Agricultural Transformation in Africa: Role for Parliamentarians

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Outline

1. Structural transformation (ST)
2. Why rapid ST will require solid ag policy guidance
3. Implications for RENAPRI
**YOUTH LIVELIHOODS OPTIONS**

62% < 25 years

- **60% Farming**
  - **10% Successful farm**
  - **50% Struggling farm**
- **40% Non-farm**
  - **10% Successful non-farm**
  - **30% Struggling non-farm**

**Pushed out of agriculture**
- In jobs with high barriers to entry
- Post-secondary education
- Invested in skills

**Pushed out of agriculture**
- Relatively unskilled / limited education
- Limited access to land / finance
- Mainly informal sector / wage workers

**Pushed into agriculture**
- Few productive assets
- Poor access to land, finance, knowledge
- High concentration of poverty

**Pushed into agriculture**
- Good access to land, finance, etc.
- Favorable market access, infrastructure
- Diversified income sources
Structural transformation pathway

**YOUTH LIVELIHOODS OPTIONS**
62% < 25 years

- **40% Non-farm**
  - 10% Successful non-farm
  - 30% Struggling non-farm

- **60% Farming**
  - 50% Struggling farm
  - 10% Successful farming

- **70% Successful non-farm**

**Policies**

- Inclusive economic growth
- Infrastructure
- Education

**Policies**

- Ag R&D / extension
- Finance
- Infrastructure and investments along value chain
  - Irrigation
  - Roads
  - Electricity
What do we know about agricultural growth in Sub-Saharan Africa?

Sources of growth:

- Total factor productivity
- Input Intensification
- Cropland expansion

Average annual rate of growth

3 categories of activities that promote structural transformation

1. Actions that the private sector will undertake on its own
   e.g., distributing inputs to areas where demand is strong

2. Actions that the private sector will undertake if governments create a favorable ‘enabling environment’
   e.g., distributing inputs to areas where demand would be strong with improved road, port, communications infrastructure

3. Actions that the private sector will not do under most circumstances and that governments must do
   e.g., infrastructure, education, R&D, extension services
Importance of public policy

Relative expenditures on ag in SSA (billions):

Donors: USD 3.8
FDI: USD 10
African governments: USD 12
private sector: ??

Economic transformation in SSA will require:

– enlightened policies → evidence → research
– strengthen African agricultural policy institutes?
An African Regional Ag Policy Network –
Are we ready to take it to the next level?

- What’s the vision?
- Institutions, like organisms, must adapt to changing environment or die
  - New actors
  - quality of policy analysis today depends on public investments and strategic decisions made 5-10-20 years ago
  - Policy analysis requires solid data (a challenge in many RENAPRI countries)
  - People so busy with their national agenda – forces people to do RENAPRI work in their ‘spare time’
- Free rider problem

→ Undertake SWOT / strategic planning exercise
Process matters!

• Partnership is necessary for institutes to develop

• *How* we partner influences the outcome

• Therefore, need to consider our principles for partnership
Partnership principles (AAP)

1. Shared vision - mutual benefit, mutual capacity building

2. Based on trust, mutual respect, transparency, empathy, and accountability between the partners.

3. Collaboration must be sustainable beyond initial grant cycle, with a view toward long-term collaboration

4. Founded on clarity of purpose, with clear contributions to society

5. All partners engage from the beginning -- objectives, activities, resource mobilization and resource allocation plans are developed jointly.

6. a governance structure that reinforces accountability

7. structured work plan and metrics
Economic transformation in SSA will require:

– Enlightened policies → Evidence → Research
– Strengthen African public institutions, including agricultural policy institutes
– Process matters

Governments hold the key!
Thank You