

11th Global Labour University Conference,  
South Africa, 2016  
“The Just Transition and the Role of Labour: Our Ecological, Social, and  
Economic Future”  
September 28 to 30, 2016  
Johannesburg, South Africa

**Are employment development and agro-processing growth incompatible goals?**

Lotta Takala-Greenish<sup>1</sup> ([lottatakala@hotmail.com](mailto:lottatakala@hotmail.com); [lotta.takala-greenish@wits.ac.za](mailto:lotta.takala-greenish@wits.ac.za))

*University of Witwatersrand*

This paper explores the scope and limitations for employment development through agro-industrialisation drawing on production, processing, policy in Southern African soy agro-processing.

Recent discourses on the scope for employment development through agro-industrialisation has seen a revival of three important strands of literature: increased value added through agroprocessing, production and employment development through trade-led growth, and a range of supply-side constraints. Alongside the more macroeconomic theoretical discussions regarding the role of and scope for agriculture in economic development, a set of microeconomic debates have explored the differences between agricultural production chains and produce, land reform and other sources of uncertainty for rural production, as well as developments in domestic and global demand for agricultural produce. These theoretical and empirical debates have helped shift the policy discourse towards measures seeking to overcome particular supply constraints or to generate incentives for increased and improved supply. Policy discussions have included, amongst other supply-side questions, a focus on phytosanitary measures, the need to improve access to irrigation and other inputs to farming, investments into transport and export infrastructure, and support for (export) market access.

Though undeniably important for business sustainability, these debates and policy measures present a narrow and insufficient picture of the industry challenges and contribute only one perspective to questions of employment development. This paper focuses on two under-researched aspects that seek to contribute to debates on agricultural development in general, and specifically the employment debate. These are: the role of the regional market in terms of the scope for developing supply and demand linkages within and beyond agriculture; and the centrality of labour to both production and consumption in alternative.

The paper is structured as follows: the first section reviews how agriculture is currently conceptualised within value chain, trade and supply-side frameworks. The second section considers the limitations of these frameworks for exploring employment development and

---

<sup>1</sup> Fieldwork was conducted as a joint effort across researchers from multiple institutions. Zambia fieldwork was carried out in Zambia by Miselo Mwansa (CSID/WITS) and Gillian Chigumira (TIPS/WITS), in South Africa by Lotta Takala-Greenish (WITS), Kasper Vrolijk (TIPS), and Gillian Chigumira (TIPS/WITS), and in Zimbabwe by Walter Chambati (AIAS) and Sam Moyo (AIAS). An earlier draft of this paper and preliminary fieldwork findings was developed by Lotta Takala-Greenish and Kasper Vrolijk (DSA 2015). This text and any errors are my own.

creation in agro-processing and the production and consumptions linkages within and beyond agriculture. This section draws on a case study of the soy production and processing linkages across South Africa, Zambia and Zimbabwe. The third section outlines how a focus on regional market development from both supply and demand perspectives together with a concerted focus on employment development can provide interesting theoretical and policy insights. The paper contributes to a more nuanced understanding of the power relations that shape the scope for sustainable employment development. These raise new questions about the actions and approaches to be taken at the enterprise, industry and policy levels.

**Key words:** regional industrialisation, labour, global value chains, soy, South Africa

### **References:**

- Bair J. (2011) ed. *Frontiers of commodity chain research*. Stanford University Press, 2009.
- Behar A. and L. Edward, (2011), "How Integrated Is SADC? Trends in Intra-Regional and Extra-Regional Trade Flows and Policy", The World Bank Development Research Group Trade and Integration Team, April 2011 WPS5625 Public
- Cramer C. & J. Sender (2015), "Agro-processing, wage employment and export revenue: Opportunities for strategic intervention", Trade and Industrial Policy Strategies working paper for the Department of Trade and Industry.
- CSID (2013) background paper by Baloyi B., Banda S, Mapila K., Mfongeh G., Roberts S. (2013) "Background Paper on African Industrialisation for Economic Development Department, Research Proposal" Corporate Strategy and Industrial Development working paper, University of the Witwatersrand, Paper presented at IIPPE Conference July 9-11, 2013, The Hague
- Economic Commission for Africa / UNECA, African Union (2013), "Making the most of Africa's Commodities: Industrializing for Growth, Jobs and Economic Transformation" UNECA, Addis Ababa, Ethiopia
- Chang, H. (2002), "Kicking away the ladder: development strategy in historical perspective" Anthem Press
- (2014)
- Karshenas M. (2001), "Agriculture and economic development in sub-Saharan Africa and Asia", *Cambridge Journal of Economics*, 2001, 25, pp.313-342
- Lin J. (2012), "New Structural Economics: A Framework for Rethinking Development and Policy", The World Bank, Washington D.C.

Lin J. & H.-J. Chang (2009), "Should Industrial Policy in Developing Countries Conform to Comparative Advantage or Defy it? A Debate Between Justin Lin and Ha-Joon Chang", *Development Policy Review*, 2009, 27 (5), pp.483-502

Morris M., Kaplinsky R. and D. Kaplan (2012), "One Thing Leads to Another: Promoting Industrialisation by Making the Most of the Commodity Boom in Sub-Saharan Africa", [www.commodities.open.ac.uk](http://www.commodities.open.ac.uk)

Mundle S. (1985), "The Agrarian Barrier to Industrial Growth", *Journal of Development Studies*, 22, NO.1, October

Newman S. and L. Takala-Greenish (2014), "African Industrialisation: Is Global Value Chain Development the Answer?" Draft prepared for Joint South Africa--EU initiative, TIPS and Dialogue Facility Conference: International Conference on Manufacturing---Led Growth for Employment and Equality, 20-21 May 2014, Johannesburg, South Africa

Oya C. (2010), "Agro-pessimism, capitalism and agrarian change: trajectories and contradictions in Sub-Saharan Africa", Chapter 10 forthcoming in the *Political Economy of Africa* edited by V. Padayachee, London, Routledge, 2010

Page, J. (2012) "Can Africa Industrialise?", *Journal of African Economies*, 21(2): ii86-ii125

Philip K. (2012), "How structural inequality limits employment and self-employment in poor areas (or: Why South Africa's informal sector is so small), *Econ 3x3*, [www.econ3x3.org](http://www.econ3x3.org), November 2012

Ravenhill J. (2014), "Global Value Chains and Development", *Review of International Political Economy*, 21:1, pp. 264-274

Saad-Filho A. (2010), "Neoliberalism, Democracy, and Development Policy in Brazil", *Development and Society*, Volume 39, No. 1, June 2010, p.1-28

Salazar-Xirinachs, J.M., Nübler I., and R. Kozul-Wright (2014), "Transforming economies: Making industrial policy work for growth, jobs and development", José Manuel Salazar-Xirinachs, Irmgard Nübler and Richard Kozul-Wright (editors) International Labour Office. – Geneva: ILO, 2014

Singh A. (2011), "Comparative Advantage, Industrial Policy and the World Bank: Back to First Principles", Centre for Business Research, University of Cambridge Working Paper No. 418

Soludo C., Ogbu O. & Chang H.J. (2004) (eds.) "The Politics of trade and Industrial Policies in Africa – Forced Consensus?" IDRC, Ottawa - [http://www.idrc.ca/en/ev-52168-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-52168-201-1-DO_TOPIC.html)

Sutton J. (2012), "Competing in Capabilities: The Globalisation Process", Clarendon Lectures, Oxford University Press

Tacoli C. (1998), "Rural-urban interactions: a guide to the literature" Environment and Urbanization, Vol 10. No.1 April 1998

Takala-Greenish L. (2015), "Regional industrial development through agroprocessing: a case study of soy processing across Zimbabwe, Zambia and South Africa", with country input from W.Chambati, G. Chigumira, M. Mwansa, Policy paper for the DTI / TIPS Project on Regional industrial development

TIPS / AUSAID (various years), "SADC Trade Performance Review", Trade and Industrial Policy Strategies and Australian Agency for International Development, [www.sadctrade.org/tpr/](http://www.sadctrade.org/tpr/)

Wade R. H. (2012), "Return of industrial policy?", International Review of Applied Economics, 26:2, 223-239

Warwick, K. (2013), "Beyond Industrial Policy: Emerging Issues and New Trends", OECD Science, Technology and Industry Policy Papers, No. 2, OECD Publishing

Werner M., Bair J., and Ramiro Fernandez V. (2014), "Linking Up to Development? Global Value Chains and the Making of a Post-Washington Consensus", Development & Change 45(6), pp. 1219-1247