

COMMENT

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First of all, it is necessary to proclaim myself not a specialist of Africa but of South Asia. These areas are quite different in various respects. But about one year ago, I had an opportunity to visit Zambia as well as Madagascar and thanks to Mr. Kodamaya I could stay his study village, although only for one hour.

Well, today I want to comment on three points. First, Mr. Kodamaya criticizes the well-known uniform policy recommendations by World Bank and IMF which emphasize the efficiency of price mechanism under free markets, by showing firstly that other factors than price incentive including non-price incentive, credit availability, ecological conditions and resource base of peasants played an important role in peasants' decision-making and secondly that parastatal marketing agency is not necessarily inefficient, taking up the successful case of LINTCO.

Basically I agree with Mr. Kodamaya. I believe that, in general, market mechanism cannot work well under the prevalence of risk and uncertainty. In the context of African agriculture, problems such as highly uncertain weather conditions, high transaction costs due to insufficient social/physical infrastructures are serious constraints to increased production. In other words, I think, in Africa, non-market institutions which reduce risk and transaction costs and as such can guarantee well-functioning of market economy are insufficiently developed.

Next, I also agree with the proposition that not all the parastatal marketing agencies will fail. But then what should be clarified, I think, is firstly why maize marketing by NAMBOARD or

Provincial Cooperative Unions failed while cotton marketing by LINTCO succeeded? Secondly, whether LINTCO's success can be replicated to maize marketing or not?

As to the second question, I am very doubtful because among many factors which can be enumerated as reasons why NAMBOARD failed, structural factors rather than organizational factors, in my opinion, become crucial. First, maize is the staple food in Zambia, so its position in the entire economy being large. As a result, the performance of maize marketing became vulnerable to recent economic crisis. Liquidity crisis of NAMBOARD, which causes the notorious late payment to peasants, is partly a result of government financial crisis and its policy of favoring lower maize consumer price. Second, in the case of maize, production areas are widely scattered, causing high costs of marketing as well as input supplies and extension services etc. Past government policy of depot expansion to remote areas, which aimed increased market-oriented production by Zambian peasants, partly contributed to such wide and scattered production structure of maize.

Anyway, I'd like to ask for opinions as to why LINTCO succeeded and its implications to improving maize marketing system, which is one of the most important issues in current Zambian economy.

Let me turn to the next point. I was very interested in the result that household size mainly determines its cultivated area. This indicates, first, labor availability being an important limiting factor of production. And secondly, the non-existence of developed labor market including labor exchange among households.

As to this interesting result, my first question is like this; there seems to be very wide range in household size from 3 to 33. Why can such large differences occur? I want to know the

peasants' strategies to expand their household size as well as the native family/household systems. Closely related to this question; secondly, is the large difference in cultivated area a mere reflection of each family's different stage in the so-called family cycle, or is it more permanent/structured natured? In other words, can the large difference in farm size be looked upon as the so-called class formation or not? Because from another viewpoint, peasant difference shown in Table 11 can be interpreted as rather small differences in terms of per capita resource endowment and production.

Let me turn to the last points, which may be connected with the second points. I was very interested in the way the agricultural credit was distributed at local level. Mr. Kodamaya clearly showed social and/or political bias in the distribution of maize credit, which causes not only inequity among peasants but also poor loan recovery of the state loan institutions. Please forgive me that my question may be about quite different aspects from Mr. Kodamaya's points. Generally speaking, in land scarce countries like Asia, peasant differentiation develops through land accumulation. In contrast to this, how does the peasant differentiation, if any, develop in Africa where land is relatively abundant and so land is not the severe constraint to increased production? I can't have image. The answer to this question depends largely, I think, on how peasants disposed of their economic surplus. For example, reinvestment in agriculture including towards funds to marry more wives, or investment in human capital, i.e. education, or investment in non-agricultural undertakings, or otherwise only towards consumption?

That's all I wanted to comment. Thank you very much.