are incapable of compensating for the lack of domestic commitment to reform, in some ways reinforce it and in other ways contribute additional difficulties.

To a greater or lesser extent, donor and concessional lending agencies respond to incentive structures within their own organisations that generate policy incoherence. However, neither donors nor recipient governments would respond in precisely the way they do without the other. The main focus of thinking about options for change needs therefore needs to be on methods of transforming the essentials of the relationship, not on correcting particular errors or excesses on either side. This conclusion is not specific to the crisis of poverty, inequality, agricultural and rural livelihoods in southern Africa, but it applies very well to the issues arising there.

Positive change is most unlikely to result from reformed attitudes and actions on the part of external actors alone. Changes in national political institutions and political actions by the citizens of the countries are essential. Donors need to understand that and tailor their actions to it.

Acronyms

ACMP	Agricultural Credit Management Programme (Zambia)
ACP	Agriculture Commercial Programme (Zambia)
ADMARC	Agricultural Marketing Board (Malawi)
ASIP	Agricultural Sector Investment Programme (Zambia)
DAC	Development Assistance Committee
DFID	Department for International Development (UK Aid)
ESAP	Expanded Structural Adjustment Programme (Zimbabwe)
ESAF	Expanded Structural Adjustment Facility (Zambia)
EU	European Union
FRA	Food Reserve Agency (Zambia)
GDP	Gross Domestic Product
GMB	Grain Marketing Board (Zimbabwe)
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries Initiative
IDA	International Development Assistance
IFI	International Finance Institutions
IMF	International Monetary Fund
MTEF	Medium Term Expenditure Framework
NAMBOARD	National Agricultural Marketing Board
NFRA	National Food Reserve Agency (Malawi)
PPP	Purchasing Power Parity
PRSP	Poverty Reduction Strategy Paper
SGR	Strategic Grain Reserve
Sida	Swedish International Development Agency
SWAps	Sector-Wide Approaches
UDF	United Democratic Front (Malawi's ruling party)
USAID	United States Agency for International Development
ZANU-PF	**Zimbabwe African National Union – Patriotic Front (Zimbabwe)**
ZIMACE	Zimbabwe Agricultural Commodity Exchange

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1 Introduction: bringing politics into food policy analysis

Like the other papers in the series, this Theme Paper is concerned with the background to the southern African ‘food crisis’ of 2001/02. It is not analysis of the crisis itself but a discussion of underlying issues that the crisis served to highlight. It is an effort to stimulate debate about options for food-security policy in the light the serious limitations of current policies that the recent events have helped to bring to the fore. The particular focus of the paper is the importance of embedding the discussion of policy options in a firm understanding of the politics of policy making in the region.

1.1 Why politics matters

The Forum for Food Security in Southern Africa has identified a paradox. Whereas by all the normal indicators, the food crisis of 2001/02 appears to have been less severe than that of the early 1990s, the proportions of populations considered to be at risk have increased. The range of factors contributing to food insecurity and other kinds of vulnerability appears to have grown, and the interactions between these factors have become more complex. Whatever the conclusions eventually drawn about the short-run story, the crisis has drawn needed attention to a number of chronic and in some respects worsening structural problems that may threaten the livelihoods of the southern African poor for years to come (Cromwell, 2003).

Other Theme Papers are addressing the major policy debates surrounding these problems. Paper 2 considers the policy implications of trends in human vulnerability and food insecurity. Paper 3 discusses the policies required to make market-based economic development contribute to strengthened food security. Paper 4 explores policy options for increasing the contribution of social protection measures to food security. In all cases, the issues are complex and more or less controversial. No single view emerges that is likely to command general assent about what exactly is the most viable mix of policies for addressing these issues.

Moving from ‘what’ to ‘how’ in policy research

There is also, however, a further challenge. Even if there were to be a consensus on *what* needs to be done, there would still remain a set of very difficult questions about *how* to make this happen. It has been compellingly argued recently (Omamo, 2003) that the whole field of policy research on African agriculture has been overly concerned with the ‘what’ of policy, with major debates focusing on identifying the right mix of market liberalisation, government intervention and institutional development. Having arrived at recommendations on these issues, researchers treat the question of how to encourage their effective adoption as a second-order implementation issue that can safely be left to consultants and practitioners. However, the ‘how’ questions are far too important to be treated in this way.

This paper associates itself closely with Omamo's argument. It argues that a crucial ingredient of any treatment of policy options for food security in southern Africa needs to be political viability. The options that are politically viable may not be the best options from a technical point of view. But in that case, the political obstacles to the best options need to be understood, and consideration needs to be given either to removing them or to designing alternatives that are optimal in a combined political-economy framework. To a large degree, this will be true independently of the view that is taken on the technically optimal recommendations.

Politics and economics

The starting point for such a discussion has to be a good understanding of the political economy of policy in the recent past, and this is the topic that is addressed in this paper. We take the view that the politics of policy is insufficiently debated, both by students of African politics and by economists interested in agriculture and rural development. With honourable exceptions (e.g. Bates, 1981, 1987; van de Walle, 2001; Jayne et al., 2002) there is little integrated thinking across the divide between the politics and economics of food insecurity and agricultural stagnation in the region. When the politics of agricultural policy does get on the agenda of interdisciplinary discussion, economists tend to concentrate on contesting the economic analysis assumed by the political scientists. As a consequence, they miss the opportunity to use the political analysis to test the political-economic feasibility of their own policy recommendations.

It is not just that economists are politically obtuse. The reasons why it is still necessary to make the case for the politics of agricultural policy 20 years after Bates' intervention include some more complicated facts. Among them is the tendency for the best political science to be North American, and for its economic assumptions to be closer to the neo-liberal end of the policy spectrum than, let us say, the modal position among UK development economists. Thus, Bates' political analysis was designed to explain economically irrational market intervention in the pre-reform era, while Jayne et al. focus primarily on the incomplete withdrawal of the state from markets as a consequence of reform. In neither case is there much explicit consideration of the politics of any more complex economic-policy options.

This, however, is a contingent and not a necessary relationship. It is time for economic policy analysts of all persuasions to start taking the politics of policy seriously, and building it into their thinking as a first-order problem. Those contributing the political analysis must make greater efforts to show that this type of understanding has multiple applications. These shifts in thinking have been postponed too long. It is therefore right that the first Theme Paper in this series is devoted to the political background to the policy failures highlighted by the food crisis of 2001/02.

1.2 Structure of the argument

Our argument is intended to provoke discussion. It is inevitably concerned to a large extent with interpreting what has happened in the recent past. However, as always understanding the past is the main precondition for doing better in the future.

Neo-patrimonialism and policy failure

The paper has three main parts. In Section 2, we introduce the conceptual framework that guides our interpretation of the pattern of policy failure in southern Africa during the last decades. The centrepiece of the analysis, the concept of the neo-patrimonial state, is explained and then applied to an explanation of the policy patterns that have characterised southern Africa during the era of structural-adjustment programmes and since. The argument in this section is most directly concerned with why it is that liberal reform has been so incompletely implemented despite much formal commitment and conditionality-backed donor influence in its favour. However, the argument clearly signals political constraints that would influence the adoption and implementation of a more sophisticated reform agenda (e.g. the mix of market development, selective intervention and institutional development advocated in Theme Paper 3).

Effects on agriculture and food security

Section 3 advances a similar analysis with closer attention to specific policy areas identified as critical to agricultural development and food security – input provision, output marketing, import/export trade and the macro-economic environment and infrastructure provision. Again, the central concern is to make sense in political terms of the continued importance of economically counter-productive forms of state intervention in these spheres that has done so much damage to African agricultures in the past. However, the same proviso applies. Given the prevailing international discourse on the subject, these are the discrepancies that cry out for explanation. There is no necessary implication that minimal state intervention is desirable, or that markets, left on their own, could be expected to work perfectly. What is implied, on the other hand, is that advocates alternative policy remedies had better anticipate a comparable degree and kind of political manipulation and build this into their calculations.

Donors and the aid relationship

Section 4 turns to the role of donors, including the big concessional lenders, in enabling the policies of countries to become misshapen in these particular ways. The suggestion for discussion is that donors have to be seen as joint architects of the current crisis. There are, of course, different views as to the degree to which policies advocated by donors can be said to have been implemented, and thus about the degree of direct responsibility. Yet as a minimum there is indirect responsibility in the sense that the political factors that have produced weak and ineffectual implementation should have been factored in to the recommendations. There is also evidence of donor conduct significantly exacerbating the poor quality of domestic policy making. We argue that both kinds of failing arise from the nature of the aid relationship, and that systematic efforts to alter the way donors interact with national policy processes is where the focus of international policy attention should fall.

1.3 The country contexts

Before proceeding, in Table 1 we provide some basic statistics that help to contextualise our discussion of the five countries that are included in the Forum for Food Security in Southern Africa. They are Mozambique, Malawi, Zambia, Zimbabwe and Lesotho.

The countries range in size, from two million (Lesotho) to 18.3 million (Mozambique). They vary in level of urbanisation, from quite high (Zambia, Zimbabwe) to very low (Malawi and Mozambique). By conventional measures, the countries are at different levels of development, with Zimbabwe and Lesotho at one end and Mozambique and Malawi at the other. Poverty incidence, degrees of income inequality and estimates of food insecurity vary considerably, although the comparability of the figures is doubtful in several cases.

Despite these differences, the analysis in the following sections points to significant commonalities. For example, both Zimbabwe and Zambia (with large urban populations) and Malawi (with a small urban population) have pursued policies to ensure a cheap and regular supply of maize to urban populations. The political wellsprings of agricultural policy do not differ as much as the demographic and economic statistics might seem to suggest.

Table 1: The scale of the problem: selected statistics for case-study countries[1]

	Lesotho	Malawi	Zambia	Mozambique	Zimbabwe
Population (millions) (2000)	2	11.4	10.4	18.3	12.6
Rural population (%) (2000)	72	85	60	83	65
HDI (2000)	132	163	153	170	128
GDP/capita (PPP US$) (2000)	2,031	615	780	854	2,635
% below national poverty line[2]	n/a	63.3[3] (2000)	86	n/a	25.5
% below US$1/day poverty line[4]	n/a	n/a	63.6	37.8	36
Gini Index	0.51 (1986-87)	0.52 (urban); 0.37 (rural)[5]	0.53 (1998)	0.40 (1996-97)	0.41 (1995)
Food insecure in 2002-03	Nov 2002: **42%** of population or 760,000 people. Jan 2003: **34%** of the population or 740,000 people[6] will require emergency food to Mar 2003	Sept 2002: **29%** of the population (3.3m people) will require emergency food through to March 2003. Jan 2003: **31%** of the population or 3,600,000 people[7] will require emergency food to Mar 2003.	June 2002: **38%** of the population or 4 million rural Zambians predicted to be food insecure by end of year[8]. Jan 2003: **28%** of the population or 2,800,000 people[9] will require emergency food to Mar 2003	Jan 2003: only **3%** of the population or 660,000 people[10] will require emergency food to Mar 2003	Jan 2003: **52%** of the population or 7,180,000 people[11] will require emergency food to Mar 2003

Sources: LNVAC, 2002; MNVAC, 2002; Cammack, 2001.

1 Unless otherwise stated, data from UNDP (2002) Human Development Report: Deepening Democracy in a Fragmented World.
2 Figures from the most recent year available between 1987 and 2000 (UNDP, 2002), except where otherwise stated
3 Simwaka (2003) from the Integrated Household Survey of 2000.
4 Figures from the most recent year available between 1983 and 2000 (UNDP, 2002)
5 Government of Malawi (2000) Profile of Poverty in Malawi: Poverty Analysis of the Integrated Household Survey 1998.
6 FANR VAC (2003)
7 FANR VAC (2003)
8 Cromwell (2002)
9 FANR VAC (2003)
10 FANR VAC (2003)
11 FANR VAC (2003)

2 The politics of policy failure

Policies that are supposed to promote agricultural development and food security fail for different reasons. Politics is part of the explanation much of the time, but usually it is not the only factor to be considered. Also, politics can be important in a number of different ways, and not all political influences on policy are strongly patterned in a way that reflects the fundamental institutional features of the prevailing political system. Nevertheless, it is the contention of this section that the main features of the policy regime governing agriculture in the case-study countries can only be understood if reference is made to the neo-patrimonial character of the political systems of those countries.

In attempting to explain the failure of policies to alleviate food insecurity, it is necessary to consider the political context in which those policies are formulated and implemented. That context is shaped by the logic of neo-patrimonialism, which determines which policies get implemented, how they are implemented and what resources are allocated to their implementation. In the period that concerns us, a major policy pattern to be explained is the non-implementation of key elements of the neo-liberal reform agenda to which, to a greater or lesser extent, policy makers are nominally committed. Much of the politics literature on the subject takes as its focus this ‘partial reform syndrome’ (van de Walle, 2001: 60-63). Our argument is that if this particular policy pattern can be understood politically, we are better placed to understand the political factors that will influence the adoption and pursuit of any alternative policy package.

We begin by explaining the concept of neo-patrimonialism, and how it has been applied by political scientists to assessing the African experience with structural adjustment. We then focus more closely on how the logic of neo-patrimonialism has been shown to affect the policy process concerning food security and agriculture, and in turn shaped the relevant policy outputs. The effects on food security arrangements in the case-study countries are examined in more detail in the following section.

2.1 ‘Neo-patrimonialism’: the concept and its significance

The concept of neo-patrimonialism is central to the literature the nature of politics in Africa. The term has been used in major studies in the political science of Africa since the 1970s (for example, Waterbury, 1973; Levine, 1980; Médard, 1982; Callaghy, 1984; Sandbrook, 1986; Bratton and van de Walle, 1997). Other authors have analysed the same phenomena in substantially similar way, while using different terminology (for example, Jackson and Rosberg, 1982; Joseph, 1987; Bayart, 1993; Bayart, Ellis and Hibou, 1997; Tangri, 1999; Chabal and Daloz, 1999). The concept refers to the hybridity of African states, in which patrimonial practices coexist with a modern state bureaucracy (van de Walle, 2001: 51).

Max Weber identified ‘patrimonialism’ as a type of traditional political authority in which the ‘chief’ uses his position for his own personal gain (Weber, 1974: 347). In a significant number of post-independence African states, state resources are constantly appropriated for private gain, through client–patron networks, rent-seeking and prebendalism (Chabal and Daloz 1999: 9; van de Walle 2001: 52). The authority of the ruling regime is effectively guaranteed by the distribution of socio-economic resources to clients, rather than by ‘legal-rational’ mechanisms, such as the rule of law, meritocracy and political accountability.

In most of sub-Saharan Africa, patrimonial practices of personalised exchange, clientelism and political corruption have become internalised in formal political institutions and provide ‘essential operating codes for politics’ (Bratton and van de Walle 1997: 63). In addition, African states are usually characterised as having:

a) a strong executive to the detriment of the judiciary, parliament and civil society – often with power concentrated in the hands of a president (for example, Mugabe in Zimbabwe) (Chazan et al., 1992: 161–68; Bratton and van de Walle, 1997: 63–65);
b) an overblown, inefficient and corrupt civil service – the ‘Africanisation’ of the public bureaucracy in the post-independence period led to its rapid growth, with civil servants using proximity to state resources for self-aggrandisement and material advancement (Chazan et al., 1992: 54–57); and
c) a weak/marginalised civil society. In most countries, there are very few formal associations, autonomous from government. Vertical social linkages of kinship tend to take precedence over horizontal linkages of class (Chabal and Daloz, 1999: 18–22). Even where formal associations (such as trade unions, community development associations or business associations) exist, these are either marginalised from the decision-making process or are co-opted by government into patron-client relations.

Post-independence states were rooted in the political, social and economic conditions experienced under colonialism. On coming to power at independence, African elites inherited a state system established by the former colonial rulers. This system lacked legitimacy, capacity and resources. It was geared towards law enforcement and control of ‘native’ populations, and secondarily if at all to their welfare. Mechanisms of accountability did not exist and civil society was weak. Economies had been geared towards serving the needs of the coloniser rather than the needs of the colonised. It was in this context that the new elites used the state and its resources to establish their political authority (Tangri, 1999: 7–17).

The trend was, understandably, towards state interventionist measures in the economic sphere, with state ownership of industry, state regulation of agriculture through marketing boards, active pricing policies and subsidised inputs, and state provision of health and education. As well as having ample justifications in colonial practice and the prevailing ideologies of the time, these policies enabled the state to control substantial economic resources and to distribute them in a way that built a political following for the ruling groups (ibid; Bratton and van de Walle, 1997: 66-67).

In the process, new social layers were created and became dependent upon state resources for their continued livelihoods. However, as time went by the extractive pressures that an overgrown and inefficient state and parastatal apparatus imposed on the productive economy led to reduced economic growth. Wages and salaries began to lose value, and corruption increased, as politicians and public servants searched for new ways of subverting the division between the public and the private spheres formally enshrined in the structure of the state.

In addition to patronage, post-independence states relied, as colonial ones had done, on coercion as a means of eliminating alternative sites of political power. At times, there was resistance to this, sometimes developing into civil conflict. However, the overall effect was to weaken or marginalise civil society or effectively incorporate it into the patronage system of the rulers. These policies continued until the end of the 1970s, when the oil crisis coupled with the unsustainable cost of state involvement in markets and falling world market prices for primary African exports, sent African economies into a fiscal crisis. This made it difficult for African states to continue with the former level of expenditure and economic reform became necessary.

2.2 The African state in the era of structural adjustment

The expectation in many quarters was that neo-liberal economic reform, by eliminating the main sources of state 'rents' and official corruption, would remove the basis of patrimonialism. However, most political analysts argue that, rather than undermining the neo-patrimonial state, structural adjustment programmes have helped neo-patrimonialism to survive, often channelling it into more repressive forms (Harrison, 1999; Chattopadhyay, 2000; Bartlett, 2001; Sachikonye, 2002; Hanlon, 2002a; Hanlon, 2002b). This has been able to happen because reform has been partial. Ruling elites have in practice been able to manipulate the implementation of reforms in a way that has transferred most of their costs to others, while defending key sources of patronage revenue.

The 'taming' of structural adjustment[12]

Van de Walle (2001) and Jayne et al. (2002) identify a pattern of structural adjustment reforms in which fiscal stabilisation policies are implemented whilst deeper structural reforms (such as, reducing state intervention in agricultural markets) are resisted.[13] This pattern corresponds with a logic in which

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[12] The phrase comes from Chabal and Daloz (1999).

[13] The econometric analysis of data from eight African countries by Lopez and Hathie (2000) found that structural adjustment policies had been more effective in reforming exchange rate distortions than in liberalising commodity markets. Output policies varied across the country cases, while input subsidies were also variable, mainly across types of crop.

governments maintain their control over those resources important to maintaining the relations of patronage that underpin the political order. Governments have in general devalued national currencies, and reduced general public expenditure, including on health and education, and retrenched public sector workers on a fairly significant scale. However, measures that would have implied more substantial political costs in the above sense have been resisted, even though the effect of doing so has been to create a high level of policy incoherence.

As the pie of state resources has shrunk, an increasing number of citizens have been deprived of the benefits of state largesse. Consequently, some regimes have had to resort to repression in order to maintain political authority in the face of rising discontent.[14] Elsewhere, donor support has enabled the political costs of reform to be distributed in a way that has left the essential mechanisms of rule unchallenged, preserving social peace but at some considerable cost to the effectiveness of the state as an agent of development.

In summary, donor support to structural adjustment has contributed powerfully to the maintenance of neo-patrimonialism, and in turn this has affected the pattern of policy reform, compromising its coherence and effectiveness. In addition, different parts of the politics literature suggest three further general effects. Adjustment funds have tended to take over developmental functions previously performed by the state; adjustment reforms, notably privatisation, has fuelled corruption; and the adjustment regime has worked against the development of democratic accountability.

Structural adjustment funds have enabled the state to withdraw from development

Van de Walle (2001) shows that the combined effect of the fiscal crisis and support to adjustment reforms has been that states have reduced expenditures on developmental activities financed with national revenues. In order to support the structural adjustment process, donors stepped into the breach, with health and education in Africa now being substantially financed by aid money. This has enabled regimes to switch resources towards protecting state elites from the effects of austerity. Van de Walle documents the way in which ‘sovereignty expenditures’ (that is, spending on defence, international diplomacy, government offices and forms of conspicuous consumption by state elites) have been unaffected by structural adjustment reforms.[15] Meanwhile, donors have failed to engage with governments on this issue, despite the high opportunity cost of this type of expenditure for the ability of the state to address poverty.

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[14] For example, the suppression of periodic ‘food riots’ in Zimbabwe since 1998, or the assassinations of individuals investigating corruption in bank privatisation in Mozambique; Hanlon, 2002a.

[15] For example, in 1984, the World Bank noted that Zambia spent more on its diplomatic services than on primary school provision (cit. in van de Walle 2001: 109). More recently, the Ministry of Foreign Affairs of Malawi asked donors to buy them five houses in New York (Diane Cammack, pers. comm. May 2003).

Economic liberalisation has fuelled corruption …

As van de Walle (2001) notes, one of the structural adjustment reforms that African governments have generally adopted is the privatisation of state enterprises. This has represented an effective way to reduce public expenditure and improve the fiscal balance. However, it also provides new opportunities for state elites to acquire personal wealth in non-transparent ways.

The logic of patrimonialism produces a situation in which state resources are seen as legitimate targets for appropriation by the ruling group. Joseph Hanlon (2002a) documents how a section of the Mozambican state elite close to the president have acquired national banks in the privatisation process as a result of the non-implementation of rigorous transparency and accountability rules. He argues that this behaviour has been encouraged by the IFIs, which have 'turned a blind eye' to corruption, being more concerned with the government's commitment to economic liberalisation. Similar points are made by John Craig (2000) in relation to Zambia's privatisation process.

… and failed to improve accountability

Donors' obsession with market deregulation and privatisation is seen by many observers as actively contributing to the lack of democratic accountability in African countries. First, the interest in sustaining governments' commitment to policy reform tends to overwhelm everything else. Donors often refrain from criticising governments' poor records on both corruption (as in the cases noted previously) and the slow pace of democratisation in general (see also Harrison, 1999; Hanlon, 2000b; and Bartlett, 2001). The anti-democratic tendencies in the neo-patrimonial state are overlooked for the sake of not undermining their supposed commitment to economic liberalisation.

Second, governments wish to appear to meet reform conditionalities (even if they are only doing so nominally) in order to access international loans and grants. This renders them more attentive to donor opinions about policy-making and implementation than to their own citizens. Whatever real mechanisms of political accountability do exist are undermined. Meanwhile, African citizens have no means of holding donors to account for *their* policies or their recommendations to African governments.[16]

2. 3 Food security and the policy process

There are multiple reasons why policies related to food security fail to reach their objectives. These include, lack of capacity within government, lack of intra- and inter-agency coordination over food security policy, lack of attention to budgetary implications of policies at the formulation stage and a failure to address the necessary institutional transformation and policy sequencing (Forum for Food

[16] Regarding the negative impact of World Bank policy prescriptions in relation to the Mozambican cashew nut industry; see Hanlon 2000c.

Security in Southern Africa, e-discussion, June 2003). These kinds of issues are often treated as technical problems, subject to technical solutions. However, we argue that this is seriously to misunderstand their nature. The technical difficulties of policy formulation and implementation frequently have political sources.

Putting technical policy deficiencies in their political context

Politics provides the context for policy making in all countries, and rightly so. However, neo-patrimonial politics has the distinctive quality of structuring policy making and implementation in a way that systematically diverts public resources for private gain. This frequently leads to poor policy formulation, inferior implementation and policy failure, undermining development possibilities that are already restricted by social and economic constraints.

The operation of neo-patrimonial politics in relation to the area of food security is an understudied area. Much of the literature on food security tends to make policy recommendations without considering the political context in which policies are implemented. Limited linkage is made between politics, poverty and food insecurity, de-politicising debates, which then focus on technical issues of production and marketing rather than redistribution and poverty reduction (Duncan, 1998).

There are three notable ways in which the political logic of neo-patrimonialism contributes to food insecurity:

1. Food security policies are formulated and implemented with a view to maintaining patronage networks or guaranteeing political support, rather than to improve food security – usually entailing *inefficiency in the use of scarce resources*.

2. State resources that could be targeted for food security are diverted towards other areas in which there exist stronger political or personal interests – that is, important *opportunity costs* are implied by the logic of neo-patrimonialism.

3. Governments are accountable primarily for their performance as dispensers of patronage, and not for the effectiveness of their policies – so that, even when food security is a clearly recognised policy objective, *political responsiveness to indications of food insecurity is weak*.

As discussed below, these factors combine to influence the three formal levels of the policy process: policy formulation, policy implementation and accountability for results. We describe these as formal levels because in reality policies are strongly shaped by what are called implementation processes, lack of accountability is intrinsic to the content of policy, and so on. These distinctions are a convenient way of structuring the exposition, but they do not correspond closely to the reality of the policy process.

It is also important to recognise that resource allocation occurs in two ways – the official, and the unofficial/informal/extra-legal. Official resource allocation is linked to the implementation of stated policies, such as the provision of subsidised agricultural credit. Unofficial resource allocation refers to actions taken by state agents that are not part of declared official policy, such as, the channelling of subsidised agricultural credit to certain groups that are politically important or to relatives or friends. Both kinds of policy are important in the field of food security.

Neo-patrimonial logic in policy formulation

In general, political concern about food security in the region has not been primarily concerned with ensuring access to food for households. It has focused rather on national aggregate food levels and, in particular, on the attainment of national food self-sufficiency. To the extent that there is interest in the consumer, it is the aggregate urban supply that matters. Policies tend to be largely geared towards ensuring regular supplies of cheap food for urban constituencies (Devereux, 2002c).[17] This policy posture can put the poor at risk in the short run.[18] More important, it can hinder the policy and institutional reforms necessary to achieve both rural and urban food security in the longer run (Duncan, 1998).

The concern with the aggregate national, and especially urban, picture has a political source. As one observer puts it: ‘A country that cannot feed its own people […] loses political respect’ (Mano, e-discussion, Forum for Food Security in Southern Africa, 5 June 2003). In addition, the focus on reliable urban supplies is rational within the logic of neo-patrimonialism because it legitimises state involvement in agricultural markets and thereby enables the government to retain control over important economic resources (such as, agricultural trade, inputs and marketing).

Even if it were not for the second source of interest, it would be difficult for governments to abandon a commitment to national food self-sufficiency. They perceive that their legitimacy depends upon it. All the case study country governments, at some point, have advocated a policy of self-sufficiency, although there are some variations and partial exceptions.

Jane Harrigan argues that, in Malawi, the UDF built its legitimacy by advocating strong state intervention in the agricultural sector in order to guarantee national self-sufficiency in maize. This reflected the legacy of the Banda years, in which populist appeal was based on strongly identifying government legitimacy with maize availability (Harrigan, 2003: 856). As a result, the Malawi government is resistant to reforms that would lead it to scaling down state involvement in the agriculture sector, despite the fact that ADMARC (the principal state body

[17] For eight African countries (including Egypt and Morocco) Lopez and Hathie (2000) found a strong relationship between the extent of agricultural subsidies and the degree of urbanisation and number of people per unit of agricultural land, in a manner consistent with a cheap-food orientation in policy.

[18] As Chattopadhyay (2000) argues in relation to Zimbabwe, household food insecurity can increase even in a context of increasing aggregate food supply, due to increasing food prices, coupled with declining incomes and decreasing political accountability.

involved in providing agricultural inputs and marketing produce) places a heavy burden on state finances.

Lesotho has also traditionally concentrated on self-sufficiency, launching the Food Self Sufficiency Programme in the early 1980s. The programme aimed to provide farmers with access to state owned machinery for cultivation and harvesting. It was hoped that this programme would be self-financing, but it continues to absorb very substantial subsidies.

Mozambique appears to be an exception among the case-study countries in that an explicit link has been made by policy-makers between food insecurity and rural poverty. During the civil war food security was not the remit of the Ministry of Agriculture, as in many countries of southern Africa, but the Ministry of Commerce, which hosted a multi-ministerial working group. The Ministries of Commerce and Health were strong players in this group and the role of the Ministry of Agriculture was much more limited.

War meant that domestic agriculture could play only a limited role in supporting food security, while elevating the importance of the Ministry Commerce, which co-ordinated food aid (Sylvester, 2003: 6–7). In the post-war context, the inter-sectoral approach to food security has faltered and agriculture has become more important in food security debates. Policies have tended to lack innovative thinking, leading, among other things, to a tendency to equate food security with self-sufficiency in the rural areas (ibid: 7). However, the concentration on ensuring urban supplies that is characteristic of the rest of the region is still lacking.

Political irrelevance of the technical critique of neo-liberalism

In general, the political context of continued state intervention in food markets is a blend of factors, including the totemic significance of national self-sufficiency, the political salience of urban food supplies and the continued importance of intervention as a patronage resource. While in technical circles there is no doubt appreciation of the textbook case for intervention to correct market failures, it is an illusion to suppose that such an appreciation plays a role at the political level, even when – as sometimes happens – technicians become ministers.[19] This is important, because a sophisticated post-Washington-Consensus approach to market-based rural development, such as the one outlined in Theme Paper 3, to be effectively applied, could not be applied effectively without political support.

Something similar applies to the policy of land redistribution that has been adopted by some governments in the region, nominally as a way of stimulating food production as well as a means of achieving social justice. The case of Zimbabwe is very illustrative here. Valid social and economic arguments in favour of land redistribution do exist, but they are more or less irrelevant to understanding the real policy process. Land policies have been used for directly political purposes, as a mechanism for President Mugabe to shore up his declining political support and to attack his political opponents.

[19] Malawi Minister of Agriculture who was recently sacked.

Neo-patrimonial logic in the implementation of Zimbabwe's land reform

The issue of land reform in Zimbabwe also exemplifies the way in which the logic of neo-patrimonialism (that is, the use of state resources for political/personal gain) affects the policy implementation process. It could be argued that even if the Mugabe land policy is being driven by political motives (what land reform has not been?), it could have social and economic benefits. However, the available evidence suggests that rather than producing an equitable distribution of land, it is in some key areas merely changing the basis of inequality from settler rights to political cronyism. Rather than leading to an improvement in the livelihoods of small farmers, it has greatly contributed to the increased food insecurity that has been registered in the last few years.

As is well known, in the implementation of the land reform, the Zimbabwean regime has undermined the rule of law and security of the person and private property by encouraging illegal actions in regard to land redistribution. In the spring of 2000, thousands of communal farmers and war-veterans were encouraged to squat on prime farmland owned by commercial farms. The government approved legislation in April 2000 to seize land from the commercial farmers without compensation. There is evidence that seized land has been disproportionately allocated to senior people in the administration and war veterans, rather than poor, smallholder farmers (Africa Confidential, 2002b).

Medium-term political benefits of the patronage type have no doubt been gained from this process. However, seizures have seriously disrupted agricultural production by displacing commercial farmers who have been responsible for managing much of the best cultivable land in the country. Meanwhile, the government has not provided the necessary technical and financial support to those who have gained access to land. In addition, the insecurity in the country resulting from the land seizures has combined with deteriorating macro-economic conditions to deter potential investors in agriculture, and in the economy in general (Chattopadhyay, 2000: 314).[20]

Other patterns in implementation and de facto *policy*

The Zimbabwe experience may be best viewed as an extreme case of the diversion of state resources to the reinforcement of patronage links in the implementation of policy. In the case-study countries, the distribution of inputs (credit, starter packs and so forth) and the mechanisms of food marketing are routinely skewed in favour of those social groups whose support the regime seeks to secure.

For example, state-subsidised agricultural credit in Zambia has represented a form of patronage to small-scale farmers and was seen to be an important mechanism for ensuring continued support for the ruling party in the run-up to the

[20] In the 2002 presidential campaign, those who criticised the land reform policy were, nonetheless, dismissed by Mugabe as 'sell-outs' to western imperialism and the white community (Sachikonye, 2002: 17).

1996 elections (Copestake, 1998: 20-23). While the distribution of cheap credit is declared policy, in its implementation, there has been a *de facto* policy of not enforcing repayments. This entails an opportunity cost. As the implementation modalities very likely favoured small farmers with good connections, it is a case of political priorities within a neo-patrimonial setting overriding the needs of the most food-insecure (ibid).

On the marketing side, the price of maize has often been suppressed by governments in order to enable a supply of cheap food to urban populations (for Zambia, see Farrington and Saasa, 2002: 19; for Malawi, see Devereux, 2002c). In addition, where food subsidies are also used, they divert state resources from maize (net) producers (in rural areas) to maize (net[21]) consumers (mainly, although not exclusively, in urban areas).

Thus, policies are normally implemented in ways that cement patron-client relations, rather than ways that would be optimal from an economic and social perspective. At the same time, access to state resources (in a context of lack of accountability mechanisms) may open the way for straightforward corruption and nepotism. The most spectacular example is the way valuable state resources (maize from the Strategic Grain Reserve) were used by politically connected people for private gain in Malawi, thereby contributing to the 2002 Malawi food crisis.

Well-connected people in Malawi profited from the 2002 food crisis by buying maize sold off by the Strategic Grain Reserve (SGR), hoarding it and selling it back to the SGR for huge profits after the government raised the price of maize (Devereux, 2002c: 11). By buying up SGR maize, they created an artificial market shortage, which pushed the price up. The Catholic Commission for Justice and Peace released a list of names of purchasers of SGR maize, which included a number of politically well-connected people. These people would have known about the coming food price hike. Donors were reluctant to provide food aid until the government explained to them where the SGR maize had gone, arguing that the food crisis was illusory if the maize was actually still in Malawi but being hoarded (ibid: 15). The risk of serious famine was thereby enhanced.

This experience in Malawi represents, perhaps, an extreme manifestation of the potential of patrimonial politics to generate implementation modalities that imply risks for already very vulnerable people. However, it also illustrates the kind of thing that can happen when regulatory mechanisms and democratic accountability sink to extremely low levels. Patrimonial logic is also a contributory factor in this respect.

Patrimonialism as a cause of weak accountability

All of the case-study countries now enjoy formal competitive politics. However, by the corresponding standards, there is a severe deficit of democratic accountability. Instead of providing an opportunity for citizens to hold

[21] Net producers are those who sell more maize onto the market than they purchase from it. Conversely, net consumers buy more than they sell.

governments to account, elections provide an added impetus for ruling parties to use state resources to gain political support. Formal representation is structured by patronage and nepotism, not by policy preferences or policy results. Despite the famous observation of Drèze and Sen (1989) regarding the place of democratic institutions in the abolition of famine, the democracies of southern Africa provide poorly for the voices of the undernourished to influence decision making.

As we saw in Section 2.4, observers of politics in Africa have noted that both corruption and coercion characterise many governments in the region. Even more generalised qualities are a high degree of centralised decision making and wafer-thin accountability for policy and its effects. While this applies to most policy spheres, it is particularly damaging in the field of food security.

For example, in Lesotho, policies related to food security are developed at the central level. Local stakeholders do not have an input into these policies (Mphale et al., 2003: 3). Community associations, which are close to the 'grassroots', do not participate in the decision-making process. Civil society generally has little influence in the policy-making process. In principle, parliament has responsibility for the approval of food security policies and programmes (ibid). However, in practice, these policies and programmes are approved not on the basis of effectiveness but on the basis of 'solidarity' – implying the operation of principles of patronage and nepotism. As a result, citizens of Lesotho are unable to hold their government accountable for food-security policies.

Despite the fact that civil-society organisations in Malawi warned of the impending food crisis from 2001, their predictions were ignored by both national policy-makers and donors (Devereux, 2002c: 11-12). This may confirm the generalisation that food insecurity rarely becomes a political issue unless large numbers of the urban population are affected simultaneously (Maxwell, 1999). Some observers argue that donors appear to have more input into national policy-making than citizens – a charge levelled not only in relation to food security but also to all areas (for example, see de Waal, 1997: 49–64). However, donor influence may also be exaggerated. In the final analysis, the logic of patrimonialism may undercut issue-based accountability to both citizens and donors, to the detriment of the food-insecure.

In default of formal accountability, one might expect the vigorous and (outside Zimbabwe) increasingly free mass media to play a positive role. However, the media do not function effectively in relation to food security. In some countries, this may be mostly due to self-censorship and/or state control of large parts of the media (for example, in Zimbabwe. See Forum for Food Security in Southern Africa, e-discussion, 5 June 2003). However, across all the case study countries, there is little serious discussion of the issue of food security. Domestic media and political debates focus on specific instances of corruption and inter-personal wrangling and are strangely silent on the food crisis.[22] Consequently,

[22] A review of copies of Africa Confidential from 2001–03 showed that either food insecurity was not considered 'political' by Africa Confidential, or that domestic media failed to cover the issue. There were no articles discussing the crisis, its

governments have little trouble in putting the blame for food insecurity on either the climate or outside actors (such as, donors).

In Malawi, for example, debate regarding the causes of food insecurity have mostly focused on the role that structural adjustment has played in making inputs unaffordable for farmers (Forum for Food Security in Southern Africa, e-discussion, 5 June 2003). In Zimbabwe, the government owned media has followed the official line that food shortages are due to drought (ibid). The role of government action or inaction in creating the underlying conditions of food insecurity is not on the agenda of public debate because, in the final analysis, that is not what politics is about.

A new political contract?

For Alex de Waal (1997), the lack of accountability is the most important explanation for the inability of African governments to address adequately the problem of food insecurity. He proposes a 'political contract' model of famine prevention, which involves a political commitment by government, recognition of famine as a political scandal by the people, and lines of accountability from government to people that enable this commitment to be enforced (p. 2).

Other authors have proposed that a 'right to food' must be institutionalised through a campaign that raises awareness of individuals' right to food and empowers people to hold politicians accountable if the right to food is violated (Devereux, 2002c: 27). The proposals are not unjustified. However, it needs to be recognised that they are working against the grain of politics in the study countries. The political culture in neo-patrimonial states is profoundly discouraging to such initiatives – except perhaps as a superficial concession to international pressure – in that 'citizens' continue to be treated as the 'subjects' of the ruling regime. Citizenship has not been defined in such a way as to confer political and civil rights to confront authority. In this regard, it is the case that 'communities need empowerment' (ibid), but that may not be a practical option for some time to come.

2.4 Summing up

In this section, we have introduced the concept of the neo-patrimonial state, and examined what the literature says about how the pattern of politics in such a state interacted with donor support to affect policy patterns in the era of structural adjustment. We have also reviewed the ways in which neo-patrimonialism tends to shape the policy process (formulation and implementation) in respect of agriculture and food security. This form of politics in the study countries has influenced food policies and their outcomes in the following broad ways

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contributory causes or civil society's responses to government failures on the issue.

- The political interests of ruling elites have been defined in a way that systematically conflicts with the principle of maximising the welfare of citizens. Agricultural policies have been formulated as a means of guaranteeing political support, particularly in the run-up to elections – this favours large symbolic gestures, the distribution of largesse and promises of favours, but not, in general, promises to resolve structural problems with better policies.

- Policies are pursued that allocate economic resources inefficiently, with high opportunity costs from the point of view of meeting the real needs of the food-insecure. State intervention in supply of agricultural inputs, pricing and food distribution persists for political reasons. While a technical case can be made for instituting some measure of official intervention to help to make markets work for the poor, as in several of the Theme Papers in this series, it is not the case that this is what is driving current policies. The political logic revealed by the analysis of current policies would need to be taken very seriously in any design work based on these arguments.

- Intermittently, but on an occasionally massive scale, state resources are diverted unofficially for personal gain, through corruption and nepotism. Even in the face of massive threats to the food security of the population, such occurrences are not subject to effective domestic accountability. Civil society, the media and parliaments face serious difficulties in holding governments to account, despite the existence of multi-party politics. A major source of difficulty is the way neo-patrimonialism detracts from issue-based political competition in general.

The next section makes the case for a political understanding of food-security policy making in more detail. Again, the immediate focus is on explaining the ways in which governments in the region have maintained state involvement in agriculture, despite nominally implementing a liberalisation process, and the consequences of this pattern for food security. However, the underlying concern is to uncover the political forces that would be expected to affect the practical results of any approach to market-based food policy.

3 How food security was affected

Ideally, policy analysis assessing government failures to tackle food insecurity should be holistic and multi-sectoral (Makhura, 1998). It should examine government efforts to stabilise the macro-economy and create an enabling environment for investment, the adequacy of investment in infrastructure, support for the diversification rural economies and actions to address the HIV/AIDS pandemic. Overall good governance and a holistic poverty reduction strategy are, of course, essential for improving policy in the area of food security.

Some of the other issues which would contribute to providing a more rounded analysis of policy and governance failures are tackled in the other Theme Papers produced for the Forum for Food Security in Southern Africa. A lack of time and space has forced us in this paper to focus on the links between neo-patrimonialism and measures directly affecting the agricultural sectors of the case-study countries.

We also focus particularly on explaining what has been called the 'partial reform syndrome' (van de Walle, 2002; Jayne et al., 2002). This seems justified in two ways.

First, as we have argued in previous sections, using political analysis to explain failure to adopt particular policies, such as market liberalisation, does not commit one to those policies; alternative policies might well be preferable, but that is another question. Second, the degree to which agricultural and food security policy in the study countries continues to involve state intervention in markets after two decades of economic liberalisation in Africa is quite striking, and certainly calls for a robust explanatory effort. A few additional words are necessary on each topic before we proceed to the main business of this section.

3.1 Why focus on partial reform?

A strong case has been made against the pure neo-liberal agenda for food and agricultural policy in Africa. The argument that limited forms of state intervention are necessary to help markets to develop and work in ways that reduce poverty and enhance food security is sound, at least at the technical level (the 'what' as opposed to the 'how' of Omamo's, 2003, paper).

There are some very simple points. For example, it is widely recognised that the abandonment of pan-territorial pricing for food staples has had negative effects on poor people in area distant from major markets (Chilowa, 1998). Often, where the state has withdrawn from an activity, the private sector has failed to fill the gap (for example, the shortage of agricultural inputs and the serving of remote rural areas in Malawi). Some argue, on more sophisticated grounds, that the market alone is unable to address food insecurity and that state interventions that promote secure and low-cost availability of and access to food are necessary (Devereux, 2002b: 4; Dorward and Kydd, 2003).

Based on these arguments, legitimate role for state intervention would include maintaining a strategic grain reserve large enough to bridge food production deficits until imports arrive; importing food when domestic production plus commercial imports are inadequate; establishing temporary 'social markets' in poor and vulnerable communities; either subsidising staple food or intervening in the market to smooth price fluctuations (Devereux, 2002a); ensuring adequate credit facilities for petty private traders (Chilowa, 1998: 566); providing smallholder services that are not provided by the private sector, as distinct from supplanting private sector services (Duncan, 1998: 473).

Trade liberalisation for maize may not be the best way forward in all circumstances. Devereux contends that it costs much more for land-locked Malawi to import food than to grow it, thereby making a focus on stimulating domestic production more important (Devereux, 2002a).

In addition, several authors argue that governments must focus on poverty alleviation in order to increase household food security (Chilowa, 1998: 566; Duncan, 1998: 463-64; Maxwell, 1999: 1940-41). This may include designing effective social protection programmes (Duncan 1998: 473). In addition, governments must improve the macro-economic/infrastructure environment for food markets (Chilowa, 1998: 566; Duncan, 1998: 473).

There is nothing self-evidently wrong about any of these suggestions. However, at a minimum they are incomplete, requiring some indication of how states accustomed to market-distorting interventions that crowd out the private sector might be inducted into more fine-tuned operations geared to removing imperfections and enabling private effort. It makes sense for some purposes to visualise the policy options available to a state conceived as a rational actor pursuing socio-economic development objectives. But sooner or later, this needs to be joined up with a consideration of the *actual* state and how it works.

In investigating the actual state, the focus on the non-implementation of liberal reforms has some substantial justifications. A cursory examination of the case-study countries shows that governments continue to be involved to a high degree in the supply, regulation and marketing of food inputs and outputs. This is despite the fact that all countries have attempted, to some degree, to liberalise agricultural markets. Where reforms have occurred, moreover, they have frequently affected the poor in negative ways.

Evidence from the case-study countries shows that:

- governments control the maize trade to a lesser or greater extent;
- agricultural sectors in many countries in the southern African region consist of a hybrid of parastatal regulation and full liberalisation; the continued domination of the state both damages the development of the private sector and places a huge burden on state finances;
- the governments of southern Africa have not retained equal levels of involvement in agricultural markets: Zimbabwe is at one end of a

continuum and Mozambique at the other; but compared with, say, East Africa, the average level of intervention in food-crop markets is high;

- governments in the region have claimed to want to see the private sector develop, but have acted in many instances to undermine it. They have underestimated the time, institutional support, not to mention macro-economic stability and suitable infrastructure that are necessary for markets to develop and have acted prematurely to re-enter markets (for example in rural credit).

Tables 2 and 3 and Box 1 at the end of Section 3 give details of the reforms in Zambia, Zimbabwe and Malawi. Annex 1 provides a summary of agricultural policies in Lesotho, Malawi, Zimbabwe, Zambia and Mozambique.

The resistance of governments to withdrawing from agricultural markets may be due to the failure of the private sector to fill the void, or a lack of trust on the part of governments that the private sector is able to take over its role in agricultural markets. In addition, the high level of state involvement in agricultural markets may be due to the difficulties in identifying and mobilising a constituency for reform of these markets (Farrington and Saasa, 2002: 10).

Equally, however, continued state involvement acts to undermine the private sector, so that lack of confidence in the private sector becomes a self-fulfilling prophecy (Jayne et al., 2002). In addition, state intervention often entails huge fiscal burdens and begs the question whether state resources could be more effectively targeted for alleviating food insecurity. Finally, state involvement is often inefficient and fails to tackle food insecurity amongst the most vulnerable groups.

3.2 State involvement in the provision of inputs

Examples from across southern Africa reveal the different ways governments are still involved in the supply of agricultural inputs. The leading examples come from Zambia, Lesotho and Malawi.

Maize credit in Zambia

In Zambia, the Food Reserve Agency (FRA), established in 1996, is responsible for the integrated financing and distribution of fertiliser in addition to maize purchasing (Cromwell, 2002). Nominally, input prices are determined by the market. However, in reality, fertiliser prices are strongly influenced by the FRA, which makes annual estimates of Zambia's fertiliser requirements and contracts private firms to import and supply fertiliser to farmers in specific parts of the country at a 50 per cent subsidy (ZNVAC, 2003: 30; Kalinda et al., 2003: 44-45).

The Zambian government has in fact imported fertiliser every year since economic reforms began (Farrington and Saasa, 2002: 10). The private sector has called on the government to stop intervening and to concentrate on improving infrastructure,[23] but the government says that it does not trust the private sector to supply to remote rural areas (Kalinda et al., 2003: 45). The government also perceives its involvement in fertiliser supply to be part of its political settlement with rural people.

Despite this, post-harvest data show that only 20 per cent of smallholder farmers used fertiliser during 1999/2000. Those benefiting from government-subsidised fertiliser tended to be the non-poor in less remote areas, indicating that the government programme had few delivery advantages over the private sector (USAID, 2003: 20). In addition, the heavy involvement of government does make its scepticism about the private sector self-fulfilling, as it hampers the expansion of those fertiliser traders not connected with government programmes (ibid, 2003: 22).

As mentioned in Section 2, the Government of Zambia is also heavily involved in the provision of subsidised credit, including credit to enable smallholders to purchase fertiliser. We can now analyse this in a bit more detail.

The Agricultural Credit Management Programme (ACMP) was launched in 1994 as a transitory arrangement for reducing state subsidies whilst strengthening the capacity of private traders to act as intermediaries in the financing and delivering of inputs to small-scale farmers. James Copestake (1998) examines the ACMP through a disaggregated cost-benefit analysis. He finds that ACMP a) had an adverse effect on rural financial development (ibid: 20); b) sustained smallholder maize production in the short term, though other public interventions could have been targeted more effectively at the most food-insecure (ibid: 20-23); and c) was consistent with the government’s commitment to de-subsidise credit while avoiding short-term political costs (ibid: 24).

During the 1997-98 agricultural season, the government stopped providing credit to the intermediary institutions. However, it only gave the private sector a single growing season to ‘fill the void’, and from the 1998-98 season onwards, it resumed the provision of fertiliser credit through the FRA. Continuing low credit recovery is predicted to contribute to the collapse of the FRA (Kalinda et al., 2003: 49), which is soon to be replaced by a Crop Marketing Authority (CMA). There is no economic rationality that would explain this chain of events.

Input supply in Lesotho

During the early 1990s, in response to international thinking on state involvement in production and markets, the Lesotho government attempted to make agriculture more competitive and responsive to market signals. Regular explicit subsidies of agriculture stopped, except during emergencies. However, in reality subsidies of 30 per cent were offered for seeds and/or fertiliser in most years from 1994 to 2002.

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[23] Market analysis and information has demonstrated that the private sector has the potential to develop fertiliser markets and is capable of importing large volumes of fertiliser (FRSP, 2003: 19).

The Government of Lesotho is thus still involved in agricultural markets. One of the main responsibilities of the Ministry of Agriculture is the distribution of inputs (Mphale et al., 2003: 5). However, they are often delivered late, negatively affecting yields (ibid: 18).

ADMARC in Malawi

In Malawi, the parastatal organisation ADMARC continues to be responsible for the purchase of agricultural inputs. However, ADMARC is not effective in this role, and shortages of inputs restrict the expansion of maize production. Some commentators suggest that the best way to reduce the constraint in the short to medium term is a large-scale programme offering free inputs, targeted only by geographic area (Levy and Barahona, 2002). However, donors are at odds on this issue, with DFID supporting ‘starter pack’ programmes and the EU recently turning firmly against them.

The technical arguments surrounding starter pack and targeted input programmes are discussed in greater detail in Theme Paper 3 on market development. The contribution of donors to policy incoherence on such issues is discussed in Section 4 of this paper. However, both the technical options and the donor debates have to be placed in the context of continued political interest in institutions of the ADMARC type, which is about patronage, not effectiveness.

3.3 State involvement in output marketing

In many of the study countries, governments are involved, one way or another, in setting the price of maize. In Zambia, the size of the FRA as a maize purchaser and its ability to cross-subsidise operations in remote areas allows it to dominate the market. In addition, the government is involved indirectly in maize production through the contracting of large-scale farmers to produce maize under irrigation (Kalinda et al., 2003: 26). Finally, the scale of government involvement in the import and sale of maize influences domestic maize prices (Kalinda et al., 2003: 44).

Contradictions of Zambian maize policy

In the context of a nominal liberalisation of retailing, the Government of Zambia is still occasionally willing to offer subsidies to influence consumer prices. Following the poor 2000/01 harvest, the government subsidised millers. Millers and traders benefited but these benefits were not passed on to consumers and prices remained high (ZNVAC, 2003: 31).

This policy reversed the normal government policy of attempting to maintain high maize prices by controlling formal sector imports (requiring agro-traders to apply for import permits and charging duty on imported maize) (Kalinda et al., 2003: 19). Maintaining high maize prices penalises poor urban households and the many rural households that purchase maize because they are unable to grow enough maize for year-round consumption. Beneficiaries of high maize prices are larger farmers and surplus households, strengthening this group's relationship with the government, but at the cost of undermining the food security of the most vulnerable.

Thus, Zambian policy is no longer driven by the imperative of cheap urban supplies. But the government is not insensitive to possible political backlash and when maize prices rise to above a 'politically unacceptable' threshold, and it may step in to introduce subsidies (Kalinda et al., 2003: 19). In either case, food is a highly political affair, but guaranteeing food security for the most vulnerable is not the focus of that politics.

Another example of Zambian government practice undermining the food security of the poorest is the channelling of government (and commercial) maize imports through large industrial mills. This bypasses the public markets for unmilled maize, leading to seasonal shortages of the unmilled maize bought by poor rural and urban consumers who take it to the hammer mills who produce cheaper, rougher meal. So, in periods of shortage, the poor must purchase pre-milled maize, effectively losing up to 20 per cent of their annual disposable income (USAID, 2003: 20).

ADMARC as a maize purchaser

In Malawi, markets are still strongly influenced by ADMARC, which purchases maize from smallholder farmers, stores it and sells it to consumers. In 1997, the World Bank pushed for the privatisation of ADMARC but the government resisted. ADMARC sets the price it will pay farmers for their produce, but government often intervenes to set the retail price at below market rates.[24] This leads to public- versus private-sector price differentials (RATES, 2003: 30) and ADMARC sustaining substantial losses (ibid: 8-9).

Dependence of smallholders on ADMARC for the purchase of inputs and marketing of crops has declined steadily since liberalisation in the late 1980s (RATES, 2003: 8). In normal years, private traders have a larger share of the market (ibid: 6). ADMARC offers below market prices, is unable to match private sector forward contracts and has poor liquidity, sometimes running out of money part of the way through a purchasing season. Nevertheless, in abnormal years ADMARC can play an important role in controlling and managing emergency stocks. Its substantial network and government subsidy help it to extend provision to remote rural areas in a way that, it is feared, the private sector would find it hard to replicate. Currently, the scale of ADMARC's operations in the rural areas, where it is still active, makes it a 'price setter' during the 'hungry gap', end-of-season period (RATES, 2003: 7). Private traders must squeeze profits if they want to compete, making entry into this market relatively unattractive and making government claims of market failure self-fulfilling.

Attempts to improve ADMARC's effectiveness, reduce costs and create more space in output markets for the private sector has led to it being restructured

[24] In late 2001 the ADMARC price of MK850 per bag of maize was lower than the free market price (of around MK1,500) (Stevens et al, 2002).

several times. However, it still places a heavy burden on government finances. Consequently, there is sustained pressure from donors to privatise ADMARC (RATES, 2003: 9; Diana Cammack, pers. comm.). Some fear that if ADMARC is privatised, poor and remote areas would be left without grain markets. This helps to make privatisation politically sensitive (RATES, 2003: 8). However, privatisation is also resisted for reasons that have little to do with concern about remote areas and the poor. Those factors should be expected to affect the quality of any privatisation process, the incentive framework for private sector action in any new set-up and the possibilities for restructuring state action to deal with market failures.

The decline of maize in Zimbabwe

In Zimbabwe, the government still remains very involved in agricultural markets, principally through the Grain Marketing Board (GMB). Throughout the reform process, the GMB has remained the dominant buyer of grain. It operates a two-tiered pricing structure, in which it sells maize to politically-influential, large-scale milling firms at prices that are lower than those charged to other buyers (Jayne et al., 2002: 1970). In addition, the GMB is once again the sole legal exporter and importer of maize and continues to employ pan-territorial and pan-seasonal pricing policies.

Overall, GMB operations have acted as a disincentive to producers, since farm-gate prices for maize have been suppressed to below export parity prices in order to reduce costs to government of purchasing and supplying urban consumers with maize (Mudimu, 2003: 34). Producers have responded by reducing areas planted to maize and diversifying into tobacco, cotton and groundnut, increasing exports in these products (ibid: 14). So, both the area planted with maize and output volumes have declined, reducing household and national maize surpluses. At the household level, many in the semi-arid communal areas increased their reliance on millet, sorghum and cassava, while national maize stocks were enhanced by imports.

In 2001, the government banned all private maize trading. The immediate impacts of this measure were:

- ZIMACE suspended trade in all agricultural commodities in August 2001.
- Private sector firms stopped purchasing grain directly from farmers. This reduced farmers’ cash income, and in already cash-starved rural economies this made the purchase of inputs for the following season nearly impossible.
- Marketing bottlenecks were caused by the inability of the GMB to get grain to maize-deficit areas.
- Maize deliveries to the GMB did not increase on account of the low price offered and the ability of producers to sell maize for higher prices in local markets. Alternatively, farmers who were able to do so withheld their grain for sale later. The remaining GMB infrastructure was too limited to allow many small farmers to reach collection points to sell their grain (Mudimu, 2003: 31).

In this way, the former break-basket of southern and eastern Africa completed the politically-driven cycle of output-market intervention and production decline that much of the rest of sub-Saharan Africa experienced two decades earlier.

3.4 State control of the import/export trade in maize

A further mechanism by which governments in southern Africa attempt to control domestic grain prices is through import and export controls. This can be illustrated for Zambia, Malawi and Lesotho.

In Zambia, as mentioned in the last sub-section, traders must apply for import licences for maize. Licences are also required for exports, and periodically the government bans either imports or exports (Kalinda et al., 2003: 19, 50). Government interference in the maize trade can cause tensions with the private sector. In 2002 the government contracted the private sector to import 200,000 tonnes of maize, but when the government announced its intention to import an additional 300,000 tonnes of maize, the private sector feared a collapse in market prices and reneged on its contracts (Brew et al., 2003b: 4). This illustrates the striking lack of trust between government and the private sector.

The Malawi government is also substantially involved in regulating the trade of maize. It restricts exports, banning them entirely when it perceives there to be maize shortages (RATES, 2003: 3).[25] Exporters require licences, which are only granted once the Ministry of Agriculture has determined that Malawi has produced a sufficient domestic surplus (ibid: 25). Thresholds are set, and licences are granted up to this amount. Licences are apparently free and easy to obtain, but the process is centralised in Lilongwe and the bureaucracy and uncertainty must dissuade at least some potential traders. In addition, making trading decisions based on government estimates is problematic, especially since recent estimates have been very inaccurate (RATES, 2003: 29).

The Malawi government is the main formal importer of maize. The scale of government involvement combined with its unpredictable price policies have made it difficult for private traders to compete (ibid: 3). This is unfortunate, as ADMARC is not particularly effective in meeting consumer demand when harvests are poor (ibid). It has not been helped by financial problems, which left it unable to buy any smallholder maize at all during 2000/01 and 2001/02, limiting the availability of maize in the market (RATES: 2003: 8).

The absence of producer surpluses, the sale of the Strategic Grain Reserve (SGR) and the speculative holding by maize purchasers have all led to a real tightening of the market in Malawi in these years. At one point, private traders were selling maize at MK35-43/kg in comparison to ADMARC prices of MK4/kg.

[25] Nevertheless, Farmers World – a company part owned by President Muluzi (of Malawi) –exported maize when the country was on the brink of serious food shortages.

The government introduced pan-territorial prices and ADMARC increased its sale price to MK17/kg. However, given that this was still less than half the market price, sales had to be rationed to 10-25 kg per person per day (Devereux, 2002a). The government felt unable to trust private traders to resolve the problem by importing maize, so it banned them from purchasing maize altogether from the National Food Reserve Agency (NFRA),[26] making ADMARC the sole purchaser.[27] However, traders found a way around this by paying consumers to buy maize from ADMARC for them, which they then stockpiled and subsequently resold at much higher prices' (Stevens et al., 2002).

In Lesotho, regulations and licence requirements restrict agro-traders' involvement in domestic markets (Mphale et al., 2003: 18). The importation of pulses, meat, dairy products, eggs, fruit and vegetables is restricted, and imports are only permitted when these products are in shortage. This harms the operation of markets. It creates shortages and drives domestic prices above the those on the international market (ibid), damaging the food security of poor households. The government has declared an intention to loosen regulations on agricultural products through the Agricultural Sector Development Programme (ASDP) by 2004 (ibid). However, in Lesotho as elsewhere in the region there is a mismatch between stated policy and its implementation. The government controls commodity prices 'whenever necessary' (Mphale et al., 2003: 18), and this is likely to override other policy commitments.

Across these cases, the large role in import and export trade assumed by governments is a major entry-point for patrimonial political logic into the conditions crucially influencing agriculture and food security in each country. This is particularly damaging to the prospects for consolidating private sector involvement in agricultural trade in the region, as government behaviour regularly undermines belief in reasonably stable 'rules of the game'.

In addition, there is a regional dimension that is not adequately captured by the individual country stories. Government restrictions on the import and export of maize prevent free trade in this product within the SADC region, thereby excluding the potentially large gains from a regional approach to food security in which expected national deficits can be met with timely imports from surplus countries (Maasdorp, 1998).

[26] Established as an independent trust in July 1999, replacing the National Strategic Grain Reserve (NSGR) – managed by ADMARC – when it was decided that the national grain reserves should be run independently, on a cost recovery basis, although the latter has not yet been achieved (RATES, 2003: 3). The NFRA normally purchases grain from ADMARC in order to maintain buffer stocks of grain to prevent fluctuations in price and availability (ibid: 11)

[27] A decision of the Cabinet Committee on the Economy in December 2001.

3.5 State failure with regard to the macro-economic environment and infrastructure

Macro-economic stability and the provision of infrastructure are important factors determining the outcomes of agricultural policies. While problems remain in many of the study countries, particularly extreme examples of each type of policy failure and its impact on food security are provided by Zimbabwe and Mozambique respectively.

On macro-stability, southern African countries of the region generally perform far better than in the past. As we have noted several times, measures to macro-economic management have proven far less of a threat to neo-patrimonial political domination in Africa than other adjustment reforms.

The exception is, of course, Zimbabwe. The macro-economic environment in Zimbabwe has become extremely poor, with hyper inflation, over-valued exchange rate, rising unemployment and mounting commodity shortages. This has exacerbated the food-security problem by providing disincentives to farmers to generate maize surpluses for sale. Shortages of fuel, seeds fertiliser and foreign currency have increased production costs, whilst price controls have deterred farmers from increasing production. In addition, increasing poverty and hyper-inflation have dampened domestic demand (Mano et al., 2003: 20).

Macro-economic instability has combined with the impact of the farm invasions and land reform process to damage food security. It has resulted in net consumers of maize facing a deepening maize shortage, particularly in urban areas. These food shortages have allowed food to be used for political leverage and there is evidence of food-aid distribution being distorted to favour ZANU-PF areas and members, with ZANU-PF membership cards being demanded before food handed over (Africa Confidential, 2002a). In January 2003, as inflation continued to rise and food shortages caused real hardship, the government froze the price of basic commodities. It was assumed that the urban poor would benefit from this policy, but parallel markets have developed, with goods selling at scarcity prices (ibid: 32).

The most acute case of lack of infrastructure hampering attempts to improve food security is Mozambique. In Mozambique, high transport costs affect the movement of grain between the north and south of the country. This means that the domestic grain market is poorly integrated. The south of the country is invariably in food deficit (Sylvester, 2003: 16), despite the fact that the highly productive areas in the centre of the country produce a large enough maize surplus to export to Malawi and Zimbabwe.

Infrastructure to match the difficult geography of the country is only one of Mozambique's problems. Due to the high costs of investment and what is described as an unsupportive policy environment, the Mozambican food sector is largely undeveloped. There is lower fertiliser uptake than anywhere else in sub-Saharan Africa. Only 7 per cent of farmers use animal or mechanical traction (Sylvester, 2003: 8). Trade is fragmented with hundreds of small traders travelling on foot or bicycle and unprocessed maize is exported and re-imported milled, as there is a shortage of milling capacity (ibid, 2003: 21).

Infrastructure problems in Mozambique are obviously not as subject to political explanations as macro-economic mismanagement in Zimbabwe. In neither case is it possible to generalise about political factors in the way that we have in regard to agricultural market interventions. We include these experiences mainly for the sake of completeness in treating the proximate causes of food insecurity in the region.

3.6 Summing-up

Even if all stakeholders were to agree on the best policies for promoting food security in the southern African region, the evidence we have reviewed suggests that it is unlikely that these policies would be implemented in a way that met their objectives. We have seen that state involvement in agricultural markets has remained widespread, and has taken forms that have not led to the alleviation of food insecurity. The main reasons are that state interventions are:

- not effectively targeted at the most vulnerable (for example, the distribution of fertiliser in Zambia, two-tiered pricing structure in Zimbabwe, the channelling of maize through industrial mills in Zambia);
- often inefficient (distribution of inputs by the Lesotho government, the operation of ADMARC in Malawi); and
- crowd out the private sector (FRA in Zambia, GMB in Zimbabwe, the operation of restrictions on maize trade in Zambia, Malawi, Lesotho and Zimbabwe).

As we have recognised, it is debatable whether increasing marketisation of agriculture can guarantee food security in the region. However, it is equally unclear that a modified, market-friendly and pro-poor form of state intervention is a feasible option under imaginable circumstances. The point is that, in the context of neo-patrimonialism, any policies (whether ‘pro-market’ or ‘pro-state’) will be distorted by a tendency for public resources to be diverted for private or political gain and for public policies to be steered by the wish to maintain those opportunities. In consequence, policies will not be pursued consistently and the most vulnerable are the least likely to be protected.

The evidence of partial reform presented in this section attempts to illustrate how neo-patrimonialism has distorted the policy process so that food security objectives are not met. Whilst it is almost impossible to determine what the intent of policy-makers and government officials is in regard to food security (or any other policy objective), it is not plausible to blame poor policy formulation and implementation merely on governments’ lack of capacity or access to accurate information, or – in spite of what we say in the next section – on donors’ poor policies. It is necessary that all those concerned with food security (and development in general) recognise that the political context in which policies are formulated and implemented is an integral part of understanding why those policies fail or succeed.

Table 2: Zambia: chronology of agricultural market reform, 1991–2000

Period	Sequence of events
Prior to December 1982	• Centralised planning and controlled regime
December 1982–October 1985	• Decontrols and deregulation
October 1985–April 1987	• Highly liberalised regime
May 1987–November 1988	• Return to controlled regime
November 1988–June 1989	• Relaxation of some controls
Prior to 1990	• Import, distribution and pricing of fertiliser handled by government marketing agency, NAMBOARD. Fertiliser subsidy averaged roughly 50% of full retail cost
July 1989–November 1991	• Towards full-scale liberalisation
1990–93	• Economic Structural Adjustment Program initiated 1991 • NAMBOARD abolished in 1990, but fertiliser and credit marketing functions transferred to other state agencies. State still sets retail fertiliser prices to be paid by smallholders until 1992. Credit recovery rates under 30%
1994–96	• Govt continues to control smallholder fertiliser imports. • Agricultural Credit Management Programme (ACMP) launched. Government contracts private firms to distribute fertiliser and seed on credit to farmers. Allocation process determined by government • Credit recovery rates near 30%. Private firms asked to absorb some of the risks of government loan default; they refuse and exit the market. ACMP programme abandoned
mid-1995	• Unilateral announcement of debt relief for drought affected farmers, which undermines the financial services institutions. Government assumes that the amount of written off loans would be covered by the financial institutions' outstanding loans to government. This leads to years of negotiation and conflict. Political interference in loan write-off undermines the—already limited—willingness of financial institutions to lend to small-holder farmers, by increasing the risks to unacceptable levels
1995/96	• maize exports banned
1996	• import of fertiliser, surprising private sector operators and donors
1997–98	• Food Reserve Agency, established in 1995 to manage the national food reserve, takes over fertiliser distribution on credit to smallholders • Donors cease financing of fertiliser imports • Pan-territorial pricing re-introduced for FRA-distributed fertiliser; makes private sector fertiliser uncompetitive in outlying areas
May 1998	• Government announces plans to give free handouts of agricultural inputs (mainly fertiliser) to farmers in its resettlement schemes
1999–2000	• Government again contracts private firms to import and distribute fertiliser; in response to aid-conditionality agreement with World Bank that government not directly distribute fertiliser • 2000 season loan repayment rate 43% • Virtually no fertiliser importers and wholesalers operate in Zambia other than those contracted by government to distribute fertiliser on their behalf at subsidised prices
December 2001–present	• New government in power with (a) guarded approach to liberation/privatisation (b) the re-introduction of national planning and (c) the development of PRSP

Sources: Jayne et al., 2002; Farrington and Saasa, 2002.

Box 1: Agricultural market liberalisation/reforms in Malawi

1. Repeal of the Special Crops Act that had prevented smallholders from growing the most profitable crops in the country (especially tobacco).
2. Elimination of production controls on smallholders.
3. Elimination of commodity price controls.
4. Elimination of barriers to private sector participation in marketing of agricultural commodities and inputs, including the elimination of seed and fertiliser subsidies and input price controls, and the partial commercialisation of ADMARC.
5. Establishment of a maize price band to manage the country's NSGR. The maize price band was eliminated in December 2000 and the NFRA (see below) currently manages disaster relief efforts relating to food security.
6. Implementation of the Starter Pack Scheme (SPS) in 1998/99 and 1999/2000 and the TIP in 2000/01 and 2001/02 to facilitate free access to agricultural inputs.

Source: RATES, 2003: 24.

Table 3: Zimbabwe: chronology of maize market reform, 1991–2001

1991	• Announcement of Economic Structural Adjustment Program, including a grain market reform component supported by World Bank, USAID and other donors.
1993–94	• Control of private maize trade progressively relaxed; registered millers still obliged to procure maize from GMB. • Retail maize meal prices decontrolled • GMB still sole legal importer and exporter of maize • Formation of Zimbabwe Agricultural Commodity Exchange.
1996–97	• Maize import/export remains under GMB monopoly. • Subsidies on GMB trading margin narrows price range within which private traders can operate.
1998	• GMB raises its maize selling price to millers to adjust to prevailing market prices. Millers responded by raising roller meal price by 21%, causing food riots of January 1998. • Government reintroduces controls on maize meal prices, May 1998. • GMB enters the maize milling industry.
2000	• Price controls on maize meal still exist; GMB retains pan-territorial and pan-season producer price and selling prices
2001	• GMB retains exclusive monopoly over maize import and export. • Government bans all private maize trade

Source: Jayne et al., 2002

4 Donors and the aid relationship: problem or solution?

In the previous sections, we have argued that it helps to make sense of the issues underlying food insecurity in southern Africa to place them in the context of a better understanding of the nature of politics and the state. The concept of neo-patrimonialism has played a key role in the argument. It expresses the institutional 'in-betweenness' of the national states of the region – between a patronage and bureaucracy, between 'presidentialism' and liberal democracy. In turn, the notion of a patrimonial logic driving policy captures much of what is common to the otherwise different cases of Malawi, Zambia, Zimbabwe and Lesotho. It helps to counteract the notion that influences much political discourse in the region that the causes of food insecurity are either climatic or external.

However, in examining the institutional sources of policy failure in southern Africa, a purely 'internal' explanation is no better than a purely external one. In particular the role of donors and the aid business in creating the conditions we have been describing needs to be recognised. In this section, we address this issue, bearing in mind that international actors are no more likely to welcome a dissection of the sources of policy failure than national politicians.[28]

4.1 Why include donors and aid

As we already acknowledged in Section 3, the 'taming of structural adjustment' was possible because international lenders and donors put their money and prestige behind policies of partial reform. Those policies were incoherent and could not have been expected to work. That does mean that 'structural adjustment' cannot be said to have failed, because it has not really been tried (Jayne et al., 2002). But that does not absolve the donor community from responsibility.

As argued by van de Walle (2001: 59), external funding has shielded political leaders from the market consequences of their actions. Meanwhile the preferred instrument for obtaining compliance with agreed policies of a relatively coherent sort – policy conditionality – has proven of limited effectiveness. While conditionality *has* produced policy *changes*, it has not led to coherent, feasible and actually implemented policy packages informed by real vision and driven by real commitment. That is why much of sub-Saharan Africa continues in a state of permanent developmental crisis.

[28] Donors do not want their policies seen as a contributory cause to famine (for example, see IMF, no date). The importance of policy failures and domestic politics in the South (and western donors' support for such politics, policies and elites) sends a complex and counter-productive message to the public in the North (Diana Cammack, personal communication, May 2003).

We propose to follow this perspective in analysing the donor role in food security policy in southern Africa. There are plenty of grounds for thinking that, occasionally, the big international financial institutions (IFIs) have been guilty of promoting policies in countries that are wrong in quite a simple sense. But a more widespread and more important failure has been that of endorsing and financing non-credible policy commitments and continuing to do so in the face of flagrant violations of conditionality.

The role of the IFIs – and of the donor community as a whole, to the extent that it links its own conditionality to the actions of the big players, – is integral to the system of relationships that we have been analysing in this paper. In this sense, external actors have been definitely part of the problem highlighted by the events of 2001/02. In this section, we try to pull together some of the main charges that have been levelled at the donors and IFIs. We do so not in a spirit of mere criticism but as a first step towards the posing and answering of a further question – whether they could move from being part of the problem to becoming part of the solution, and if so under what conditions.

That involves probing a little further what institutional characteristics are at work on the external side of the donor-recipient relationship, and how these explain the particular patterns of behaviour that interlock in such a damaging way with national policy processes affecting food security. In order to go beyond a general, moralistic call for external actors to put their own house in order, we need to apply to them to the same critical institutional analysis that we have used in analysing the domestic political scene. Once again, however, this needs to be moderated by a sense of context. What is at issue is the nature of the aid *relationship*, not what a single group of actors might be expected to do on its own, or in relation to a different type of interlocutor.

The resources for undertaking this task are not abundant. Solid institutional analyses of donor operations are in short supply, partly because the larger operators have little interest in turning the spotlight on themselves (but see Ostrom et al., 2001, for a pioneering effort commissioned by Sida). At the same time, the whole aid business is in a state of flux, which has the advantage that alternatives and options are more clearly conceptualised than at any point in the recent past, but the disadvantage that we know much more about what doesn't work than about the viability of the alternatives and how to make them happen.

We begin by reviewing the principal observations that have been made in the preceding sections about the impacts on policy of donor actions – particularly persistent *patterns* of action.[29] We then identify the types of incentives and contextual/relational factors that seem to be at work, and assess the degree to which these are inevitable and unchanging features of the aid scene. Finally, we consider the opportunities for doing things differently that have arisen or may arise in the near future, and the degree to which these are likely to constitute a realistic and sustainable response.

[29] As in the rest of the paper, we largely ignore the actions specifically concerned with the humanitarian response, which is dealt with in another Theme Paper, in order to focus on policy frameworks.

4.2 *Patterns in donor behaviour*

On the basis of the previous two sections and the literature cited there, it is possible to construct a listing of relatively persistent patterns in the actions of major external actors, collectively or individually, which have a bearing on the policy failures discussed in this paper. We attempt such a listing below. However, before proceeding it is important to enter a *caveat*. Although we are dealing with generally negative patterns of behaviour, the purpose of this listing is not to provide a coherent and balanced critique of the institutions involved.

To begin with, some of tendencies identified could be taken as implying actions that are characterised in a critical way elsewhere in the list (e.g. doing damage by not enforcing conditionalities versus doing damage by eventually enforcing them). If it were taken in this way, the listing would no doubt be guilty of the 'damned if you do, damned if you don't' style of criticism. It needs to be treated instead as part of a diagnostic analysis, one that itemises not only the actions but also the dilemmas and difficulties entailed for actors under a particular set of constraints and in a particular context of relationships. As such, it provides raw material for a realistic analysis of possible ways forward for the actors in question. In this sense, we would maintain, it is fully justified despite being, in some respects, internally contradictory.

The following patterns seem to be significant:

- promotion of different policies in different periods of time, with sharp U-turns on central issues at certain moments for reasons that are only partly explained by the national policy environment (the World Bank in Malawi – Harrigan, 2003; the EU on input subsidies in Malawi – Cammack, 2003: 11);

- support to different, contradictory or at least poorly integrated policy frameworks for the agriculture/rural livelihood sector at the same time (Zambia PRSP and Agricultural Commercial Programme – Farrington and Saasa, 2002: 9);

- competitiveness and discoordination among agencies supporting different doctrines and/or led by individuals with strong personalities (e.g. in Malawi – Cammack, 2003: 6, 13);

- promotion of expensive, externally-driven and duplicative structures and activities in spite of rhetorical commitment to working with mainstream national structures and promoting national policy ownership (new food security policy in Malawi – Cammack, 2003: 18, 20);

- support to new policy frameworks when the lessons of the previous ones have not been drawn out (Zambia PRSP and ACP vis-à-vis the lessons of the ASIP – Farrington and Saasa, 2002: 9; in Malawi, lack of attention to the implementation problems of previous policies and programmes when preparing new food security policy – Cammack, 2003: 19);

- insufficient coordination of, and networking with, other international and domestic stakeholders in the development of agricultural and food policy (Zambia – Kalinda et al., 2003: 26; Farrington and Saasa, 2002: 16);[30]

- support to policy initiatives that require other conditions for their success, without a similar level of commitment to creating those conditions, including poor sequencing within and between Bank and Fund adjustment measures (Zambia – Farrington and Saasa, 2002: 16; ESAF review etc., 1997);

- providing cover for irresponsible government actions by not explicitly recognising the interconnectedness of different policy decisions (a generous interpretation of the IMF's role in the Strategic Grain Reserve decision in Malawi – Devereux, 2002; IMF, n.d.);

- occasionally, delaying disbursements or suspending aid on the basis of political assessments, with immediately damaging effects on programmes in support of rural livelihoods (interruption of funding for free inputs programme in Malawi during the SGR investigation; suspension of aid to Zimbabwe when the need for financing of the resettlement programme was greatest – Cromwell; suspension of IMF support and linked budget-support programmes in Malawi – Cammack, 2003: 10, 12; Zambia in the late 1990s – Farrington and Saasa, 2002: 16);

- a general lack of realism about the role of politics in agricultural policy, despite two decades of well-publicised research on the subject;

- creating an impression that agricultural policies are made outside the country, while actual policies on the ground as quite different from the government's undertakings to external agencies (Mphale et al., 2003: 18, 20);

- undermining efforts to develop sectoral policies by offering new lending or grants that are not conditional upon policy coherence and provide disincentives to the solution of problems in the sector mainstream;

- providing resources that fuel patrimonial political engines, and are known to do so;

- tolerating the selective adoption of liberalisation policies, such that policy changes that harm poor people's livelihoods are adopted and those that would reduce the political coffers and personal incomes of the elite are not (in general de Walle, 2001: passim; in Malawi 'excessive patience' of IMF and donors in the face of government's slow progress and reversals in policy reform, including adoption of measures to protect and increase pro-poor public spending – Cammack, 2003: 12);

[30] There are exceptions that confirm the rule: Kalinda et al., 2003: 26.

- undermining the incipient accountability of elected governments to their electorates and parliaments, particularly when using funding arrangements that in practice escape scrutiny by national institutions (OPM on ASIP);

- turning a blind eye to corruption and other issues of bad governance when recipient governments are otherwise appearing adopt the right, that is neoliberal, policies (Zambia under Chiluba – Bartlett, 2001; Mozambique – Harrison, 1999; Hanlon, 2002a, 2002b).

4.3 Incentives and relationships

The analysis by Jayne et al. (2002) of the sources of the partial reform syndrome concludes with a plea for international actors to pay greater attention to building domestic constituencies for reform. This is clearly the most important ultimate objective.

Its importance is not affected by the position one takes on what is likely to be the content of the ideal reform package.[31] The lack of a sufficiently broad and solid domestic policy community, capable of acting as a counter-weight to not only presidential prerogatives and other features of the patrimonial state but also dis-coordinated or irresponsible donor activity, is surely what makes the patterns of behaviour itemised above both possible and likely. The shortage of real intellectual conviction, as well as political commitment, behind the reform effort in most countries is the ultimate reason why external actors are so badly coordinated among themselves and why they persist in using the blunt and unreliable instrument of conditionality despite rhetorical commitments to building partnerships with recipient governments.

So building domestic constituencies is what is required. But this is an ultimate objective and what we need is a means and a pathway for getting there. In turn, thinking about possible routes and vehicles raises rather pointedly the question whether the basic preconditions exist, either on the donor or on the recipient side of the relationship.

The same applies to the frequent calls for the large international agencies to become more accountable for their actions and the outcomes to which they contribute (Elizabeth Cromwell, pers comm). Although a worthy aim in principle, this is likely to prove extremely hard to achieve in practice – given its implications for recruitment and professional career structures within those organisations.[32]

[31] For example, whether the emphasis is on being consistent in facilitating and encouraging private effort (Jayne et al., van de Walle) or defining a viable mix of private and public institutions, taking likely market failures into account (Kydd et al., Devereux, Harrigan).

[32] The aspect of the Ostrom report that caused most difficulties for Sida was the recommendation that career progression should be made to depend on the results, and especially the sustainability, of projects with which individual staff

More importantly, any trend towards embedding accountability for outcomes more solidly within the institutional structures of external agencies might detract from efforts to strengthen recipient-country policy-monitoring systems and move those towards a more results-oriented approach. The latter type of shift is widely seen as a key intermediate step in building national constituencies for reform.

What, then, are the principal constraints? We would maintain that they are not different from what are increasingly singled out in connection with efforts to improve the aid relationship generally. From this point of view, the agricultural and rural-livelihoods 'sector' does pose several particular difficulties. Several of these have been rehearsed in explaining why it has proven so hard to turn agricultural Sector Investment Programmes (SIPs) into fully-fledged Sector-Wide Approach Programmes (SWAps) (Foster et al., 2001). However, the essential obstacles to improving donor-recipient relationships are the same in the rural-policy area as they are in other sectors:

- the incentive structures within donor organisations, whether concessional lenders or grant spenders, favour disbursement of funds, and thus closing deals, within definite time-scales; this can and does override judgements about consistency with policy guidelines, the meeting of necessary conditions, risks and likely impacts;

- because recipients know this, conditionality tends not to work to provide necessary conditions and reduce risks, unless recipients intend to do the relevant things anyway – it is not credible except as a final resort, when it can be extremely damaging;

- the above considerations apply equally to project and budget-support modalities of aid, but whereas any aid can serve to bolster bad policies, the project modality is recognised to have particularly damaging consequences for the capacity of recipient governments to do effective policy work (Lawson et al., 2002);

- several bilateral donors are governed by rules that virtually prohibit their involvement in non-project modalities and/or give their organisations a material interest in continued project activity (USA, Japan, Germany);

- general budget support linked to an effective PRSP and budget-reform process offers some prospect of replacing the vicious circles linking old aid modalities with neo-patrimonial politics with a virtuous circle based on donors' using and helping to improve national systems and accountabilities; however, the conditions for this to succeed are quite demanding, and there are still extremely few clear examples of the virtuous circle in operation (Booth, 2003);

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members had been associated. It is hard to see a similar proposal being seen as practicable by the management of the World Bank.

- political change within the recipient country, resulting in enhanced accountability of executives to parliaments and other elements of a more substantive democratisation, is critical to all of this; but it is slow and haphazard, and even donors that understand the challenge are ill-equipped to help it along.

4.4 Changing the relationship: options and avenues

The clear implication of this argument is that the solutions to the political problems that have been highlighted by the southern Africa food security crisis are not agriculture specific or rural-policy specific.[33] What the crisis has revealed is some additional reasons for pursuing the agenda of change and self-transformation that the international community has committed itself to since the DAC declaration on *Shaping the 21st Century* (OECD, 1996) and especially since the adoption of the PRSP initiative by the Bank and the IMF in late 1999. While rural policy poses some special problems, it does not suggest any lines of solution other than the long, hard slog of improving the aid relationship on the foundation of better national institutions.

A strong dose of realism is required in pursuing this agenda. As Farrington and Saasa (2002: Summary para. 18) write about Zambia, there are neither blank canvases nor magic bullets. Certainly, the introduction of a consultative PRSP-preparation process as a precondition for IMF, IDA or HIPC support does very little by itself to create a context for more consistent and intelligent policy-making for poverty reduction. At most, it creates an opportunity for commitment to whatever is agreed to spread a little beyond the small circle of officials who have traditionally handled relations with the big international institutions.

PRSPs are certainly not a substitute for sector and cross-sector policies, although they can stimulate and help to spread into new areas the sort of joint stakeholder efforts that have been pioneered by social-sector SWAps. PRSPs are also only likely to help if they become linked to MTEFs or some other medium-term instrument for managing public expenditure. Only if there is a functioning system for managing public spending in terms of objectives and results, so that donor funds for supporting poverty-reduction are increasingly brought on-budget, can the role of the national parliament be restored to its rightful position. And then only if the politics of the country moves incrementally away from a patrimonial spoils-of-office system towards one based on programmatic political competition (the essential condition for which is a functioning parliamentary opposition, partially enabled by an active and free mass media) will the virtuous circle begin to join-up.

The number of necessary connections, and therefore risks and uncertainties, implied by this vision of change can appear prohibitive. However, this needs to be

[33] We have already followed Duncan (1998) in recognising that it is unhelpful to construct a food-security agenda that is distinct from consideration of the role of agriculture and off-farm rural activities in poverty reduction.

moderated by the shortage of plausible alternatives, and the long-term, entrenched nature of the problems being addressed. Also, the panorama of southern Africa is not entirely devoid of encouraging developments.

For example, long-term observers of the political scene in Zambia are struck by the size and performance of the parliamentary opposition that has developed since the Dec 2001 elections. 'The Opposition is beginning to hold the government to account, and its Private Members' Bills are either being passed or forcing a response from government' (Farrington and Saasa, 2002: Summary para. 16; also Jeremy Gould, pers. comm.). Currently, parliamentarians lack the kind of technical support that would be necessary for them to intervene in policy making in an effective way (ibid: 12). However, this is a challenge that probably can be met within a period of a few years.

It may also be that financial legislation and the technical quality of the budget process have not yet improved to the point where MPs can begin to extend questions of policy accountability to the outcome level. This is something that only just beginning to happen in Uganda, after some years of effort to improve the quality of the budget process (Lawson et al., 2002). Comparatively speaking, however, these are simple requirements to meet. Compared with the political-institutional obstacles to improved domestic accountability, among which are the chronic inability of political oppositions to survive the pressures to fragmentation generated by a patrimonial spoils system, the legal and technical changes that may be needed to improve the budget process are not major obstacles.

Of course, what is true of Zambia is not necessarily true of Malawi, and Malawi does show few signs of breaking away from the dominant political pattern of presidentialism and fragmented opposition that has characterised neo-patrimonial democracy so far. Zimbabwe and Lesotho pose their own particular challenges. Nevertheless, changes outside the sub-region in recent years (e.g. Ghana since 2000 and Kenya since 2002) do give reasons for expecting the unexpected. Africa's capacity for rapid political change should not be underestimated. Certainly, the agenda for reforming what donors do in relation to national policy processes should not be premised on the assumption that change is impossible on the recipient side of the relationship.

4.5 Summing-up

To sum up, the policy problems that have been highlighted by the southern African food security crisis arise at the intersection of two types of factors. On one hand is a set of domestic political structures and processes that inhibits the pursuit of coherent policies (neo-liberal or otherwise) for national development and the reduction of poverty. On the other hand are patterns of action and inaction by the major external actors that are incapable of compensating for the lack of domestic commitment to reform, in some ways reinforce it and in other ways contribute additional difficulties.

To a greater or lesser extent, donor and concessional lending agencies respond to incentive structures within their own organisations that generate policy incoherence. However, neither party to the aid relationship would respond in precisely the way it does without the other. The main focus of thinking about options for change needs therefore needs to be on methods of transforming the essentials of the relationship, not on correcting particular errors or excesses on either side. This conclusion is not specific to the crisis of poverty, inequality, agricultural and rural livelihoods in southern Africa, but it applies very well to the issues arising there.

The solutions are already on the international agenda. They are not easy, but neither are they mysterious; we already know quite a bit about the principles involved, although application to particular country contexts needs to be intelligent and non-mechanical. One principle is that the desired changes are most unlikely to result from reformed attitudes and actions on the part of external actors alone. Changes in national political institutions and political action by the citizens of the countries are going to be essential at various stages. Donors need to understand that and tailor their actions to it.

5 Conclusion

The 2001/02 food security crisis in southern Africa has reminded us of, among other things, the crucial importance of understanding policy processes in their proper political context. This paper has argued that regardless of the point of view one adopts on the package of policies that is most likely to assist market-based agricultural development and food security in this region, politics matters. Policy research needs to take seriously the ‘how’ as well as the ‘what’ of policy. Reaching conclusions on the ‘how’ – how to get governments to adopt the optimal packages and apply them consistently and seriously – is very largely about politics.

We have shown how the key tool used by political scientists concerned with sub-Saharan Africa, the concept of the neo-patrimonial state, serves quite well the purpose of explaining the main features of development policy in the region during the past two decades. We have applied the same type of analysis to the more specific features of food-security and agricultural development policy in southern Africa.

Our contention has been that the political logic of neo-patrimonialism generates a pattern of formal and *de facto* policy that is:

- inefficient in the use of scarce resources;
- has important opportunity costs; and
- is unresponsive to signals indicating food insecurity.

The patrimonial character of politics not only generates policies that are incoherent and developmentally harmful. It also weakens the accountability provided in principle by the institutions of formal democracy and free mass media. Thus, the actual functioning of African democracy does not provide the guarantees against famine that Drèze and Sen (1989) famously attributed to democratic politics[34].

The power of politics, of the patrimonial sort, to shape policy in unhelpful ways has been demonstrated primarily with reference to the ‘partial reform syndrome’. That is, we have highlighted the degree to which governments have not adopted, or have not implemented consistently, the market-oriented adjustment reforms to which, in most cases, they are formally committed.

We have defended ourselves in two ways against the criticism that this implies adherence to a neo-liberal orthodoxy that is widely challenged. First, economists of all persuasions should pay more attention to the political analysis, and less to the economics, in such exercises, because the politics will be critical to any alternative policy package they might recommend. Second, the continued place

[34] For similar reasons democracy in an African setting does not guarantee the development of effective poverty reduction programmes – despite the significant proportion of the electorate living in poverty.

of classic forms of state interventionism in the food markets of southern Africa is quite remarkable by any standards. The seriously damaging effects that it has on rural development and food-security prospects – and its lack of any real economic or social rationale – makes it an obvious focus for political forms of explanation.

It is not clear to what degree the sorts of policy processes we have described could become the vehicle for the kinds of policy alternatives advocated in the other Theme Papers in this series. Patrimonial politics is not unchallenged in the region, although southern Africa is not perhaps the part of the region that offers the best prospects of a gradual transition to more issue-based electoral competition. All that can be said is that it may take some time before governments start to be driven programmatic political differences and policy results.

Donors have a limited capacity to affect the pace of these changes. Change will only come from national political processes. However, donors can at least minimise the damage they do by providing inconsistent policy advice and appearing to endorse inconsistent policy packages that cannot be expected to work. To begin with, there needs to be more recognition of the role of aid in providing succour to neo-patrimonial politics, as described by van de Walle (2001). More attention might be given to the incentive structures within the big lending organisations and, to a lesser extent, in all aid agencies that are responsible for this.

We have listed ways in which particular donor interventions have increased the incoherence of already contradictory policies. But we have argued for a concern with deeper and more general qualities of the aid relationship. Project aid, especially when it is strongly supply-driven and involves building parallel management structures, has been widely criticised. The general case for moving from an aid relationship based on projects to one based on more programmatic support (sector or general budget support) applies well to the agriculture and food-security area, although the challenges are greater than in, say, the social sectors.

The argument is not that this kind of transformation is possible in more than a handful of countries. Nor is it that neo-patrimonial politics will cease to be the powerful force that it is if only donors change their behaviour. But project aid does seem to have a particular affinity with the patrimonial style of government – focused on the dispensing of benefits and 'prebends', rather than on developing policies.

For their part, the more progressive aid modalities have few guarantees of effectiveness (given that conditionality does not work/is not enforced), but at least they focus resources and attention on the national institutions that nominally generate policies and monitor results (budgets, parliaments, PRSP processes). This is not at all likely to provide a substitute for the emergence of post-patrimonial, issue-based politics in the country. However, what it just possibly might do is provide a more enabling environment for this type of evolution of the political system, if and when it comes onto the national agenda.

Our purpose has been to provoke, and to suggest a general approach to some generic issues, not to provide practical solutions to particular problems. This will be useful if it convinces those whose job it is to tackle the particular problems to add a fresh dimension to their thinking. We have written at some length but the basic message is simple. In thinking about policy for food security in southern Africa, put awareness of the political sources of current policy into the centre of the analysis. Do not treat it as an add-on. Otherwise, there is a risk that any policy recommendations may be right, but will also be irrelevant.

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Annex 1: Agricultural Policies in Lesotho, Malawi, Zimbabwe, Zambia and Mozambique.

Lesotho

		Policy	Practice	Implications
Trade & Marketing Policy	**Pricing – Farmgate**	No price control	Farmers sell at own prices	Farmers are likely to receive competitive producer prices
	Pricing – Retail	No price control	20% subsidy on unsifted maize meal being effected through the normal marketing channels.	Market interventions could help improve the overall food security situation by lowering prices and thus increasing accessibility.
	Import/Export Duties	No duties except for beans export levy of 0.20lisente charged.	Food prices closely linked to those in South Africa.	Free movement of food is encouraged.
	Domestic Marketing	No government intervention		Market may not ensure availability and access to food by the vulnerable groups at all times
Input Policies	**Distribution**	Private sector and co-operatives distribute inputs.	Sometimes come late for the season	Low production resulting in food insecurity
	Pricing (subsidy)	Government subsidises seed and planting operations. Fertiliser subsidies since 1980s. Retailers given price to sell at.	Fertiliser subsidies range from 5-30%.	Private sector competes with non-subsidised inputs
Macro Policy	**Foreign Exchange**	Fixed exchange rate system with the Rand. Commercial banks authorise dealers in foreign exchange	Monitoring done on daily basis on reserve money	Lowers uncertainty on cross border trade and investment
	Credit	No agricultural/development bank	No preference for farmers	Lack of credit for farmers
	Interest Rates	Set by the market	16.33 % (Prime rate)	It is costly for farmers to acquire credit

Malawi				
Trade & Marketing Policy	**Pricing – Farmgate**	Pricing liberalised	Private traders sell and buy	Farmers sell at low prices but buy at high price
	Pricing – Retail	Pricing liberalised. Setting of minimum producer price stopped in 2000.	Some form of consumer price control implemented through ADMARC who sell maize at one price throughout the country. Private traders sell maize at their own price.	Coexistence of a subsidised public distribution channel alongside a free market in the staple grain creates opportunity for rent seeking behaviour.
	Import/Export … Participation	No restrictions on importation of maize/others liberalised.	Restriction on maize exports. In reality only the National Food Reserve Agency (NFRA) imports maize formally. Small private traders are involved in informal cross border trade	NFRA crowds out private sector participation.
Input Policies	**Distribution**	Liberalised	Various organisations distribute inputs in competition with ADMARC. Government distributes free inputs targeted to a few participants in the Targeted Inputs Programme.	Fewer recipients of inputs on the Targeted Inputs Programme (than on the starter pack programme), thus a reduction in surplus production due to lack of inputs
	Pricing (subsidy)	No subsidy	Private sector participates. Agricultural Productivity Investment Programme (APIP) (funded by EU) provides low interest rates	Price too high for inputs and there is limited availability of inputs in remote areas.
Macro Policy	**Foreign Exchange**	Liberalised. No restriction on foreign exchange movements	Fixed to some extent	Not very transparent
	Credit	Small Enterprise Development Organisation (SEDOM) is intended to provide credit to traders. MRFC offers credit to farmers.	MRFC offers credit to smallholder farmers at market determined rates.	MRFC coverage is limited in terms of numbers and delivery activities.
	Interest Rates	Fixed by market	Very high rates	Farmers don’t have access to inputs

Mozambique				
Trade & Marketing Policy	**Pricing – Farmgate**	Government liberalised farm gate prices in 1998, but fix for cashew	Producers sell their crops at their own prices	Farmers with poor road access get lower prices
	Pricing – Retail	GoM liberalised in 1987	Private sector charges higher prices are higher than the government prices	Sharp retail price rises during the short supply period
	Domestic Marketing	GoM and private sectors market agencies sell	Government sets minimum prices	No timely and accurate information about present and prospective supplies of commodities. Marketing margins do not reflect commodity scarcities.
Input Policies	**Distribution**	MADER and NGOs subsidise agricultural inputs and tools. Private sector sells them at full price.	Often late and do not meet the needs	Low production resulting in food insecurity
	Pricing (subsidy)	Subsidise prices or free distribution.		Private sector competes with non-subsidised inputs
Macro Policy	**Foreign Exchange**	Liberalised	Parallel market with higher rate	Overvalued exchange rate discourages foreign investment.
	Credit		Lack of credit is a major operating constraint for many private intermediaries	Farmers lack adequate financing for inputs to increase production.
	Interest Rates		18 to 22% per year for the Metical (MZ local currency) 9% per year for foreign currency	Limited potential for accessing credit by smallholders
	Import/Export Duties	17% duties on all goods imported except for grain imports and exports of maize????	Import duties sometimes waived during emergency period	Waiving import duties encourages private sector imports

Zambia

Trade & Marketing Policy	**Pricing – Farmgate**	No minimum buying prices, prices determined by market forces	Private traders buy at lowest possible prices	Farmers with no storage facilities get low prices
	Pricing – Retail	Gov't marketing agency (Food Reserve Agency) and private sector set own prices	Private sector prices are higher than government prices	Cheaper food is in short supply
	Import/Export Duties	5% duty on grain imports and exports	Import duties sometimes waived in times of food shortages	Waiving import duties encourages private sector imports
	Domestic Marketing	Government marketing agency sells (at market price), but no restrictions to private sector	Shortages at rural outlets, available in urban markets, small-scale farmers exploited as they sell at low prices	Markets (government and private) do not assure poor households have access to food
Input Policies	**Distribution**	Private sector distributes inputs at full price	Often too late or in short supply for season; and input prices are high	Low production resulting in poor food security
	Pricing (subsidy)	Free seed, 3 year Fertiliser Support Programme (2002-2004)	Subsidies to start this season of 2002/2003 through direct income transfers of up to 50% of the total input cost. This reintroduces subsidies after a break of 10 years	More farmer to accessing seed and fertiliser and production expected to improve.
Macro Policy	**Foreign Exchange**	Floating exchange rate depends on supply and demand	There is a parallel market through forex bureaux that speculate and drive the rates up	Shortages of forex due to narrow export base and multinationals externalising forex
	Credit	This is left to commercial banks and other private lending institutions	The few times Gov't has been involved in giving credit, the default rate has been high	Farmers can not increase production as they have limited access to credit
	Interest Rates	Interest rates are fixed by the market, no subsidies	Current interest rates are about 54%	Cost of credit makes difficulties for farmers

Zimbabwe

Trade & Marketing Policy	**Pricing – Farmgate**	Gov't announces farmgate buying price, Private traders set own price.	Gov't sets minimum buying prices Private sectors offers better prices than government when there are shortages; Payments are made in cash.	Farmers with poor access to private traders get lower prices. Distorts internal production and consumption patterns.
	Pricing – Retail	Gov't controls retail price, previously not controlled. GMB sells at subsidised prices, private sector sets own prices.	Gov't restricts grain movement Localised shortages have led to parallel market for maize and other goods with higher prices. Private sector prices are higher than gov't prices	Gov't effectively subsidises grain prices. Cheaper subsidised food in short supply
	Import/Export Participation	GMB is the sole exporter and importer of maize and wheat. Gov't issues certificates for imports and exports.	Private sector cannot compete with government subsidised grain.	Frequent food shortages in poor agricultural seasons, high cost to gov't to pay for subsidies. Huge logistical nightmare in grain movement.
	Import/Export Duties	30% duty on wheat imports and 15% on rice imports. In addition 15% import tax is added.	Import duties sometimes waived in times of food shortages	Waiving import duties on food during shortages encourages private sector imports.
	Domestic Marketing	GMB sells at subsidised price; private sector restricted, require GMB approval	GMB shortages; small quantities in informal markets at high prices	Unmet demand for food; poor cannot access food when gov't cannot deliver required amount
Input Policies	**Distribution**	Gov't and NGOs distribute at subsidised prices. If allowed, private sector at full price.	Usually untimely and/or short supply from the Gov't/ NGOs.	Shortages of inputs Late planting, where available inputs too expensive for most households.
	Pricing (subsidy)	Gov't controlled prices; subsidised through Grain Loan Scheme (or free) to poor	Subsidised inputs often personalised and politicised	Non-targeted groups benefit from subsidies

Macro Policy	**Foreign Exchange**	Currency fixed at artificial rate	Parallel market of higher rate, operates openly	Shortages of foreign currency
	Credit	Formal and informal services exist, both private and public sectors advance loans	Pvt sector mostly lend to LSCF, former parastatals advance inputs to small holder farmers	Farmers lack adequate credit and inputs to improve production
	Interest Rates	Rates fixed by gov't, negative real interest rates common	Current interest rates are about 45%	Causes difficulties for farmers

Source: Mano, et. al (2003b)