Collaboration or Corruption

In research on the supply of food to Dar es Salaam, a city of 5 million people, I found symbiotic relations of interdependence between multitudes of actors were central to the main food system. Important is the relative equality of actors who are friends, or at least familiar with each other, and operate from common cultural repertoires and norms (----). These norms include reciprocity; I help you and expect that you will help me and others in return. Such relations and food systems exist in other cities, towns and villages in many parts of Africa. For people starting in farming or food businesses, more important than access to capital "have been family and friendship networks through which they have accessed information and mutual support" (Wegerif, 2017: 257). There are many positives in such a system including responsiveness to the needs of eaters, low economic barriers to entry that make it very inclusive, high levels of collaboration between actors, and efficiency due to low transaction costs and sharing of resources.

It is well known across many African countries that the child of the village who succeeds in the “modern”, urban, world of colonial and now post-colonial corporations and government bureaucracies is expected to help their relatives and clan members follow them into that world and its economic opportunities. As GG Alcock writes about his entry into business in Johannesburg after coming from rural KwaZulu Natal, "Using my access and omkhaya [family, from home] network of former stick fighters and zwili gang members, I later set up and ran a public telephone network... And soon I was a director and bringing my home boys into jobs" (Alcock, 2018: xvii). The approach makes sense, I draw on my networks to advance and when I make it, I in turn reciprocate and assist those in the same networks to benefit as I have done.

The relationship between Jacob Zuma, former President of South Africa, and Schabir Shaik, was described by Shaik's lawyer as one of “mutual assistance of close friends” (SCA, 2006: 47). This in the failed 2006 Supreme Court appeal against Shaik’s conviction and 15-year prison sentence on charges of fraud and corruption. In 2019 defending himself against charges of corruption, fraud and money laundering, arising from the same relationship with Shaik, Zuma, through his lawyers, makes the same argument that the charges are about “a simple exchange of money” between him and “his friend” (Khumalo, 2019).

In 2018, I attended the 16th Mandela Lecture delivered by former USA President Barrack Obama in Johannesburg. At one point Obama made an interesting admission, “the rich tend to get what they want” he said, while sitting behind him on the same stage was South Africa’s multi-millionaire President Cyril Ramaphosa and his brother in law, billionaire mining magnate Patrice Motsepe. Motsepe whose generous sponsorship of
the event got him time with national and world leaders including a place on the stage alongside Ramaphosa and Obama (----).

Which of the above scenarios involved corruption? A maize trader running her own business helps a friend start maize milling and trading and they continue to collaborate in the future. Someone in a position of power in a company, gives his friends, “homeboys”, jobs. Good for them, but are we happy when we see government officials and ministers giving jobs to friends and people from their home area? Zuma’s friend Shaik was convicted of corruption and the judge was scathing in condemning Shaik for his abuse of the relationship with Zuma for his own economic gains. Ramaphosa has probably worked hard and maybe has certain business acumen, but he, a one-time union organiser, rapidly gained enormous wealth in part due to his political position that made him a favoured partner for many corporate deals and board positions. All legitimate deals, in the eyes of the law.

Land and agri-food sector inequality.

There is a global trend towards larger average farm sizes in wealthier and land-abundant countries, with declining average farm sizes in developing and land constrained countries. While average farm sizes are declining across Africa, there is at the same time a greater concentration of land in medium size farms, that are substantially larger than average farm sizes (Jayne et al., 2016), and the creation of enormous estate farms as part of corporate investment driven large land deals (Land Matrix, 2019, Nolte et al., 2016). For the majority of farmers, there is the risk, reality for some already, of land fragmentation with land size reductions and environmental pressures making land-based livelihoods unviable. Control, by a few corporations and elites, of large tracts of land means less land for states and communities to allocate to their people. The wealthiest and the large land owners, many of them now investment companies, can use their political influence to defend their positions and open opportunities to acquire more land and other rent seeking opportunities in the agri-food sectors. This often at the expense of small-scale owner operated farms and the businesses they link to in territorial markets (CSM, 2016).

Power is not just being concentrated in land ownership, it is increasingly in other parts of the agri-food system. In South Africa where a history of racially based land dispossession has long concentrated land in a few privileged hands, just 9,000 farmers account for 98% of maize marketed. And just seven major players dominate food, including maize, retailing (DAFF, 2017). Of even greater concern is that only three companies now own 73% of the maize silo storage capacity in the country (DAFF, 2017). The largest of these is owned by an opaque investment group operating through the tax haven of Mauritius (Ducastel and Anseeuw, 2018). These hard to identify foreign investors, whose primary interest is greater returns to shareholders, now have enormous influence over the staple food of South Africa. This is an unhealthy situation for the most unequal country in the world, with massive unemployment, and 1 in 4 children stunted by poor nutrition despite the wealth in the country.

There is a concerted effort to create a similar highly unequal model in other countries across Africa. This through the promotion in the agri-food sector of large land deals, corporate investments, and the incorporation of small farmers into formal value chains.
I will not elaborate here on the large land deals that have now been well documented (Nolte et al., 2016, GRAIN, 2016, Anseeuw et al., 2012, GRAIN, 2011). It is important to note, however, that the extreme inequalities that these land deals are driving is not just an outcome of some greedy investors. Such inequality is built into the models supported by governments, multilateral agencies and donors. For example, the blue print for the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) envisages private estates of 10,000 hectares (SAGCOT, 2011) in a country with an average farm size of 1.3 hectares (National Bureau of Statistics, 2012).

A FAO supported and published analysis of the maize value chain in Tanzania, for example, finds that “The large-scale millers are well organized, politically influential”. The document goes on to recommend that “This small [3 large companies] but elite group of maize industry leaders could play a key role in transforming Tanzania’s maize value chain. While some might benefit from guidance on working with smallholder farmers, they could champion and support reorganization of the maize trade” (Wilson and Lewis, 2015: 18). They make this recommendation despite also noting that “increased efficiencies [that they are recommending] in the economic function of the maize value chain will be accompanied by a reduction in the number of active farmers. Equally, formalization of the milling industry will result in small and inefficient millers finding it increasingly difficult to operate under an increasingly competitive environment. When they arrive, these changes will have a significant social and economic impact in rural areas” (Wilson and Lewis, 2015: 19). They offer no suggestion as to how to mediate these social and economic impacts or what will become of the farmers and millers forced out of business when these large and politically influential companies take more control.

The examples from Tanzania are not unique, they are typical of interventions across the continent. They fit within a dominant logic of corporate driven commercialisation that is both unjust in itself and creating greater incentive and opportunity for corruption. Nor are these projects and processes random events, they are part of global and historic developments that we need to understand if we are to respond effectively.

The creation and reproduction of inequality.

The creation and maintenance of land inequalities – and the wider inequalities that these are part of – involves a range of inter-related, mutually reinforcing factors, shown in Figure 1, including: 1) a dominant (hegemonic) view of “modernisation” and “progress” that is used to justify actions that drive inequality; 2) historic conditions of wealth and power inequality that are built on using approaches sanctioned by the dominant paradigm and institutions; 3) elite power used to influence policies in their favour, enabling further accumulation; 4) wealth and power used to influence a range of actors - including academic institutions, NGOs and philanthropists - who reinforce the dominant paradigm and its implementation; and 5) the tendency for critical or alternative views to be marginalised. Frustration at levels of poverty and inequality drives counter-movements that can be either destructive or constructive, or a combination of these (Guereña and Wegerif, 2019).

Figure 1: Reinforcing cycles of land and inequality
Historic roots and the extractivist paradigm

Countries with colonial histories tend to have larger levels of inequality today, as a result of accumulation by dispossession and imposed inappropriate systems of production and distribution. This has combined with gender-, ethnic-, or caste-based discrimination, which was used as part of narratives to justify inequalities. Colonial regimes used these divisions as a means of control and exploitation that put more wealth into the hands of a few colonialists and some of their allies (African Union, 2009, Mamdani, 1996).

Based on land accumulation, enslaved labour, and the exploitation of nature, a dominant extractive model was established to supply minerals and raw materials to growing economies in Europe (Rodney, 1972). This extractive approach to land-based resources divorces land from its ecological relations and the needs of local people. A dual agricultural system was created with, on one side, large-scale plantations; and on the other, subsistence-oriented small farms on land predominately governed by customary authorities and with a lower provision of public services (Frankema, 2010). This dual system based on a deep-seated and narrow modernisation paradigm, combined with discrimination against the agricultural practices of the majority, has informed agrarian policies until today (Brockett, 1992). This has been used to justify the concentration of land and extractive non-regenerative uses of land, water, and forests often for the benefit of foreign nations and investors. This organization of land use and control has is often underpinned by physical and structural violence to restrict opposition and the viable exploration of alternatives.

The processes of liberation from colonialism did not end the inequalities created, but rather saw efforts by those in power during colonial times to hold onto their wealth, if not political power. With time, traditional elites established new alliances and new elite
groups emerged that reconsolidated the same structures of privilege and inequality for their benefit.

Today, there is a new cycle of accumulation by dispossession (Andreucci et al., 2017, Harvey, 2004) and voices calling for more of the world’s land to be put under technology- and capital-intensive production in order to meet an increasing global demand for food and other agricultural commodities (Deininger and Byerlee, 2011).

**Globalisation, financialization, and value chains**

The dynamics of land concentration are not new, but at this time they are happening within an advanced form of corporate capitalism involving investors (capital) finding that squeezing profits from the increased production of goods (or “expanded reproduction”) is no longer bringing sufficient returns. They are therefore turning (or returning) to “accumulation by dispossession” and the extraction of profit through multiple forms of “rent” (unearned income) capture from land, labour, and other “pseudo commodities” (Lannen et al., 2019, Andreucci et al., 2017, Harvey, 2010, Harvey, 2004, Polanyi, 1957). Greater returns can now be made from capital gains and rents than from investing in actual production (Andreucci et al., 2017, Piketty, 2014, Harvey, 2010), with potentially disastrous implications for employment and food security as such factors no longer align with investors’ interests. This is combining with other drivers including population growth, land degradation, climate change, urban expansion, and changing diets, all contributing to increasing pressures on land.

Through a process of financialization, agricultural land is becoming an “alternative asset class”, with decision-making moving further from farmers as the priority becomes returns to investors and shareholders (Ducastel and Anseeuw, 2018, Clapp and Isakson, 2018, Ducastel and Anseeuw, 2017). The number of investment funds operating in the agri-food sector has grown exponentially from 38 in 2005 to 240 in 2014 and 440 in 2018, managing US$73 billion in assets (Valoral Advisors, 2018, Valoral Advisors, 2015). With this, the politics of regulation of agricultural derivatives has shifted the global price of food away from the material aspects of supply and demand to become pegged to finance markets (Isakson, 2014, Clapp and Helleiner, 2012). All of this is intensifying the exploitation of agricultural workers, who are in a weaker negotiating position, and pushing real wages down, with a steadily increasing share of value, including that from improved productivity, going to capital and less going to labour (Lannen et al., 2019, Cochet, 2018, Cochet and Merlet, 2011).

Through incorporation into value chains, farmers level of autonomy is being limited leaving them subjected to worsening terms of trade driven by “lead firms”, often in the metropoles. Value chain analysis emerged out of the corporate approach to supply chain management and an acceptance of the inevitability of globalisation, but a hope that the poor could benefit (Gereffi et al., 2001). Value chain interventions have become ubiquitous in the development sector, with a focus on linking small-scale farmers with “regional and global formal markets” (Seville et al., 2011). This despite a lack of any credible evidence that this approach achieves the intended development goals (Humphrey and Navas-Alemán, 2010). Numerous reports have found that value chains are not good at reaching the poorest communities, as they tend to involve farmers who already have more assets and education (Seville et al., 2011, Humphrey and Navas-Alemán, 2010, Minten et al., 2009). There is an assumption in such interventions that
poverty is due to exclusion, whereas it is often due to adverse incorporation on extremely bad terms (Hickey and Du Toit, 2013, Du Toit, 2004), and most farmers already have other, sometimes more profitable, connections to territorial markets where most food is traded (Wegerif and Martucci, 2018, CSM, 2016).

That value chains drive inequality and fail to meet wider development goals should not surprise anyone. The theorisers of the approach were clear that the “high-road” to “sustainable income growth requires the capacity to protect oneself from competition, that is to take advantage of, or construct barriers to entry” (Kaplinsky and Morris, 2001: 79). Barriers to entry may be good for those who erect them, but they are bad for the majority who are excluded or adversely incorporated. As another value chain manual urges, “[e]xplain at the start of each discussion that you are only interested in opportunities: for a small number of farmers – not for all the farmers in the region!” (Dent et al., 2017: 46). To profit in a value chain you have to be able to upgrade and extract rent. “The concept of upgrading (as distinct from innovation) explicitly recognises relative endowments, and hence the existence of rent” explained Kaplinsky and Morris (2001: 37). Relying on innovation doesn’t work because others catch up too quickly eroding the benefit of the last new innovation. Those with greater political influence are able to influence policies and regulations in their favour in order to increase their returns from “policy rent” (Kaplinsky, 2000, Kaplinsky, 1998).

**Land and agricultural control and political power**

Inequality is self-perpetuating, since it is simultaneously cause and a consequence in a vicious cycle where public policies are shaped in ways that advantage those at the top, at the expense of the rest of society (Stiglitz, 2012). Landed elites are in a position to promote policies – in local, national, and international spaces – that protect them and their land and wealth and enable further accumulation (Giridharadas, 2018, Pimentel et al., 2018, McKinley, 2017, Guereña, 2016). The interests of land and business owners are systematically over-represented in political decision-making bodies. “Development” gets equated with increased profits for the most influential. Policies in the name of national security are commonly enacted to repress social movements resisting the corporate and extractive agenda and to limit the ability of civil society to confront power. 321 human rights defenders were murdered in 27 countries in 2018 and almost 80% of these were land, Indigenous people, and environment defenders, an increase from 67% in 2017 (Global Witness, 2018). Criminalisation of their actions transforms activism into crime and is another tool to silence activists (McKinley, 2017, Guereña, 2016).

Corruption works hand in hand with poor administration of territories and natural resources and is exacerbated when large-sale projects are undertaken, land re-zoning occurs, or land is expropriated (Arial et al., 2011). Women are more vulnerable to land related corruption when there are large land and agricultural deals, as they are often excluded from decision making and tend to have less access to political power, information and support networks (Richardson et al., 2018, Tandon and Wegerif, 2013). They also face particular types of extortion, such as demands for sexual favours (Richardson et al., 2018).

Neglecting the rights and needs of the majority, most states are engaged in a “race to the bottom” in trying to create an enabling environment to attract investors (Kiai, 2015).
Policy measures include deregulating land markets, creating special areas economic zones where national rules do not apply, relaxing environmental protection, granting fiscal privileges and special use concessions without due process, and closing the space for social resistance (Mousseau, 2019, Global Witness, 2018, World Bank, 2017, Martin-Prével and Mousseau, 2016, Käi, 2015, Willoughby, 2014). The World Bank, despite claiming to secure farmers’ access to land, has been accused of undermining land rights and increasing land inequality by financing large-scale investments, promoting contract market schemes, and discouraging regulation through its ease of doing business ranking programmes (Martin-Prével and Mousseau, 2016, Geary, 2012).

Agricultural growth corridors have emerged over the past years as a vehicle for the promotion of a corporate model of agriculture in Africa. They combine state, donor and corporate investments in large territories deemed to be of high agricultural potential, with the focus on large-scale agri-business and the involvement of smallholders as suppliers to corporate value chains. Growth corridors are combined with other interventions having similar aims, such as the Enabling the Business of Agriculture (EBA) initiative, the Alliance for a Green Revolution in Africa (AGRA), and the promotion of large public–private partnerships (PPPs) (World Bank, 2017, Willoughby, 2014, Martin-Prével and Mousseau, 2016). The corporations involved, backed by their governments and aid agencies, have demanded policy changes and programmes to make it easier for them to access land and profit. These measures include enabling the control of seeds by large corporations, the importation of large amounts of fertiliser, and the privatisation of public and state land, preferably by auction to the highest bidders (Mousseau, 2019, World Bank, 2017, Martin-Prével and Mousseau, 2016). The orientation is not to benefit all businesses, certainly not smaller-scale local business, it is geared to favour the larger corporations, many of whom are directly involved in the design and as supporters and beneficiaries of growth corridors. As the SAGCOT Blue Print says, “in each case, the private sector takes the lead in developing the sector, but with strong, complementary support from the government (e.g. through business-friendly policies and publicly-funded research and development and infrastructure)” (SAGCOT, 2011: 17).

International investment treaties and free trade agreements protect the interests of investors, weakening national capacity to regulate food, land, and water sectors (Pérez et al., 2011). In 2017 a Swedish company filed a claim against the Government of Tanzania, at the International Centre for Settlement of Investment Disputes (ICSID) housed at the World Bank, concerning the cancellation of a deal involving 20,000 hectares of land and the potential eviction of 1,500 local farming families (Bernasconi-Osterwalder and Smaller, 2017, Coleman and Cordes, 2017, ICSID, 2017). Mechanisms of this kind reinforce corporate power and act as a barrier to redistributive policies. International agreements often include clauses limiting the state’s capacity to regulate foreign land ownership or renting (CCSI, 2016, Cotula, 2015), while others force states to compensate companies at market prices in cases of expropriation for land redistribution (Tauli-Corpuz, 2015).

Discussion and conclusion

The processes outlined above are not a sustainable pathway for a transformation in Africa, not for a transformation that will benefit the majority and end poverty, or end
Africa’s subservient position in the global economy. These processes are instead driving conditions for greater elite influence, more rent seeking, and greater corruption.

The line must be clearly drawn between mutual collaboration amongst those owning their own enterprises, and therefore reciprocating with their own resources generated through their industry, and those who use the power and resources of the state and of companies that don’t belong to them for corrupt gain. But this won’t convince people who have no opportunity to become one of those owners. People who perpetually serve wealth accumulation for others and see no legal channels for changing that situation. This becomes more stark when those one serves are seen, with good reason, to have unjustly gained their wealth and power.

The line between legal and illegal influence/corruption is seen as a grey one in much of Africa where colonial plundering was legitimised by colonial regimes and largely forgiven - willingly or unwillingly - at independence. We continue with the contradiction of calling for an end of corruption and the prosecution of the offenders, while the worst plunderers of Africa (including some in the post-colonial period) have been allowed to get away with their ill-gotten riches.

The narratives that corrupt business people and political leaders use to justify their actions to themselves and sometimes to the courts are not valid, but they do have power. These narratives have power, because they tap into (and abuse) certain truths that people know, such as about how friends should relate to each other, even in business. They also remind us of real historic and continuing injustices and offer hope that there is a way out of the trap of imposed inequalities of wealth, power, and opportunities.

The widespread nature of corruption and our failure to effectively deal with it makes clear the need for greater efforts and new ways of thinking about and approaching corruption. Success in addressing corruption and building a more inclusive and prosperous society requires the vigorous tackling of practices we call corrupt alongside an equally vigorous dismantling of the legitimised, but immoral and destructive, accumulation of wealth and power by national and international corporations and elites. We cannot effectively tackle the one without tackling the other.

The large small-scale farming sector operating within symbiotic food systems and linking to territorial markets, offers a different and more sustainable path of progress. We need to embrace this opportunity for progress from below that builds on the hard work of so many small-scale farmers, traders and others. In such systems money and other resources are kept circulating in local economies and collaboration and reciprocation, practised amongst relatively equitable and owner operated enterprises, are positive values. The broadest possible ownership and/or control of land and enterprises, that such polycentric systems have as a central feature, is not only more just, but is also an antidote to corruption as power is spread more equitably and the small scale of each individual enterprise further limits rent seeking opportunities.
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