The low political priority given to agriculture is the primary problem

A serious post-independence error of judgment by African nations is the low political priority given to agriculture and rural development. The needed long-term public-sector investments into this key sector are still lacking. As a result, it is projected that Africa will be the only region in the world where the numbers of the undernourished will still be on the increase, reaching 300 million by year 2020.

The policy environment is therefore still unfavorable even after structural adjustment programs

The policy environment has to improve in the following areas important for agriculture and rural development: good governance and social/political stability; macroeconomic stability, pricing, and marketing policies; land tenure and property rights; and regulatory and legal requirements.

Institutions serving farmers and agriculture are still weak

Africa’s farmer support systems that include extension/training, research, credit, and private sector supply of inputs for smallholders are in serious disarray. Over the past decade, donor-initiated economic policy reforms have failed to achieve the desired increase in aggregate agricultural output in many countries in Africa. There is now ample evidence that these reforms must be complemented by indigenous efforts to revitalize farmer support institutions. Since independence in most African countries, agricultural institutions have been in transition in various ways including: managerial transition from colonial to local administrators; scientific transition from expatriate to indigenous scientists; financial transition from dependence on financial support from colonial governments and large-scale farms to mobilizing support from governments and donors; political transition from commercial farms to smallholders in dual agrarian societies; and transition from public to private institutional forms, and new forms of public/private/NGO partnerships.

With few answers to the challenge, governments and donors alike are still experimenting with various models and approaches.

Security of land tenure and property rights undermines development

Land tenure rights of people are an issue that is assuming greater significance. African governments have to appreciate that transforming agrarian systems into urban-industrial economies invariably requires fundamental changes in many institutions, including those of land tenure. The distribution of land ownership is a major factor that influences this transition from one form of social and political order to another. The experience of industrializing countries is that transition is accompanied by a separation of a substantial segment of the ruling classes from direct ties to the land. There is growing evidence that agricultural growth and efficient management of natural resources are dependent on the political, legal, and administrative capabilities of rural communities to determine their own future and to protect their land and land-based natural resources and other economic interests. The lack of this power is translated into insecure tenure rights, abuse of common property and resources, disenfranchisement of rural people particularly women, and the breakdown or weakening of rural economic
institutions. The management of the environment and the effectiveness of community-based natural resources management are all dependent on clearly defined land rights and support systems for rural communities.

**There has been underinvestment in social capital and physical infrastructure**

Compared to other regions of the developing world, much of rural Africa is characterized by dispersed rural population and low population densities. The center-periphery model described by Friedman (1966) is characterized as a colonial relationship in which the principal factors of production including raw materials and agricultural goods are drawn from the periphery “rural” to the center “urban” where they are used to produce higher valued manufactured goods. Over time, infrastructure is concentrated in urban areas and availability declines in rural areas. Rural roads in Africa today are less developed than they were in India at the beginning of the green revolution. A puzzling question is for instance why Africa, in spite of recurring droughts, has not developed innovative and locally appropriate means of small-scale irrigation that supports rainfed agriculture so as to achieve productivity increases, diversifying crops into higher value ones, and supplying lucrative niche markets.

**Technology to transform traditional agriculture is still badly needed**

Research and development (R&D) and industrial capacity are needed for the manufacture of “embodied” technology such as machinery, seeds, fertilizers, chemicals, and materials. Disembodied technology, on the other hand, refers to knowledge, techniques, and management practices that increase productivity and largely transmitted through extension and advisory services. Energy and power for smallholder farmers is a major drawback to productivity. The continued decline in draught animals, coupled with a lack of appropriate small machinery means that farmers yields are held back. Since most of the increase in production is from new areas opened up, as opposed to technological breakthroughs, this means greater pressure on the environment.

**Rural enterprises are poorly finances and have poor access to financial intermediation**

Public-sector credit programs have collapsed in Africa and the commercial banks have not really moved into rural areas to service that market. Too little capital is flowing into the rural areas and microenterprises, and microfinance initiatives cannot fill the gap. Microfinance also is largely subsidized, unsustainable, and area generally disconnected from the mainstream money markets. Mainstream money markets are conservative and reluctant to learn new rules and values in working with poor people and rural communities. The global paradigm shift taking place is basically from the preoccupation with “credit delivery” during the 1960s, 1970s, and 1980s, toward holistic “financial intermediation.” This implies a shift from subsidized programs to self-financing programs by way of reducing transaction costs.

**Labor is in short supply and skills need upgrading**

Agricultural workers in the subregion have high levels of productivity but are poorly remunerated as compared to other sectors. Thus, skill acquisition in the agriculture sector is not encouraged and people in their active working age prefer to acquire work skills in other sectors of the economy that offer them better remuneration. This is negatively affecting the performance of agriculture, further dropping productivity in relation to workers in other sectors. Even though the majority of people reside in the rural areas, labor is still constraining because most depend on handheld technologies; most of the labor is provided by women who are already overworked and due to male migration in search of off-farm employment.

The scenario describe suggests that labor skills and productivity in Africa is likely to go up as smallholders diversify into higher value commodities. This transformation is essential if rural incomes and wages are to rise as an important contribution to overall economic growth. If this transformation continues to fail, incomes will remain low and rural to urban migration will increase, particularly of the young and literate.

---

**Note:** This note has not been edited. The views expressed in this summary note are those of the author and are not necessarily endorsed by or representative of IFPRI or of the cosponsoring or supporting organizations.