From aid to trade: the African elephant in the room

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C.L. Erbaugh/UNEP

SciDev.Net's Spotlight *Ensuring food security for the future*[1] featured a number of first-rate articles from various viewpoints. Yet one, it seems to me, sorely lacking, is that encapsulated in the famous catchphrase of Bill Clinton's presidential campaign in 1992: "It's the economy, stupid!" As so often, food security is seen as being achieved by a combination of long-term research-based and short- term low-tech initiatives. And these, in one way or another, are dependent on funding from donor agencies, whether foreign governments – either directly or via their support for research – or charitable foundations or non-governmental organisations.

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Philanthropy is a crucial safety net in the face of human tragedies of conflict, famine and natural disasters – like the situation after Typhoon Haiyan in the Philippines. But for any solution to food security to be truly sustainable, particularly in Africa, people have to move from depending on aid to depending on trade – both local trading and international import/export trade. That is the elephant in the room, clearly evident but all too frequently ignored.

The issue is not new – many Africans are fully aware of the problem even while the solution remains elusive. Dambisa Moyo, for example, Zambian economist, former Head of Economic Research and Strategy for sub-Saharan Africa at Goldman Sachs and World Bank consultant, railed against the tide of money that, however well-intentioned, has only promoted corruption in government and dependence in citizens. She cited in contrast such countries as Argentina and Brazil, where a policy of investment has worked to grow their economies.[2]

Hunger and poverty are inextricably linked. Paradoxically, almost ironically, most of the many hundreds of millions of poor and hungry people, especially in Africa, are farmers, albeit on a small scale. Agriculture currently employs close to 70 per cent of the population, with women playing the principal role, while nearly 60 per cent of the world's available arable land is in Africa. But people go hungry because they cannot grow enough food for themselves and their families or make enough money from selling what they do produce. This itself needs money – for better seeds and fertiliser, a water pump to irrigate the crop and a bike to take it to market, a radio and a mobile phone to find out about crop prices and information on cultivation, and so on. In other words, it *is* the economy, stupid, and that means moving from donor-dependency

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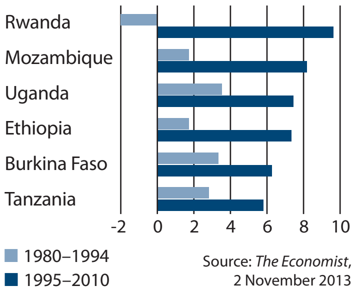
to trade-based self-sufficiency and self-reliance – which is what people say they want anyway. A Harvard University study led by Professor Calestous Juma showed that Africa could feed itself by making the transition to self-sufficiency. "African agriculture is at the crossroads," he said. "We have come to the end of a century of policies that favoured Africa's export of raw materials and importation of food. Africa is starting to focus on agricultural innovation as its new engine for regional trade and prosperity."[3]

Some African economies are now among the fastest growing in the world. In its 2 November 2013 edition, *The Economist* cited an International Monetary Fund study showing that six countries – Burkina Faso, Ethiopia, Mozambique, Rwanda, Tanzania and Uganda – had a GDP growth of at least 5 per cent on average from 1995 to 2010.[4] To these countries should now be added Nigeria, with GDP growth between 2009 and 2012 of 7–8 per cent, mainly because of oil revenues.[5] The article made the key point that these have not relied on the resource and investment boom driven by China. They have achieved this by controlling public finances, curbing inflation and, crucially, improving the climate for entrepreneurism and small businesses by sweeping away price controls and state monopolies. As Jim Adams, a World Bank veteran with long experience in Africa and Asia pointed out in a commemorative lecture on 14 November 2013, as long ago as in the early 1980s the World Bank "argued for underlining the need for trade and exchange rate adjustments, more disciplined budgets, reductions in government controls, a reduced role for parastatals,[6] and an

Change in GDP in Africa

Selected countries, average annual change (%)



Source: *The Economist*, 2 November 2013 increased role for the private sector and for major investments in education and in health". He added, however, that "the NGO community rejected the dominant economic focus of the Bank, questioning the likely impact of many of the proposed reforms; and in-country vested interests affected by the reforms worked hard to undermine proposed policy changes".[7]

Significantly, the World Bank kind of approach of these six African countries in turn attracts further inward investment in the form of grants or cheap loans, including – and importantly – from the diaspora throughout the world. A conference of the African Development Bank on 29 May 2013 was told that there are around 140 million Africans living abroad. "About one third are middle class," noted Olivier Eweck, Director of the Financial Technical Service Division at the AfDB, "total savings by the diaspora are estimated at US$ 50 billion".[8] *Africa Review* reported a recent study as "revealing that the money sent by Africans in the diaspora was more than the amounts remitted by donors through official development assistance. A large portion of these remittances is sent informally to avoid high bank fees". Notably it also reports Professor Mandivamba Rukuni, former Professor of Agricultural Economics at the University of Zimbabwe and Chairman of the Agricultural Research Council of Zimbabwe, as saying: "Africa has the potential of being the world's food basket in the next three decades but for us to maximise on this potential we have to fully engage those in the diaspora."[9]

There remains, however, the massive conundrum of urbanisation that faces African farming and its youth in the flight from the countryside to the cities. This is coupled with the fact that half of all the people in Africa now are under 20 years old and more than half of all global population growth between now and 2050 is expected to occur in Africa. According to the United Nations' latest medium-variant projection, its population could more than double by midcentury, increasing from 1.1 billion today to 2.4 billion in 2050, and potentially reaching 4.2 billion by 2100.[10] This cannot be ignored.

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As Dr Margaret Karembu, Director of the International Service for the Acquisition of Agri-biotech Applications (ISAAA) Africenter graphically describes: "Migration of young people from rural to urban areas has left food production in the hands of their elderly parents, most of whom are incapable of adjusting to modern high-tech farming systems. The *status quo* has only served to further demotivate the youth as farming is portrayed as a punitive, inferior and non-profitable enterprise. As well, young people do not view themselves as part of the solution to the food insecurity problem. Yet their population is increasing at an alarming rate, higher than that of economic growth. The majority throng to cities in their millions, ending up in slums and on the streets doing menial jobs and hawking all manner of counterfeit imported goods."[11]

There is need therefore for a fundamental change in the mindsets of African youths to view themselves as key players in the food production chain. This can be possible if farming becomes profitable with a supportive infrastructure to make it worthwhile and recognised as an important cornerstone of the modern African economy and society.

All this is to be set against what has come to be called, somewhat pejoratively, "the donor-dependency syndrome". While a small number of initiatives are designed to help local communities through self-help projects, traditionally and still today, the majority of donors and/or projects simply hand out donations or effectively their equivalents in a top-down manner. This includes many ostensibly aimed at enhancing food security in one way or another. The result is depressingly common and predictable. It creates, encourages and perpetuates a culture tailored to, and indeed expert in, obtaining funding and expending it in a dependent fashion. It thereby distorts and distracts effort away from self-sufficiency. Most such funding is short term, which has many consequences, including an inability to establish longer-term planning and programmes, inevitable insecurity and uncertainty, and the expenditure of a great deal of time, effort and money in obtaining more donor money which could be better spent. Lengthy reports are regarded as the products rather than results on the ground, so that the means displaces the end. Participatory approaches are more difficult to implement and take longer than top-down approaches so are not carried out or, if they are, fail because of lack of time, money and expertise.

Where donors can help is in supporting people to escape dependency and achieve self-reliance by funding well-governed things that really do that:

- effective agricultural extension services, especially by women for women, that provide up-to-date, practical information to farmers in the distant countryside on new seed varieties and how to grow them in local conditions, and on how to market their crops;
- demonstration farms that link advances in plant breeding and agriculture with farmers and farming networks so that they actually reach small-holder farmers;
- micro-financing and credit unions so that farmers can buy the new seeds, fertiliser and other things needed;
- business advice and capital to help community cooperatives, small firms, agribusinesses and "spin-outs" from universities and research institutions to help bridge "the valley of death" to financially self-

standing profitability that attracts further investment from such as the diaspora.

These are surely the kinds of ways that donors can help – and then bow out and move on to do it again elsewhere.

Donor dependency is pernicious, a vicious circle. It is small wonder therefore that Lord Cameron of Dillington, for example, said in the UK House of Lords in his address during the Queen's Speech Debate on 15 May 2013 that: "The end game of DfID[12] must be to help developing countries become self-sufficient and eventually not to need our aid. To quote Justine Greening, we must 'help create economies that stand on their own two feet'."[13,14]

The elephant in the room must lead the big parade out from aid to trade in Africa!

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