

Agricultural Policies; Are they responsive to the poor?

By Dr. Sam Bagabo

Much of Africa's poor performance in agriculture is a result of faulty policies. This is due to inadequate appreciation for the complexity of policy issues especially regarding the poor. I have attended several forums here in Uganda where development issues are discussed and routinely I have heard people praise the development policies of this country. It is common to get one or two gentlemen/ladies make a submission that, "the Government has put in place very wonderful policies, but their effects can hardly be felt or measured". They usually end by urging Ugandans to take advantage of the "wonderful policies". Policies are in many cases intended to influence behaviour. It therefore becomes difficult to figure out how a peasant would take advantage of them.

In 1990, Henk Luning, by then a professor of agricultural planning in the Netherlands, observed that many agricultural plans in developing countries do not have clearly defined objectives or clear explanation in sufficient detail how they intend to reach their objectives or targets. A good policy in my opinion, should at least possess the following qualities;

- the right intentions for the targeted populations,
- be based on accurate/correct information or credible assumptions,
- clear and detailed implementation plans with well defined indicators and time bound targets.

The intentions of a policy should not be the only criteria for it to qualify to be a good. There is need for clarity on how it will be implemented and the expected effects and impacts. In policy documents it is common to come across general phrases like; Government will encourage....., Government will support....., Government will promote....., etcetera without the specifics as to how, how much and when this will be done. The result is a lack of clarity on what exactly government is going to do among the target group. This is even made worse when there are contradictions in interpretation of the policy by those supposed to deliver the services. One example is the lack of clarity on what NAADS is supposed to do among and the targeted groups and what they are entitled to. The way policies are written may conveniently create good excuses for the implementers for poor performance at the time of evaluation. However, the decision makers should take note that at evaluation time, it is not the intention of the policy that matters but the consequences of that policy in terms of effects and impacts.

For more than 20 years now, the government of Uganda has been implementing an economic agenda, which has transformed Uganda's economy to be among the most liberal in Africa. A World Bank country study report "Growing out of Poverty" of 1993 even praised the government of Uganda for their "success" in establishing some of the "fundamental" preconditions that are essential for sustainable growth. It was assumed then by the authors of the report that these macro-economic policies would quickly transform the lot of Uganda citizens from poverty to modern commercial farmers. 16 years later, more than 30% of Ugandans are still leaving on less than a dollar a day despite the "conducive environment created by government". This is not to say that those leaving on slightly more than a dollar a day are any better off. However, this is how the government of Uganda conveniently defined absolute poverty; those who leave on less than a dollar a day. Other countries like Germany in 2003, defined a person on the poverty line to be that adult person who leaves on less than € 31.3 a day. When statistics are given that 35% of

Ugandans leave in absolute poverty, that figure is according to the Ugandan standard. By other standards, the figure of those leaving in absolute poverty could rise to over 90%.

According to the Uganda Bureau of Statistics (2002), 78% of Ugandans are subsistence farmers. Todaro (1991), defined a subsistence economy as one where production is mainly for own consumption and the standard of living yields no more than basic necessities of life like; food, shelter and clothing. He also defined subsistence farming as farming in which production is mainly for “own consumption” and is characterized by low productivity, high risks and uncertainty. Outputs are low and only the simplest traditional methods and tools are used. Capital investments are minimal if any, while land and labour are the principal factors of production. In the classic peasant subsistence farm, most produce is for own consumption and a few crops for income. Subsistence farming is a highly risky and uncertain venture because for any decision made on how household resources should be used, household survival is at stake. The margin between survival and starvation for subsisting communities is very narrow. In such circumstances, the major motivating force in the peasant’s decision making may be the maximization, not of income, but rather of the family’s chances of survival. Accordingly when risk and uncertainty are high, a peasant subsisting farmer may be very reluctant to adopt/invest in a new innovation. When the production intention is survival and not improving income, then adoption of innovations is most unlikely. This is because the tendency in such circumstances will be to practice what is well known by the household for food security. A new product therefore, that requires reallocation of household resources, will be perceived as risky. “In economic statistics, risk-avoiding peasant farmers are likely to prefer a technology of food production that combines a low mean per hectare yield with a low variance, to alternative technologies that may promise a higher mean yield but also present the risk of a greater variance” (Todaro 1991).

In a liberalised economy, there are no price controls on produce. The experience is that prices fluctuate so much every year and every season. When prices are unpredictable, planning and forecasting becomes a very challenging task beyond what subsisting farmers would ever desire to experience. At the beginning of the season, farmers do not know what to expect in terms of price, in addition to the uncertain climate and pests, the logical strategy is to diversify production for survival, which is what is commonly called subsisting farming. The subsistence farmer is a jack of all trades and a master of nothing. To subject this category of people who constitute 80% of the population, to a liberalised environment, and simply create a “conducive environment” and then expect them to be motivated enough to risk investing their meagre resources to produce goods that could be demanded by the global market, is at best failing to appreciate the complexity of the issues at play. Where the margin between survival and starvation is very narrow, any body in their right mind would desire a fairly predictable and stable environment to invest anything. Unfortunately, a liberalised environment, coupled with a changing climate is not offering the predictability and stability badly needed by these farmers. In this kind of setting we could raise a few questions;

- If more than 30% of Ugandans are leaving on less than a dollar a day for basic necessities, should we expect these people to save anything meaningful like investment?
- Do we expect subsisting farmers to borrow for meaningful investment in agricultural production?
- Do we expect these farmers to have capacity to organise themselves and effectively demand for services from NAADS?

- Does this category of people possess what it takes to initiate and sustain an agricultural business in this era of a competitive global village unaided?
- If America and Europe are still subsidising their farmers and cushioning them against price fluctuations for their produce, are we convinced that we have given our subsisting farmers the best deal?
- Should we continue to expect miracles or should we consider changing the approach?

For a subsisting community, removing price controls promotes uncertainty and as such promotes subsistence contrary to the expectations of the planners. It is time to go back to the drawing board if we expect a change for the 80% of the Ugandan population. We need to invest in research more seriously if we are to formulate effective policies that will transform the lot of Ugandans. The thinking that it is cheap to copy and apply good practices ignores the fact that cultures and nations are not homogeneous and this may call for an adaptation programme. What works elsewhere may require adjustments or may fail to work totally in other place. Research is no longer a luxury as it is quite often thought in many developing countries, but a necessity. It is therefore not surprising that most development projects fail and the level of corruption is mind boggling resulting in huge losses of resources, suffering and loss of hope by the targeted populations.