

Agricultural Policy in Kenya: Issues and Processes

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by

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for farmers and farmer institutions in value addition among others. The media has recently highlighted the plight of mango farmers who cannot market their bumper produce.

- There is also limited exploitation of the regional market potential. The regional markets that have resulted from regional integration, e.g., in the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), etc., and trade liberalisation are yet to be exploited to a significant level. The government needs to encourage trade in agricultural produce across borders, improve and/or provide quality control services, capacity build farmers and fish traders on sanitary, phytosanitary and zoo sanitary measures and international standards, build effective systems to gather and utilize information on external market opportunities, enhance efficiency in port and airport handling services to eliminate delays and costs, designate disease free zones to speed up access to export markets for livestock and their products. Furthermore, the country can become a regional hub for exports to the opened up markets through regional integration and trade liberalisation to the Far East as well.
- iv. **Poor and inadequate rural infrastructure:** Poor infrastructure including poor rural roads, markets and transport systems that result in high transactions costs for farmers and inaccessibility to input and output markets are among the main concerns for the sector. The performance of the sector is affected right from the production to marketing domestically and even internationally. For exports this means lack of sustainable supply of raw materials due to uncontrolled production, with gluts alternating with shortages as well as uncompetitiveness since high transport costs are reflected in high prices. Poor infrastructure has also contributed to the poor market integration in the country.
- Although agriculture has over the years contributed more than proportionately to GDP growth in comparison to other sectors, this has been partly due to infrastructure established through efforts made for specific commodities. Some of these include provision and maintenance of rural access roads to facilitate the movement of agricultural produce to markets, establishment of agro-based industries to increase the value of agricultural produce, education, training and extension services to enhance the adoption of modern farming techniques, establishment of local market centres to open up markets for farmers produce, rural electrification to facilitate agro-processing and safe storage for the produce. Most of these services have been provided centrally by the government through various concerned implementing ministries, until when new fiscal reforms were initiated after the realisation that the productivity of the funds were not very effective.
- v. **Inadequate and declining research in agriculture:** During the first decade of independence, agricultural research emphasised cash crops and major food crops led to major break throughs in these commodities, which largely contributed to increased agricultural production. There was however insufficient appreciation of the economic aspects of small scale farming, leading to research being based on input levels that were uneconomical to the small farmers. Productivity from small scale farms has therefore been lower than from the large scale farms. Agricultural

The Relationship between Drivers of Change

It is categorically stated that change processes occur within the constraints of political economy and hope expressed that donors should work with a broad range of actors to promote pro-poor change. The various actors the report identifies and processes discussed are set out in a table (p7) as follows:

Table 1: The relationship of drivers of change considered

Contextual Factors	Institutions	Agents of Change
Globalization, trade and investment	Political process	The political elite
Regional influences and integration	Public administration	Civil servants
Demographic change	The rule of law	Parliamentarians
Urbanization	Land rights	Political parties
Deteriorating infrastructure	Ethnicity	Local government
The rise of the informal sector	Gender	The judiciary
Changing rural livelihood		The military
Human development		Civil society organizations
HIV/AIDS		Trade unions
		Academic and policy research units
		Faith groups
		The media
		The private sector
		Donors

To summarize, three types of drivers identified that may drive or block pro-poor change are categorized as follows:

- i) Long-term process of social and economic change-referred to as contextual factors, globalization, urbanization, human development etc.
- ii) Changes in the workings of institutions including political processes, ethnicity, gender, etc.
- iii) Reform minded organizations and individuals – referred to as agents of change notably the political elite, parliamentarians, political parties, etc.

However, in the presentation in table form, drivers of change have essentially been listed without clear indication of relationships between the various actors and more so actors across the three categories. The listing could have been more analytical taking into account the fact that policies are relevant to drivers of change to different degrees depending on the particular issues at stake. It is therefore essentially drivers of change, for whom pro-poor change policies are relevant, in other words those affected, who are likely to get involved in that particular policy formulation process. A case in point is agriculture policy affecting virtually all the actors since agriculture is the dominant sector in the economy and the majority of the poor live in the rural areas and struggle to earn a living from agriculture. In contrast, policy on tourism affects a relatively limited number of drivers and smaller percentage of the Kenyan population. Furthermore, certain policies are of immediate and direct consequences

provision of extension services and inputs and the decline in donor support for targeted agricultural programmes. Immediately after political independence, the strategy for the development of agriculture as outlined in the Sessional Paper No. 10 of 1965 was to revolutionise agriculture through provision of extension services, training, and introduction of modern farming techniques. This philosophy therefore influenced subsequent agricultural policies as reflected in various policy documents. A number of special development programmes, were initiated largely with donor support to enhance the development of agriculture and the rural areas in general. A careful review of the initiatives however show that they suffered from a number of policy weaknesses. These include the insufficient attention to involve the stakeholders and lack of coordination among different actors. Another factor is that most of these initiatives were donor driven and were therefore not integrated into the long term development country's agriculture (UNDP 2002).

In the mid 1970s and 1980s Smith and Karuga (2004) argues, considerable donor - driven interventions influenced policy. The district focus for rural development program (DFRD), akin to the current devolved funds, established in 1983 was preceded by considerable donor investment in Integrated Rural Development programmes. Donors also invested substantially in rural infrastructure, like rural access roads, storage facilities, production and marketing facilities like sugar and coffee. Disappointingly, this period also saw increased political patronage and self-interests of the elite seriously eroding interest in policy advice. The structural adjustment programs (SAPs) of the 1980s for the agricultural sector focused on market liberalization and price decontrols, which were expected to reduce opportunities for rent extraction through the marketing chain by the elite. O'Brien and Ryan (2001) considered the attempted reforms in agricultural pricing and marketing as the most difficult era of policy reform throughout the SAPs period. It created mistrust and the highest level of misunderstanding between the government and donors and represents the area where the gap between policy formulation and implementation was widest. Implementation of reforms in agricultural sector were largely tied to release of donor aid.

The next phase of the 1990s was one of historic reduction of donor funding labelled by some the "donor-do-nothing phase". Multilateral donor support in particular was withdrawn in 1991 due to poor governance and corruption issues. At any rate, considerable policy related activities in the agricultural sector such as price decontrol, market liberalization and trade policies were undertaken during this time. Elimination of price controls in 1994 marked successful policy reform efforts. In the same year, the government and a joint donor group began an ambitious reform agenda in the agricultural sector to establish an agriculture sector investment program (ASIP) - a holistic financial and operational sector support policy. The intention regarding ASIP was to improve the effectiveness of donor assistance by progressing from project-based approaches to broader forms of public expenditure support. However, the unfavourable economic and political environment in which the ASIP was initiated resulted in failure and poor outcomes.

Important lessons were, however, drawn from the failed initiative, which are relevant for current agricultural policy formulation. First lesson learnt was that it is extremely important to cultivate local ownership and commitment to policy reforms or else they fail. The donors did not attempt to cultivate local ownership either within government

delivery and to rationalise all projects to avoid duplication (Kenya 2006). The continued accumulation of pending bills due to inadequate resource allocation to departments as noted in the PER 2003 is another factor with respect to sufficiency of structures for SRA implementation. This calls for a unified strong ministerial monitoring and evaluation.

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Appendix:

