

Up and Down and Up Again: A Historic Perspective on Development Aid for Agricultural Policy Reform in Africa

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Since independence agriculture was the predominant productive sector for many African countries. Until today, it remains a key driver for economic growth, rural development and poverty reduction. The sector has therefore received a lot of international support within the framework of bi- and multilateral development aid. Even though the financial amounts of aid, the concepts of aid delivery and assumed impacts on rural development changed over time, the agricultural sector remained of importance for development cooperation with Africa. Yet, the sector has suffered from vast market and policy failures and has largely failed to fulfil its pro-poor development potential until today. So why does aid for agriculture seem to have failed in seizing the expected development opportunities? This paper argues that the international aid for African agriculture didn't manage to consider three important socio-economic aspects. First, aid concepts proved incapable to effectively support agricultural production in the presence of wide-spread market failures. Second, donor approaches didn't fully understand the microeconomic rational and the technical viability of predominant smallholder farming systems. Thirdly, foreign aid actors have largely ignored the political economy of agricultural policies, even where renewed emphasis on sector approaches was meant to address the broader institutional setup for agricultural policy. Therefore, aid has not been as successful as it could have been. As a consequence, aid for agriculture was popular in the 19070ies, was judged ineffective during the 1980ies, suffered from low credibility and popularity during the 1990ies and is revitalised under new aid paradigms since the Millennium Development Declaration. During the past ten years, a new interest for the sector can be observed, due to the resource price boom, the international food crisis, and the expected impacts of climate change. These different phases of aid for African agriculture are analysed with a historic perspective on agricultural policy reforms. It is shown that market failure, smallholder economic behaviour and the political economy still are key problems and that donors have done too little to adequately address these factors with their rural development concepts, despite improved insights on the matter from development practitioners and economic and social development researchers. There is a lot to be gained by understanding, where aid delivery to African agriculture is coming from, what its current challenges and opportunities and where it could be heading to in future.