The Impact of Foreign Aid on Zimbabwe's Agricultural Policy

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Résumé: *Selon l'auteur, bien que l'aide étrangère appuyait le programme le plus populaire de renforcement de la participation des «petits fermiers» aux marchés agricoles jadis discriminatoires du Zimbabwe, l'approche utilisée, plus ou moins évolutive, contrastait avec l'objective radical du gouvernement Zimbabwéen en matière agricole. Il démontre ainsi que l'impact des donateurs sur la politique agricole et le rendement a été un ralentissement des transformations résultant de la faiblesse en quantité et qualité de la terre redistribuée depuis 1980 au Zimbabwe.*

Introduction

Foreign aid to Zimbabwe, during its 15 years of isolation through international sanctions until Independence in 1980, was limited to military and sanctions busting support from South Africa and Mozambique. During that period, agricultural policy was cast in the framework of an import-substitution strategy which protected a largely agro-industrial complex servicing white minority consumption, foreign dominated mining and a racially discriminatory agrarian structure dominated by large-scale commercial farms (LSCF). The peasantry was broadly excluded from agricultural markets for inputs and commodities, having been starved of state infrastructural, financial, and technology support services, and retaining a labour reproduction function in 'Communal Areas'. At Independence, agricultural policy was intended to transform and redress these agrarian imbalances, mainly through land redistribution and the reallocation of financial and other resources within a stated socialist framework, underscored however by a policy of national reconciliation.

Agrarian policy in Zimbabwe today thus serves the dual class interests of nearly 5,000 white capitalist farmers and a peasantry of approximately one million households. The ruling 'mass' party, ZANU (PF), has been caught in a 'balancing act' between formulating policy to fulfil its obligation to deliver material rewards to the rural populace for their support in the armed struggle, and maintaining overall agricultural output. The nationalist resistance of the revolutionary liberation forces to the now typical aid conditionalities was, however, gradually eroded as economic performance slackened and the state became captive to the need for multilateral finance.

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The extent to which the agricultural objectives of developing 'socialist forms of organisation of production and marketing' and redistributing land were achieved, given the 'pragmatism' of the Government of Zimbabwe (GOZ) and its reliance on foreign aid for agrarian reform, is a central issue of interest in Zimbabwe's agrarian literature. It is contended in this article, that the pragmatic policy orientation of the GOZ, derived from an increasing dependency on aid, promoted the strengthening of capitalist forms of agriculture and uneven development in the Communal Areas, to the detriment of the peasantry. Much of the post-1980 GOZ support received by the peasantry, was donor financed but targeted on an emerging 'kulak' element, with the overall effect of minimising structural change in agriculture. In particular, land reform proceeded at a pace below the expectations of the rural poor.

The negotiated Lancaster House independence settlement placed initial constraints on resource redistribution by protecting private property rights, especially over land, while donor support did not favour land distribution, particularly when linked to socialist forms of production. The interest of donors was to 'make the Zimbabwe model work', such that capitalist development in agriculture thrived with minimal expropriation of agricultural resources held by whites. Bilateral donors, through various aid programmes, gradually eased the country's agricultural policy towards commercialising the peasant sector and towards export orientation among the LSCF. After 1989 the World Bank gained the foreground in influencing agricultural policy, through its financing of the structural adjustment programme. This ended the dreams of agrarian reform.

This article examines patterns of foreign aid to Zimbabwe's agriculture sector, focusing first on the 1980 and 1986 period when initial attempts at transformation were effected. It shows how such aid contradicted GOZ policy, only to be totally reversed in the period 1987-93, when a structural adjustment programme (SAP) was put in place. The specific role of aid in influencing this outcome in agricultural and development policy is then outlined. The next section examines the nature of the inherited agrarian problem in more detail, while the role of foreign aid to agriculture, including bilateral and multilateral aid, and its impact on selected policies are reviewed later.

Zimbabwe's Agrarian Legacy and Policy Shifts

In 1980, the main agrarian structural inequity inherited by the GOZ was the ownership by some 5,000 large white farmers of 40 percent of the land, while 800,000 black peasant households owned 54 percent of the land, 8,000 black small-scale commercial farmers (SSCF) owned less than 1 percent of the land, while the rest of the land was owned by the state as natural parks, forests and state farms. Sixty percent of the land owned by the LSCF was prime land in agro-ecological terms, and was moreover served by the bulk of rural infrastructure, including dams, electricity, telecommunications and transport networks.

Additionally, the LSCF had monopolised access to state finance. LSCF farmers received 95 percent of the short, medium and long-term credit offered by the Agricultural Finance Corporation (AFC), resulting in an increase in value of LSCF lands following development of farm infrastructure and irrigation systems. Most of this credit was perpetually rescheduled while up to 20 percent of the LSCF never paid taxes because of 'viability' problems (Riddel 1978). Virtually all the other state support infrastructure and services, including the marketing board facilities, research and advisory services were located in the LSCF areas. Historically, the five state marketing boards — the Cold Storage Commission (CSC), Dairy Marketing Board (DMB), Cotton Marketing Board (CMB), Grain Marketing Board (GMB) and the Tobacco Board — had been developed to subsidise the LSCF, and offered peripheral services to Communal Areas. The latter areas only had access to minimal extension services, with one extension officer serving over 1,500 peasant households, while their commodities attracted lower official prices than those paid to the LSCF.

The resulting 'dual' agricultural sector was however intricately inter-linked through state-facilitated, cheap migrant labour supplies from the Communal Lands to the LSCF. Legislation controlled agricultural labour movements, encouraged low wages to the benefit of the LSCF, and restricted market participation by the peasantry. Agricultural policy under sanctions, from 1964 to 1979, was intended to increase and diversify LSCF aggregate production, to reduce food imports and to promote clandestine tobacco exports, in order to increase foreign currency earnings. This reduced excessive dependence on tobacco exports and wheat imports, and increased domestic production, particularly of sugar, wheat, fruits and cotton. Wheat production expanded phenomenally through irrigation development in the LSCF, based on cheap power and credit. Large irrigated estates developed by South African and British corporations and the state farm estate sector (TILCOR), enhanced the strategy of encouraging 'self-reliance' among capitalist farmers. This strategy was also aimed at expanding rural incomes and consumption at rural growth points, drawing upon labour from Communal Areas. An economic boom from 1966 peaked around 1973 and began to decline after the oil-crisis, when world recession, local droughts and industrial capacity under-utilisation combined to restrain the economy (Mkandawire 1984). By 1978 the effects of the liberation war on security, state budgets and communal lands infrastructure, such as conservation and livestock control schemes, as well as increased urban migration, had led to growing LSCF farm abandonment and a breakdown of rural administration.

The GOZ thus inherited an unstable agrarian economy, together with numerous 'squatters', refugees and unemployed ex-combatants.

The agrarian policy priority of the GOZ after 1980 focused on rural socio-economic and political rehabilitation through numerous programmes initiated and supported by donors. But, legal restraints on land acquisition contained in Zimbabwe's settlement agreement stifled the rural rehabilitation programme and agricultural policy. At Lancaster House, it had been agreed not to nationalise land, and furthermore that land for redistribution could only be acquired on a 'willing-seller/willing-buyer' basis, with land prices determined by the 'market', while compulsorily acquired land had to be paid for promptly in foreign currency. The civil service, whose leadership was dominated by whites, could only be overhauled through costly early retirement pensions paid in foreign currency, such that initially white civil servants prevailed over agriculture policy. The GOZ's policy of 'reconciliation' led to further concessions to the white community, who were awarded ministries in critical sectors such as agriculture and the public service, while ironically, a black minister was charged with land resettlement, cooperative and rural development in Communal Areas (CA).

The official GOZ agrarian policy was, on paper at least, committed to change. The long-term objectives were to achieve socialist agrarian transformation, integrate the CA and LSCF into a single agricultural system, while allowing for different production systems such as LSCF, SSCF, CA, state farms and collective cooperatives. In the medium-term, the objective was to achieve an acceptable and fair distribution of land ownership and use, through a state programme of land redistribution to individual households, collective producer cooperatives, state farm out-growers and group ranching. The short-term immediate objective was to introduce non-discriminatory agricultural markets, and to offer attractive prices for state controlled commodities. This would be back-stopped in the medium-term with improved marketing, credit, research and extension services development aimed to uplift production and incomes in the Communal Areas, and the restructuring of agricultural institutions and organisations.

Communal Areas would thus be developed through balanced regional growth and development, placing more resources into these previously neglected lands:

> Social considerations require that the regional development strategy must, *inter alia*, establish and strengthen the existence of regional and sub-regional poles of development and growth centres for production of goods and services and, develop hitherto neglected areas outside of the central plateau (Natural Regions I and II) where national resources indicate potential for agricultural and industrial development. The natural regional development strategy will aim at distributing resources through a system of investment incentives, direct participation by the state, and local involvement (Transnational National Development Plan, Vol. I, 1982:55).

Increased water resources and infrastructural development in Communal Lands were considered essential to achieve food security and self-sufficiency, increase the productivity of labour and land, reduce absolute poverty levels, and improve the general standards of living in the Communal Areas. Additionally, the GOZ designed labour policies to enhance the incomes and conditions of agricultural labour, through minimum wage setting and the regulation of working conditions.

The broad effects of this policy shift on the economic performance after 1980 were mixed. An initial 'boom' during 1980 and 1982 was achieved when Zimbabwe experienced a high economic growth rate of 8 percent per year, due to increased capacity-utilisation, expanded demand and growth in peasant production. But from late 1982 to early 1985, the economic growth rate declined to below 2 percent per year, related in part to the world economic recession and the effects of a persistent three-year drought period, which largely affected peasant food security in marginal agro-ecological regions. This led to massive expenditure on state food relief, matched by food aid programmes. This period, which 'coincided' with an IMF agreement, saw massive cuts in public spending in 1983, particularly for resettlement and food subsidies (Table 2). Peasant production increased on aggregate in spite of the droughts, albeit limited to less than 25 percent of those households in the wetter agro-ecological regions. On average peasants had begun to supply 60 percent of marketed maize, cotton and small grain output, rains permitting, even through real prices were declining.

During the period 1985 to 1990, a small measure of economic recovery was achieved but well below projected targets of 5 percent average annual growth. A larger growth rate of 7 percent-8 percent had been projected for the peasant sub-sector, although actual growth rates were well below 3 percent from 1986 onwards ('First Five-Year National Development Plan: 1986-1990':25). Between 1988 and 1992 agricultural growth suffered following a series of droughts which in 1992 resulted in total crop failure in the Communal Lands. In most of these years surplus output among peasants declined to below 50 percent of marketed maize and cotton. During 1989 and 1991, the GOZ's SAP had begun to increase its balance of payments deficits, given the slow delivery of aid pledges and a new practice of hoarding imports which was developed by the private sector following trade liberalisation. Consequently, the GOZ, also bent on reducing food subsidies and costs of grain storage, had adjusted its policy on food security reserve stocks in favour of increasing maize exports. This SAP measure was to ruin the GOZ's foreign currency and food reserves, for it was forced to import two million tonnes of maize during the 1992 drought.

Data on GOZ expenditure on agriculture and the above performance suggest that the objectives of the policy of transformation were not given the priority and emphasis expected. While the agricultural sector's share of the total budget had increased from 5 percent in 1980 to 10 percent by 1986, the need for wider reconstruction to maintain and expand infrastructure, particularly roads and potable water, absorbed much of this increase. Moreover increases in Government expenditure in agriculture were mostly directed at expanding the marketing boards, which in turn incorporated a heavy element of urban consumer subsidies through food price controls. But by 1987, the GOZ had accepted World Bank advice to reduce such subsidies (Davies 1987), especially for wheat, beef, dairy products and to a certain extent maize meal. For instance, the operating costs of marketing boards had escalated as a result of new food subsidies and increased services to Communal Areas. The cost of subsidies rose to Z$140 million in 1985, against Z$74.5 million in 1982. Interestingly, bilateral foreign aid intended to improve access to marketing boards figured highly in this increase of agricultural expenditure, rather than in the financing of other structural reforms, suggesting that donors were financing that key change in the agricultural sector by 1987. But deficits run up by marketing boards came under attack in the 1990s, prompting their rationalisation. This resulted in rising food prices, the introduction of private maize trading, and some competition in the milling industry.

Government expenditure on extension training improved, although the extension agent to peasant ratio of 1:850 achieved remained sub-optimal. The GOZ Agricultural Technical and Extension Services Unit (Agritex) collaborated with marketing boards, credit institutions such as the AFC and agro-chemical transnational corporations, such as Ciba Geigy, in providing packages of seed, chemicals, credit and training in selected areas to create a demonstration effect for peasants. Substantial donor support allowed the distribution of similar inputs in other areas, resulting in the increased production of surplus maize and commercial cotton by a small proportion of the peasantry.

Government funding for agricultural research in independent Zimbabwe was according to some experts impressive by African standards (Eicher 1986). However, the evidence reveals that a large proportion of such research funding was directed at tobacco, given its importance for foreign currency earnings. In the wake of Zimbabwe's enrolment into the Lome Agreement, EEC funding enabled the GOZ to increase its commitment to research in the livestock sector, especially in the areas of disease control and tsetse-fly eradication. Overall, government research funding continued to be channelled through the Agricultural Research Council, a semi-private organisation broadly controlled by agro-business interests which also contribute funding. In this respect, much of the agrarian change backed by GOZ and donor funds, promoted the growth of capitalist agriculture in the LSCF, among a few peasants, and among agricultural industries and institutions which based their success on agricultural market development.

Yet, the GOZ had spent only $31.6 million on land acquisition by the end of 1985, with a further $45.2 million spent on infrastructural development in the resettlement schemes. Less than half these amounts were spent during the 1986-1990 period, and even less during 1991 and 1993. Over 70 percent of the resettlement programme, however, had been financed by foreign aid, with the major donor, the United Kingdom, committing $62 million in the five years to 1985, followed by the African Development Bank (ADB) with $27 million, the Kuwait Fund with $7.8 million and the EEC with $6.3 million during that period. Subsequently donor funding declined, with fewer donors besides the United Kingdom involved, resulting in annual GOZ funding of less than Z$10 million for land acquisition. Thus, external donor perceptions of the success of land distribution became the key determinants of the pace of resettlement. By 1987, therefore, less than 50,000 households had been resettled on less than 2.5 million hectares (below 10 percent of land) in poor areas, and by May 1993 only 56,000 households were resettled on 3 million hectares, most of which was agro-ecologically marginal.

It was only in 1992 that the GOZ introduced its Land Acquisition Act, following the expiry in 1990 of the market influenced clauses contained in the Lancaster House constitution, enabling the GOZ to administratively acquire land and fix prices. Few donors appear to be willing to support this form of land acquisition.

Alongside expenditure on resettlement the GOZ allocated financial resources to its state farming sector, which was perceived by the rural poor to reduce land and related resources available for redistribution to the peasant sector. The state was committed to participating in the direct production of commodities it considered essential and strategic, and at times GOZ officials suggested that state farming was intended to lay the basis for transformation to socialist agriculture.

Credit, a fundamental resource required for restructuring the bi-polar agrarian economy, was increasingly directed by the GOZ to agricultural parastatals for the purchase of peasant crops, and to finance peasants' increased access to short-term, variable farm inputs. At its peak year of financing in 1985, the AFC granted loans to approximately 10 percent of the peasantry (Table 1), establishing a state focus on the 'Kulak' section among peasants. Having peaked at financing more than 90,000 small farmers in 1986, credit access slumped to 35,000 smallholders by 1989, allegedly due to repayment delinquency among the peasantry. State repossession of peasant assets, such as goats and hardware, was increasingly effected by the AFC to ensure repayments.

Table 1: Agricultural Finance Corporation Lending (1980-89) by Sector

Year	LSCF	SSCF	Communal	Resettlement
1980	2233	4348	2500	-
1981	2526	3333	18400	-
1982	2103	3650	30150	910
1983	1745	2929	39192	4154
1984	1332	2949	50036	12897
1985	1484	2744	85719	15178

Source: Compiled by author from MFEPD 1986b.

However, the GOZ did provide some credit to collective cooperatives, although these received less than 10 percent of the credit allocated to small farmers in the resettlement programme. While the number of loans to Communal and Resettlement areas grew rapidly, the decline in the number and value of loans to large and small-scale commercial areas was not proportionally significant to restructure the skewed credit structure. At independence, the entire small-scale farm sector had received only 2 percent of the total value of loans, while in 1985, the proportion had risen to 36 percent), only to decline to below 30 percent by 1992. While the GOZ slightly restructured its own credit distribution, the LSCF increased its reliance on private lending during the first decade, except during the Structural Adjustment Programme from 1989 to 1993, when AFC interest rates became cheaper than private banks.

However, in order to finance its increased expenditure, the GOZ resorted to international borrowing, and by 1986 it had pronounced its deliberate shift towards an increased dependence on foreign aid to finance its plans:

> ... Government will provide finance for 54 percent of the planned Public Sector Investment Programme (PSIP), which totals Z$4,513 million. Two-thirds of this amount will be funded through foreign loans and aid (FFYNDP 1986:46).

Since the agricultural sector was then projected to receive 19.5 percent of the PSIP allocation (FFYNDP 1986:24), this increased the sector's reliance on foreign aid for its development. By 1989, Zimbabwe's purportedly 'home grown' ESAP, had firmly established its dependence on foreign aid, quietly shelving hopes for the agrarian reforms enunciated in the early 1980s. The SAP programme adopted was standard, affirming a greater market orientation in agriculture, and reinforcing its export focus, which various donor agencies had funded.

The weakening of the state's autonomy in agrarian policy was clear by 1993, when external debt escalated to more than 60 percent of GDP, or Z$3.6 billion, with an expected debt service ratio of around 28 percent of export earnings, and a current account deficit of around 20 percent of the balance of payments (World Bank 1992). And the GOZ was now requesting over US$400 million in soft loans and grants to finance drought relief in 1992 alone, above its regular foreign currency requirements. Yet the GOZ still retained a political interest in land distribution, as demonstrated by its use of the 1992 Land Acquisition Act to designate 70 farms for compulsory purchase at administratively set prices.

As can be seen, the GOZ together with its aid 'partners' achieved limited agrarian reform between 1980 and 1993. The tendency was to focus state and donor funding on developing selected aspects of capitalist agriculture, and subsequently to formally reverse agrarian policy reforms through ESAP. The specific role played by foreign aid in the redirection of Zimbabwe's agricultural policy is further elaborated below.

Patterns of Foreign Aid to Agriculture

Annual overall aid commitments and disbursements to Zimbabwe since 1980 peaked in 1983 and declined steadily until 1985 when aid volumes levelled off in real terms (Table 2). While the earlier years evidenced a high aid absorption capacity of around 65 percent, the impression gained is that following the initial rehabilitation of displaced Zimbabweans, donor fatigue had set in by 1984.

During the first two years of Independence, donors and the GOZ were preoccupied with war reconstruction and rehabilitation at a time when economic performance was at its peak. From 1982 to early 1984 when aid peaked, Zimbabwe experienced economic decline and an enduring three year drought. But, already by 1985, signs of declining aid commitments, had led the GOZ to conclude that there was:

> ... a real need in the immediate future to increase the pipeline of external assistance in order that the present level of aid inflows be maintained during and after the Five Year Plan period (FFYNDP 1986:3).

The increased level of state interest and reliance on foreign aid inflows for its long-term development, and its interest to improve the management of aid, were reflected in the fact that most new agricultural interventions in Zimbabwe were donor funded. Bilateral donors proved to be more faithful in their support with high aid disbursement rates, 72 percent for 1986-87, while multilateral aid disbursement rates averaged only 52 percent of commitments and pledges (FFYNDP 1986:3).

Table 2: Foreign Aid Commitments and Disbursement (1980-85) (in US$ million)

Year	(Firm pledge or signed agreement) Commitment	Percentage of 5 years Total	Actual expenditure* or disbursement	Percentage of 5 years Total	Annual absorption rates %
1980	292	11.2	121	7.2	4.4
1981	585	22.4	266	15.8	45.5
1982	498	19.1	297	17.7	59.6
1983	611	23.4	277	16.5	45.3
1984	285	10.9	372	22.1	130.5
1985	339	13.0	347	20.6	102.4
Total	2.610		1.680		

* 'An expenditure does not necessarily imply a cash flow into the country, when aid is tied to commodities, equipment and export services' (MFEPD 1986(b):2).

Source: Re-tabulated and calculated from MFEPD, 1986b, pp. 2-3

The terms of aid gradually shifted away from outright grants towards loan agreements. In the six years following Independence in 1980, grants constituted an average 43 percent of total aid to Zimbabwe, but by 1993 around 80 percent of foreign inflows were in the form of loans. Bilateral aid during the six years to 1986 had a 55 percent grant component (FFYNDP 1986:3). By 1993 concessional and commercial loans had tilted the annual ratio of aid against grants, which now stood at slightly less than 40 percent of total aid, reflecting increasing reliance on World Bank, IMF and ADB lending to support ESAP. During the five years to 1985, balance of payments support and related commodity import programmes dominated the composition of aid to Zimbabwe (Table 3). The GOZ justified this pattern thus:

> The Commodity Import Programmes (CIPs) being offered in grant form by a number of donors have generated Zimbabwe dollar counterpart funds, which are used by the Government to supplement the budgetary resources available for the financing of development projects (FFYNDP 1986:3).

Agriculture competed closely with transport, communications, infrastructural developments and education to maintain the second highest sectoral aid allocation, around 11 percent, reflecting the initial preoccupation with rehabilitating refugees and communal lands. Such aid included farm packages made up of seeds and fertiliser, to start up returning and ruined peasant households on small plots of below one hectare per household. Thereafter, direct aid to agriculture declined, stabilising around 11 percent from 1982 to 1985. Interestingly however, much of the CIP counterpart funds generated were in fact allocated to the agricultural sector. Most donors insisted that CIP counterpart funds be allocated to agriculture. Altogether, however, in spite of the GOZ policy emphasis on agrarian transformation, over 80 percent of total foreign aid was allocated to the non-agricultural sectors (excluding aid to rural development), suggesting that in reality both the GOZ and donors accorded agriculture a low priority.

Table 3: Summary of Sectoral Assistance to Zimbabwe (in % - 1980-85)

Sectors	1980	1981	1982	1983	1984	1985	Average % 1980-85
1. Agriculture, forestry and fisheries	28	18	9	9	11	13	14.3
2. Emergency aid (food)	43	-	-	-	-	-	?
3. Industry	-	21	8	14	12	8	12.6
4. Mining	-	15	-	-	-	-	3
5. Education	24	12	13	10	11	10	13.3
6. Transport and communications	-	11	24	21	12	12	13.3
7. CIP's and balance of payments support	-	11	23	26	25	26	22.4
8. Others*	5	12	23	20	29	31	20

* 'Other' includes listed sectors without any values assigned, as well as other sectors not listed in this table, namely: health, energy, housing, etc.

Source: Compiled and calculated by the author from MFEPD, 1986(b), p. 5.

Moreover, until the increase in ESAP funding, only 46 percent of all the aid received was untied while CIPs accounted for 40 percent of the aid and 14 percent was attributed to technical assistance. Agricultural aid was thus mostly tied to specific programmes and projects preferred by donors.

Table 4: External Aid Classified by Form of Assistance (1980-85)

	PS	CE	TC	Grand Total
Bi-lateral	430 591	595 667	192 675	1 218 953
%	35	49	16	100
Multi-lateral	340 484	34 939	5 384	380 807
%	89	9	2	100
UN-agency related	0 000	43 598	35 682	79 280
%	0.0	55	45	100
Grand total	771 075	674 204	233 741	1 679 020
%	46	40	15	100

Key: PS = Untied Programme/project support
CE = Aid tied to commodities and equipment
TC = Technical co-operation projects, training and scholarship programmes

Note: - Multilateral in this table now includes the broad source of World Bank (and not IBRD per se.
- The totals (grand totals) do not balance because of rounding-up of figures.

Source: Compiled by author from tables in MFEPD, 1986(b).

Foreign aid contributions to agriculture grew unevenly from 1980. Beginning with only US$34 million in 1980, assistance grew immediately in 1982, falling sharply to a mere US$25 million in 1983. Agricultural aid declined for years, until the emergency drought assistance of 1992, when total crop failure led to aid volumes above the 1981 peak. Generally, during the years 1982 and 1983 when Zimbabwe's economic growth performance declined, aid to the agricultural sector also declined, and when signs of economic recovery emerged, for instance in 1984 and 1985, aid to agriculture also increased. Taking into consideration accounting lags, cyclical droughts experienced every third year explain fluctuations in economic growth and in foreign aid contributions. Donors tended to perceive that when Zimbabwe achieved bumper harvests in its staple food (maize) and other crops, it did not deserve much aid. Since most of the droughts were localised and had differentiated regional effects, aggregate output stabilised over the years, aid to agriculture was restrained in spite of the continued need for drought relief in selected communal lands every year.

Because Zimbabwe generally exported agricultural commodities, including maize which donors purchased for triangular aid deals to neighbouring countries, the agricultural sector received less and less priority after the initial rehabilitation initiatives of 1982.

Table 5: Aid Contributions Towards Agriculture in Zimbabwe (1980-85: in US$ million)

Aid category	1980		1981		1982		1983		1984		1985		Totals 1980-95	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Bilateral	32.93	96.7	43.45	89.9	21.90	83.4	16.42	65.1	25.41	50.0	27.29	60.8	167.40	75.7
B. Multi-lateral	1.11	3.3	0.12	0.2	3.17	12.1	7.70	30.5	14.25	33.7	11.05	24.6	37.40	16.9
C. UN-agency related	0.00	0.0	4.78	9.9	1.18	4.5	1.09	4.3	2.68	6.3	6.56	14.6	16.29	7.4
D. Grand total	34.0	100.0	48.35	100.0	26.25	100.0	25.21	99.9	42.34	100.0	44.90	100.0	221.09	100.0

Source: Compiled and calculated by the author from Tables IV 2 in MFEPD, 1986(b).

Until the advent of the SAP, bilateral donors were by far the main contributors to Zimbabwe's agriculture with 76 percent of total funding, followed by multilateral and UN related aid. British and American funds until 1986 constituted the leading bilateral sources of aid to agriculture. The leadership of the United Kingdom in agricultural aid was related to its colonial obligations, and pledges at its Lancaster House negotiations over land, and conceivably its obligations to finance the acquisition of land from its kith-and-kin, as well as to maintain the substantial British investments in Zimbabwe.

There is a perception that the USA backed down on its implicit pledge to support land reform during the Lancaster House Agreement. Moreover the US Government's reduced aid portfolio to Zimbabwe by 1988 followed diplomatic conflicts over foreign policy in the mid-1980s. Later, when Zimbabwe adopted the ESAP, and following improved relations during the Gulf war, USAID took a growing interest in economic support to Zimbabwe, particularly in liberalising agricultural markets.

EEC contributions to Zimbabwean agriculture were determined by trade interests related to the Lome Agreement on the export of prime beef. Since Zimbabwe's beef industry is dominated by large capitalist farmers, this trade-oriented assistance did not directly benefit small farmers.

Emergency aid constituted a key element of agricultural aid in 1980, 1984 and 1992. For instance, US$52 million was granted as emergency aid in 1980, only to resurface as drought relief for peasant farmers in Midlands, Masvingo, Matabeleland and parts of Mashonaland provinces in localised areas during the 1983 to 1985 period, while in 1992 the worst drought led to substantial emergency aid contributions. From 1984, emergency aid was gradually converted into a 'food-for-work' programme, supplementing other rural employment or labour mobilisation schemes. These food-for-work programmes remain unpopular because as expressed by one peasant:

> We pay on the first count by ploughing our fields and reaping nothing. We lost our land and now the big farmers have all the good land and we don't have enough. Then on the second count we have to work again on this food-for-work, for low wages which are barely enough to survive on (Personal Interviews 1986).

UN donors did not dominate emergency aid assistance until 1992. Previously bilateral donors were the major individual contributors, while the EEC was the largest multilateral source of emergency aid during droughts in the mid-1980s. Thus over the years agriculture has received aid in a variety of forms from different sources, but there was a decline in the quantity after the immediate reconstruction period, while CIP's began to play a significant role from 1984, only to be replaced in the 1990s by balance of payments support conditioned upon the adoption of ESAP. Declining assistance to agriculture was related to perceptions, based on aggregate agricultural output, that Zimbabwean agriculture was successful.

The Specific Focus of Agricultural Assistance

The general thesis of this article is that the direction of foreign aid contributions was out of step with the GOZ's stated agrarian transformation programme, although donors were willing to assist in improving the welfare of the poorest agricultural households. This conclusion is reached after examination of the specific agrarian programme funded by donors.

Aid support to agriculture in Zimbabwe was focused on eleven categories of activity namely: emergency assistance, commodity aid, farm equipment, resettlement schemes, micro-projects, aid to marketing boards, extension infrastructure, supplementary feeding, aid to the University of Zimbabwe, technical assistance and aid for irrigation schemes (Table 6). By far the most numerous aid activities were those relating to support for the marketing boards, extension infrastructure and technical assistance, with plant and equipment having also been donated mostly to the marketing boards. Extension infrastructure support included aid to the reconstruction and resettlement programmes, the rural water supply and sanitation programme and centres for agricultural training. A self-help fund for the construction of schools, rural water systems, nutrition and education centres were also instituted, while funds were provided for a general communal area infrastructure development programme via the District Development Fund (DDF).

Technical assistance constituted a major component of bilateral aid activities, covering: training personnel and scholarships for agricultural research, extension and cooperatives; foreign experts and feasibility studies. Zimbabwe thus received various forms of agricultural aid, largely targeted on the Communal Areas, although donors did not apportion this assistance territorially among Communal lands, as is typical of aid elsewhere. There was a tendency for aid to focus on developing peasant markets, rather than promote structural changes such as land reform and the development of large scale infrastructure for Communal Areas.

The specific activities supported and the sources of funding for the period 1980 to 1985, as well as a ranking of donor preferences and priorities for agricultural aid are presented in Tables 6 and 7 below. First, marketing boards had the greatest priority among Nordic donors such as Denmark, the Netherlands and Norway, whose support for the Dairy Marketing Board, for instance, was associated with the move towards a capital intensive technology called 'bulk milk handling'. The Danes were responsible for drawing up a master plan for the dairy industry on behalf of the DMB, in addition to giving support to the GMB. French support for the marketing boards was primarily confined to the Cotton Marketing Board and the Grain Marketing Board, probably reflecting their West African experience.

Table 6: Types of Activity Funded in Agriculture

Country	Activity	Amount in $	Items
Japan	Emergency Assistance	124 900 000	Food aid and refugee resettlement
Sweden	"	33 700 000	Food aid and drought relief
USA	"	29 565 000	Food aid and drought relief
Netherlands	"	10 000 000	Refugee resettlement
France	"	9 000 000	Agricultural equipment
Germany FR	"	7 600 000	Refugee resettlement and drought relief
Canada	"	6 290 000	Wheat and cooking oil-counterpart funds
Japan	Resettlement schemes	50 000 000	Resettlement of displaced persons
Denmark	"	3 500 000	Credit scheme
Kuwait Fund	"	3 300 000	
Netherlands	"	1 200 000	Dombodema scheme
USA	Commodity aid	97 000 000	CIP
Norway	"	62 531 000	CIP
France	"	25 040 000	CIP
Canada	"	8 000 000	Funds for importing equipment
Belgium	Equipment	129 340 000	Tractors badges, boats and floating dry dock
Denmark	"	51 581 000	Hydrometers, loan for equipment and wood treatment
France	"	12 882 000	Tractors for ARDA and DDF
Germany	"	10 000 000	Tractors
Norway	"	5 400 000	Knapsack sprayers and ploughs
Yugoslavia	"	350 000	Tractors, dental units, industrial engines and PTC equipment
Denmark	Marketing Boards	60 000 000	Grain silos, consultancy for Bulawayo depot, plant for compressing groundnut shells and silo equipment for GMB, machinery and master plan of industry for DMB
Japan	"	55 000 000	Agricultural transport trucks for CSC

(Table 6 contd')

Country	Activity	Amount in $	Items
Norway	Marketing Boards	39 969 000	Electric starters, bulk milk and bulk milk collection scheme for DMB
USA	"	34 375 000	Agriculture sector for AFC
Germany	"	20 500 000	Crop Chemicals, AFC small credit and seed purchase fund
France	"	20 200 000	Seed factor, equipment for CMB, equipment for GMB
Netherlands	"	20 000 000	Tankers for bulk milk, chipping long life milk plant for DMB
Japan	Extension infrastructure	104 000 000	Food production increase projects and rural water supply
Denmark	"	58 854 000	Agricultural institutes
USA	"	45 292 000	Resettlement and reconstruction
Germany FR	"	34 950 000	Rural development programme
OPEC Fund	"	10 000 000	Manufacturing and rehabilitation programme
France	Micro projects	3 277 000	Agrarian systems projects
Netherlands	"	700 000	Micro-projects programme
USA	Technical assistance	24 317 000	African manpower training technical and feasibility studies, regional sorghum and pearl millet research and science and technology exchanges
Denmark	"	11 000 000	Study on irrigation potential and technical assistance programme
France	"	10 280 000	Dam studies technical assistance
Sweden	"	7 270 000	Research co-operation
Canada	"	3 500 000	Training coup personnel
Germany FR	"	2 470 000	Promotion of women groups areas, energy study
Netherlands	Technical Assistance	175 000	Women ex-combatants study
Yugoslavia	"	85 000	Training

Source: Compiled by author from MFPED 1986b.

Based on Table 5 which details the source and amounts of the bi-lateral aid to different categories of activity, it was possible to rank donor preferences and priorities in agricultural aid (Table 6), and draw interesting conclusions.

Table 7: Bilateral Activity Preferences in Agriculture (1980-86)

Country	Emergency assistance	Equip-ment	Marketing boards	Extension infrastruc-ture	Micro projects	Supplemen-tary feeding	Technical assistance
Japan	F	-	LF	HF	-	-	-
Denmark	-	LF	HF	F	-	-	ELF
USA	LF		F	HF	-	-	ELF
Belgium	-	HF	-	-	-	-	-
Germany Federal	-	LF	F	HF	-	-	-
Sweden	HF	-	-	-	-	F	LF
Norway	-	F	HF	-	-	-	-
France	-	F	HF	-	-	-	LF
Netherlands	F	-	HF	-	LF	ELF	-
Yugoslavia	HF	F	-	-	-	-	LF
Canada	HF	-	-	-	LF	-	F

Note: HF = highly favoured
F = favoured
LF = less favoured
ELF = even less favoured

Source: Compiled by author from MFPED 1986b.

Donor support for extension infrastructure was highest among such countries as Japan, the United States of America and the Federal Republic of Germany, countries which have an history of large investment in state agricultural extension services. The Japanese were interested in projects that increased food production, whereas the USA was concerned more with rural reconstruction and marketing. The German contribution, on the other hand, was on a broader 'integrated rural development programme', encompassing farm production and such activities as sanitation, animal health and management, together with training. This was one of the few attempts at territorially focused intensive agricultural assistance, undertaken in Masvingo Province. Emergency assistance held the highest priority for Sweden, Yugoslavia and Canada, with Sweden and Yugoslavia producing relief funds for returning refugees of the liberation wars. The Canadians, on the other hand, donated wheat and cooking oil counterpart funds as part of their emergency assistance. Most of these contributions, by strengthening peasant production techniques and output infrastructures, were directed at increasing the role of markets in Communal Areas.

Donating equipment has been the highest priority for the Belgians, who provided tractors, hand-driven milling equipment, boats and barges. The latter items were donated to the District Development Fund for fishing projects on Lake Kariba. The Norwegians, French and Yugoslavs also gave high priority to donating equipment. The French, for example, were involved in a cooperative tractorisation project in Chiweshe Communal Area. Technical assistance held highest priority for the Canadians, while others providing technical assistance were Yugoslavia, France, Sweden, the US and Denmark. Of these countries, Sweden accorded high priority to supplementary feeding, while the Canadians and Dutch provided greatest support to micro-projects.

Land redistribution was financed mainly by the British, with small contributions from the African Development Bank and the Kuwait Fund. Field observation indicates that, apart from NGO support for collective resettlement cooperatives, very few donors were interested in supporting these. Moreover, the GOZ has frequently complained that the British Government was not sufficiently supportive of its resettlement programme. In general the thrust of foreign aid was decidedly not directed at the transformationary objectives of the GOZ, especially in Land Reform. While donor support to marketing boards to some extent benefited peasants, by improving their access to markets, the LSCF also benefited from marketing subsidies set by the GOZ with donor support. LSCF farmers monopolise over 70 percent of the services of the marketing boards. The GOZ, however, did not prioritise agricultural reform, while its allocations to education, health and defence expenditure were high, land reform per se received little of the GOZ's financial resources. This declining interest in agrarian reform was reinforced by foreign aid, as shown by its impact on selected aspects of Zimbabwe's agriculture.

The Impact of Aid on Key Agricultural Policies

Most intellectuals who write on Zimbabwe's agriculture policy agree that the development of the sector hinges upon changes in access to land, credit, technology and the output shifts associated with land use and farm viability change. But what was the impact of foreign aid in promoting developments in these four agricultural policy areas? It was suggested earlier that in broad terms much of the aid provided to Zimbabwe was directed at strengthening market processes in agriculture and in providing relief and support services for both peasants and large farmers. So how was aid used to deepen market relations in these specific aspects?

Impact of Aid on Agricultural Credit

The impact of foreign aid on credit policy is assessed here in terms of the objectives evolved by the state's agricultural credit agency, the AFC, the groups and regions targeted to receive credit, the types of credit received, the forms of agricultural production organisations supported, and the broad social impact of credit. To what extent was credit used to promote agrarian transformation through the resettlement and cooperativisation programmes? Reflecting on the purpose of foreign aid to agricultural credit, the evidence suggests that the intention of key donors particularly the World Bank, a major financier of Zimbabwe credit, was to build the Agricultural Finance Corporation, through policy and institutional support, so that it could supply commercial loans to peasants in communal areas. This was achieved through concessional loans to the AFC to develop a separate viable Small Farm Credit Scheme (SFCS). For the AFC to repay its loan to the World Bank, it had to supply secure credit to individual peasants. Indeed the AFC increased its reliance for the SFCS on foreign grants and loans (Ndoro, 1984), and was backed up by a GOZ guarantee for loans which peasants could not repay. Over the years, the AFC had actually sought authority to operate as a regular commercial bank. This contrasted with its legacy of cheap credit for the LSCF, frequent debt rescheduling and the hopes that the state would now fully subsidise peasant loans.

Moreover, although the number of loans and amount of money provided to peasants grew steadily since 1982, the proportional increase in the total value of loans compared to those granted to the LSCF was rather low, suggesting that the AFC adopted conservative lending criteria in the face of growing peasant demand for short-term loans. Furthermore, the fact that over 90 percent of peasant loans were for seasonal inputs, rather than for medium and long-term investments, emphasised the AFC's caution. But this minimised capital formation among the peasantry. Instead the AFC, now obsessed with the timely recovery of loans, ordered repayments to be made through subtraction of its monies from peasants' annual sales of output to GOZ marketing boards. The SFCS programme was thus perceived by the peasants as locking them into the commercial circuit, rather than promoting their development.

Looking at the SFCS target groups, resettlement and cooperative farmers were less favoured by the AFC, compared to the communal area peasantry. The World Bank position on resettlement and supporting the poorest section of the peasantry in Zimbabwe was:

> ... the reality is that settlement, even on a massive scale and even with high levels of industrial growth, would barely keep up with the population growth, let alone make in-roads into the problem of the over-cultivated communal areas. Much of this problem must therefore be tackled in situ. Intensification is possible in the better rainfall areas, and credit will be part

> of that strategy, but this will need to be supported by strong adaptive research especially in the drier areas, together with improved marketing services and transport (World Bank 1982:3).

The above position which took hold among Zimbabwean policy-makers by the mid-1980s, suggested that agricultural development in Zimbabwe did not require structural transformation as stated in GOZ policies, but the intensification of production, through short-term credit in better endowed communal areas.

The credit strategy thus assumed, contrary to the evidence, that there was efficient land and resource use in the LSCF sector, and that access to land and longer-term investments such as irrigation were not critical constraints in the Communal Lands. Where some AFC loans were granted in resettlement areas, this was mainly to individual peasant households, with little provided to new agricultural producer cooperatives. Resettlement areas, particularly collective cooperatives, were grossly disadvantaged by the AFC's SFCS lending system, with its focus on farm intensification packages addressing land units below three hectares.

The Small Farm Credit Scheme preferred immediate financial returns over social and regional equity. As the World Bank (1982) stated:

> The Communal Areas (CAs) are the main target of the Small Farm Credit Scheme (SFCS). The majority of the CAs from which approximately 50 percent of the total population derive their livelihood, are located in Natural Regions III, IV and V where the agricultural potential is limited. Initially, the Project would concentrate the majority of its support on the more competent farmers in the better areas, mainly in Natural Regions II and III which have greater production potential.

Clearly this policy orientation of the SFCS and World Bank on credit contradicted GOZ policy.

The evidence on regional agrarian development, shows that in terms of marketed agricultural outputs, peasant responses to policy incentives such as credit and infrastructural provisions, were restricted by environmental conditions. Those peasant households in Natural Regions III to V gained the least in terms of crop production increases (Moyo 1986).

The concentration of credit and infrastructure in the better endowed natural regions increased social differentiation in peasant commercial agriculture, whereby only 43 percent of the population of Communal Lands could access GOZ financial incentives. Credit policy thus exacerbated existing regional imbalances, while retaining a greater allocation of credit for the LSCF and disfavoured the resettlement and agricultural cooperativisation.

Finally, the SFCS lending approach to promote a particular cropping pattern through its concentration of loans on 'cash' crops: cotton for medium potential regions, tobacco for the less climatically favoured regions and maize for the better regions. Indeed Zimbabwe's peasants had no access to credit for other crops including horticulture, dairy and oil seeds, which the SFCS did not finance. Therefore, foreign assistance to the AFC succeeded in contradicting the GOZ's agrarian reform policy and influenced peasant agricultural performance through the concentration of loans on given regions, types of crops produced and the choice of technology.

Impact of Foreign Aid on Land Use

The concentration of foreign aid resources in the better agro-ecological regions of Zimbabwe reinforced shifts in the land use policy of the GOZ as well. The EEC grants and loans provided for the development of infrastructure and other incentives for beef exports, for instance, tended to encourage the development of livestock enterprises in LSCF farms located within the prime lands (Natural Regions I and II). The extensive utilisation of prime land in a country facing land hunger not only threatened reduced crop outputs, but increased the prospects for farm labour displacement. As a result of mechanisation between 1978 and 1983, more than 100,000 permanent workers had already been retrenched.

Land use in both LSCF and Communal Areas was adjusted after 1980 in line with new resource allocations, partly financed by foreign aid. Peasants in better natural regions increased their maize land allocations, to the detriment of wider food production, while those in Natural Region III increased the allocation of land to cotton. Meanwhile the LSCF increased livestock and wildlife uses of land allocation. Donor support for drought-tolerant peasant crop research and services, as well as price incentives also led to increased small grains production on land in the marginal natural regions.

Furthermore, new conflicts over land use emerged as expanded beef export production required the maintenance of protected buffer zones for livestock enterprises around wildlife and communal areas. Land fencing and buffalo culling were effected to prevent 'foot and mouth' disease spreading into the LSCF, as EEC regulations prescribe that exporting countries be free of the disease for at least 12 months before shipments. Thus, although the 8,100 tonnes of beef exported represented approximately US$60 million in earnings in 1986, the wildlife industry which also earns foreign exchange through tourism was now threatened by the increasing costs of extensive fencing and wildlife reallocations.

Resettlement and Foreign Aid

Agricultural policies aimed at basic structural change, particularly land acquisition and resettlement, were least supported by foreign aid, and credit support for resettlement schemes and cooperatives was minimal. Because by independence the GOZ resettlement policy was already circumscribed by its constitutional commitment to a 'willing-seller-willing-buyer' framework, the amount of money required to purchase adequate resettlement land was high in relation to available public revenue. The Government was thus dependent on the British Government's commitment to co-finance land acquisition. This dependency was most acute during years of poor economic growth when drought reduced revenue, such as in 1982 and 1984, and particularly during 1990-93, when the GOZ external debt profile worsened.

While the amount of finance available for land purchases declined rapidly during the 1980s, land prices rose dramatically. It was therefore argued by some politicians that budgetary constraints determined a cautious but rational resettlement policy, having nothing to do with the position of donors or the militancy of the Commercial Farmers Union (CFU) on this issue (Bratton 1985). Nevertheless, foreign aid played a crucial role in channelling agrarian resources into alternative programmes such as Communal Area extension , research and marketing, and drew the energies of the GOZ away from land reform. Donors sympathetic to agrarian transformation could certainly have bailed out the GOZ's land reform programme, especially when Zimbabwe's revenues declined further in the face of South African destabilisation. Moreover, donor funded provisions of credit, marketing infrastructure, research and other services did not exhibit any preference for resettlement areas. So, the costs of setting up the new settlers became in itself a constraint.

Regarding the financing of land acquisition, by 1982 the British Government had not only withdrawn from financing farm land for cooperatives, but in 1983 it also began to slow down its disbursements to the resettlement programme because of a purported lack of local matching funds for land purchases and inadequate planning by the GOZ for the schemes. The GOZ, confronted by increased squatting on LSCF lands, particularly in Manicaland, perceived this to be a delaying tactic by the UK's disbursement agency, the Overseas Development Agency (ODA). Gradually a resettlement policy shift emerged, under which settler selection criteria changed from settling the landless to settling 'master farmers' and other 'better-off' peasants in Communal Areas, slowing down the pace of resettlement. Indeed both donors and the GOZ began to be more cautious in their selection of settlers, on the grounds of seeking the economic efficiency of schemes. Unachieved production targets on resettlement schemes and the need to support peasants remaining in Communal Areas became the new concerns. Such concerns were based on short-terms analysis of losses and gains rather than on the need to change the overall demand structure of the agrarian sector and to introduce social equity.

But by 1983, the emphasis of GOZ economic policy had shifted towards a more export-oriented economic strategy (Mkandawire 1984) as part of the beginnings of the 'home-made' SAP. It was perceived that this could be attained by harnessing the LSCF sub-sector exports and peasant cotton production.

Donors supported this shift through CIPs which relieved foreign exchange bottlenecks in assisting farm mechanisation and export promotion facilities. There was little room in this approach for new settlers from the land distribution programme. Thus, between 1990 and April 1993, the GOZ succeeded in designating less than 200,000 hectares on 70 farms for redistribution, suggesting that it would require more than 20 years to achieve its target of acquiring 5 million hectares of LSCF land.

Agricultural producer collective cooperatives, saw a substantial decline in allocations of their establishment grants from Government by 1984 (Mumbengegwi 1984), although a few donor agencies came to their rescue. Non-governmental agencies (NGOs) such as the Lutheran World Federation, Nordic NGOs and a few European NGOs provided small grants to less than 40 cooperatives (Moyo *et al.* 1989). Most donors, including large ones such as the Americans, did not support the resettlement programme, suggesting that they did not favour the GOZ's attempt to reorganise agrarian relations of production, even on a small experimental basis. Instead, they tended to support peasant marketing cooperatives, on the grounds that their efficacy had been proven over time and that cooperative procurement of inputs, of marketing, of information exchange, labour and implements exchange, were preferred by peasants over collective ownership (Bratton 1984).

Agricultural Policy Influences: Which Interests Prevail?

Through the selective application of aid to various types of agricultural activities, donors have had a crucial impact on Zimbabwe's agricultural policies. In the study of African agricultural policy, Zimbabwe tends to be credited with having had an appropriate policy framework which provided incentives to both large and small farmers, leading to increased production after 1980. Although the GOZ has always denied it, donors did influence agricultural policy through the direction of aid. This began with the devaluation exercise in 1982, and the gradual orientation of foreign aid towards agricultural markets development, especially exports, followed by the reduction of food subsidies. Agricultural policy had been influenced by donors through a gradualist approach to the adoption of a few aspects of a structural adjustment programme until 1990 when ESAP was adopted full-scale. Notwithstanding the revolutionary nationalist and socialist credentials of the GOZ, agrarian transformation was supplanted by liberal market reforms which reinforced the dominance of the LSCF sector.

Most Western researchers on Zimbabwe agriculture consider the above policy outcome to be the correct and economically rational end so far, if only food reserves could be maintained at reasonable levels. The fact that rural poverty, unemployment and low productivity persist among the peasantry in the face of continued land underutilisation within the LSCF, and due to the lack of production support for peasants, does not seem to justify further agrarian reforms, particularly land redistribution. It would appear that the rational-choice theoretical perspective when applied to African policy-making, eschews only the rationality of market processes rather than other policy interventions which aim to improve the efficient allocation of resources, particularly with regard to inducing productivity gains among peasants.

The larger problem is that interest group theorists have embraced Zimbabwe as a model, because its 'bi-modal' agrarian structure and the development of farm and other lobbies are considered to positively influence policy making, unlike in other parts of Africa. Thus the liberal agrarian policy outcome has tended to be explained as the result of the strong LSCF lobby, which expresses its concerns better than the peasantry (Bratton 1980; Skalnes 1989). Fewer scholars have attributed the above policy outcome to the GOZ's own independently developed rationality. In spite of this, most scholars tend to neglect the role of donors in influencing agricultural policy, even though it is now commonplace to critique post-facto structural adjustment programmes in Africa, instead of developing an appreciation of the manner in which such policies have been foisted on the continent.

Both the SAP critique and the interest group perspective not only reflect the rationality of the African state, but also oversimplify policy processes, by minimising the class and power interests of African ruling classes and their collaboration with and dependence upon donors.

To suggest that where, as in Zimbabwe, farm lobbies are effective, policy will be rational is methodologically flawed, because the sources of policy influence are more complex, stretching beyond the mere existence of strong farm lobbies, to interlocking relationships between state, farm and peasant lobbies, donors, and technical experts. Thus, whereas the LSCF lobby in Zimbabwe was interested in defending LSCF land rights and markets, they were also interested in receiving non-market incentives including state protection through the import-substitution industrial bias and marketing boards, which benefited them most. The role of donors was to support the expansion of peasant production, LSCF exports and technology imports to agriculture, reinforcing through gradual agricultural markets liberalisation the dominance of the LSCF. In their refusal to support land reform, donors displayed similar interests to those of the LSCF, against the stated GOZ policy of agrarian reform. But the GOZ's policy making autonomy was weakened by the poor performance of the broader economy, a contradictory practice of implementing agrarian reforms through parastatals, and its dependence on donor aid. This dependence reduced the GOZ's resolve to execute agrarian reforms.

While policy-making within a bi-modal agrarian structure, is complicated by the heterogeneous production relations, technologies, land tenure and commodity biases, policy preferences of donors can be decisive in determining which farming groups benefit most. Thus the role of donors needs to be given greater consideration in the analysis of specific agricultural policies than is currently the case. For, as shown above, donors influenced Zimbabwe's agricultural policy through their choice of programmes to support, and effectively took advantage of the GOZ's weak financial situation to redirect agrarian policy.

The World Bank and various bilateral donors supported those agrarian aspects that would maintain and expand the inherited bi-modal agrarian structure, and provided an impetus for the increased participation of 'progressive' peasants in agricultural markets. Smaller donors promoted local institutional capacities in research on adaptive technology and improved services to peasants in order to reduce their costs. Through CIPs, bilateral aid particularly from the USA, the United Kingdom, some Nordic countries, and the Eastern Bloc barter arrangements promoted the importation of agricultural machinery technology, equipment and spares, which led to the increased mechanisation of the LSCF and labour substitution tendencies in the LSCF (Moyo 1989). These measures strengthened the LSCF, in spite of the GOZ's interest in building agriculture in Communal Areas.

Donor support to agricultural marketing was the most critical source of policy influence. While the GOZ initially continued and even expanded its market controls, the net effect was that increased coverage of peasants by the boards could not cater for more than 50 percent of the peasantry. Moreover, given the continued dominance by the LSCF of the production of most commodities, with the exception of maize and cotton, they benefited most from marketing resources, especially from subsidies available to producers through commodity pricing and storage facilities. Foreign aid led to the removal of food subsidies and budget balancing measures in the agricultural parastatals, which resulted in conservative strategies of small farmer promotion. The increasing liberalisation of marketing boards under ESAP, has had a more severe direct impact on the peasantry, whose access to such services have tended to be reduced, and among whom free maize marketing rules have been introduced.

Although farm credit towards peasants increased, their share remained small as it favoured those in better agro-ecological regions. Repayment conditions for peasants were not positively discriminatory in their favour, given their own constraints and lack of access to commercial loans. Donor influence in this aspect was critical, since apart from the 1992 drought recovery programmes, there have been no direct state subsidies for peasant production. Provision of inputs continues to be dominated by transnational firms, private companies and the large farmer 'cooperatives', while the costs of inputs have been rising, eroding peasant gains from output growth. Instead, most donors preferred 'softer' areas of agricultural development assistance to peasants, such as agricultural support services, support to 'reliable' and better off farmers located in well-endowed regions and easily executable programmes, such as CIPs in support of large farmers, while EEC support was directly linked to developing exports markets. Their Nordic counterparts supported basic needs oriented services such as rural water and health.

While foreign aid supported the more 'populist' programme of improving small-scale farmer participation in previously discriminatory agricultural markets, the more or less evolutionary approach contradicted the radical agrarian perspective carried in GOZ policy documents. As a result, the impact of donors on Zimbabwe's agricultural policy and performance has been to slow agrarian transformation. Thus a very limited quantity of mainly poor quality land was redistributed in Zimbabwe over thirteen years, partly a reflection of limited British aid and declining GOZ financial commitments over the years. Both foreign aid and Government budgetary allocations weighed heavily against collective cooperatives, reflecting an overall tendency not to favour 'socialist forms of organisation of production'.

Conclusion

Further research is required to identify how donors, government and farm interest groups interrelate in shaping contemporary agrarian policy in Africa. There is need to examine the efficiency of the current wholesale shift towards market driven agricultural policies, since the development of agrarian capitalism, while marginalising the peasantry, has not been able to improve the capacity of African countries to satisfy their internal demands for food and agro-industrial inputs. Because the rest of the whole continues to subsidise agriculture, the role of the African state in agriculture needs to be redefined so as to generate interventions that broaden the productive capacity of the peasantry. Research needs also to reveal how foreign aid can be utilised for agrarian change, which African markets are unable to induce.

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