

Finding the key to agricultural growth in SA

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One of the big questions that has occupied South African agricultural economists over the past decade has been how to foster inclusive growth in the sector.



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This is, of course, a broad question with several dimensions. One of the more technical aspects related to this question which deals with where growth should happen – which areas and commodities to prioritise – has largely been resolved and is also addressed in the National Development Plan, published in 2012. But the "softer" side of this question, which deals with stakeholder participation, trust and vision alignment remains unresolved, and that is a major stumbling block to implementation.

There is a generally shared view among policymakers that public-private partnership approaches might be best for developing the South African agricultural sector. This is a view that appeared in the National Treasury [paper](#) of 2019 on economic policy. Private sector bodies (agribusiness, farmer organisations and commodity organisations), have also argued for the same. However, there seems to be a challenge in reaching agreement on how such a partnership approach should work and what the roles of different parties should be. Agreement would demand a commitment to implementation from each grouping.

This is an area that should occupy much more of our attention, especially as we begin to think of our post-Covid-19 agricultural economy. The question of how to create a united vision, and how to build trust and commitment is important.

It seems that the dualism in the sector, which has existed for decades, has maintained a division along the lines of "the haves and the have nots" with fundamental mistrust existing between individuals, and organisations. It can be argued that this is partially responsible for a lack of unity and progress in the sector. The established sector's needs and priorities are different to those of the emerging sector. This exerts pressure on farmer or commodity groupings as they struggle to meet the various demands of a diverse sector.

This has seen separate organisations being formed to focus on the needs of the established, or emerging sectors. Unfortunately, in a country with a past like South Africa's, this division is also drawn along racial lines and even in the private sector, farmer organisations are largely structured along racial lines, instead of having a single, united farmer group. Our history, of course, means that the needs of different farmers are somewhat different. The net result of this divergence is mistrust, and there is a lack of common voice and vision.

There is a growing recognition that South Africa's vision for agriculture must address the needs of both the established and emerging sectors. However, we have yet to see unified organisations that can meet the demands of both segments without prioritising one over the other.

There is also a lack of collaboration between government and the private sector (mainly commodity organisations, agribusinesses, commercial farmer organisations, etc.). These private sector organisations are frustrated by a lack of delivery and extreme bureaucracy. When they do try to implement transformative initiatives, these are sometimes not supported by government officials – primarily at provincial and municipal level.

This lack of collaboration and duplication of effort leads to smallholder farming groups and aspiring farmers being under-served. In some ways, they are the casualties of the process.

To build trust, one needs confidence-building measures. These could initially be through dialogue among all the identified key stakeholders, but importantly, trust could be built through voluntary empowerment initiatives from private sector stakeholders that are capable of reaching scale. For this to work, the government will need to provide support for private sector stakeholders.

It may not be possible for government alone to drive agricultural development if the example of the past two decades is anything to go by. The limited pool of resources and, at times, the misallocation of resources, along with a shortage of expertise at provincial and municipal levels, have been among the factors that have posed key constraints to a successful implementation of agricultural development programmes. There are, of course, land reform policy constraints that also limited agricultural development over the past two decades (see [here](#)).

Cooperation between the private sector and government could bridge these shortages. On land reform, various partnership models have been proposed by private sector roleplayers over the past few years, but the very limited pilots of these models have not translated into bigger initiatives. One can again at least in part attribute this to the lack of a united vision, a lack of trust and a lack of commitment among the private sector, government and civil society.

Regarding the lack of a united vision: Some private sector stakeholders have a vision for South African agriculture as a high-tech, professional and internationally competitive industry. Other stakeholders consider smallholder and subsistence farming as the solution to agricultural development (I have made this point [here](#)). This divergence of vision, in my opinion, partly results in many of these plans not coming to fruition.

Among all the problems that confront South Africa's agricultural sector at the moment, and considering the promise for jobs and growth the sector holds, the most consequential matter that will need to be resolved is this "softer" issue of a unified

vision and commitment.

However, without ridding the sector of its trivial politics and divisions, we will never reach sufficient buy-in from all stakeholders, and thus the chances of success for any policy programme will be extremely limited.

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