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Beefing Up the Competition

Economist Staff, April 2000

Cotton and cattle farming were once integral spokes in the export wheel of Brynania's economic development. Today, however, the World Bank estimates that cotton and beef exports are only one-third of what they were ten years ago, and one-sixth of what analysts claim they could be. While the estimates are not exact, it is clear that civil war is having detrimental effects on the agricultural industry in Brynania, particularly the cotton and cattle sectors.



Where once the valleys and flood plains of south central Brynania meant home to settlers, they are now home to militia and army units and internally displaced persons. Besides numerous casualties, war has also resulted in limited capital expenditure, soil erosion, and land-mined agricultural fields; which has made the not-so-long ago realities of abundant agricultural exports and subsistence farming a mere refugee campfire story for youngsters.

A recent study sponsored by the UNDP cites that redeveloping the agricultural industry is essential to Brynania's reconstruction. A spokesperson for the UNDP study, Ms. Marie-Pierre Lawlace, told the Economist that the woes of civil war have all but destroyed subsistence peasant farming. The majority of subsistence farmers are ethnic Zaharians, and the conflict has increased rural unemployment in predominantly Zaharian regions of the country. Further rural unemployment is significant, said Lawlace, since an increase in rural unemployment may mean additional recruits for opposition militias.

Faced with so many reconstruction problems such as fields inundated with landmines, displaced populations, and a lack of able-bodied labourers, even the UNDP seems uncharacteristically pessimistic.

There are critics of the UNDP report, however. Detractors are stressing that investment in subsistence agriculture is the equivalent to shooting oneself in the hoof. Brynania's Borris Schmidtch, an agronomist at the Organization of Cyberian Nation's Economic Co-operation and Development Committee says

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Brynanian needs to solicit substantial foreign investment and further privatization to push Brynanian's large-scale cattle industry potential. Schmidtch cites a growing beef demand in Asian and Latin American countries as the key to promoting Cyberia's successful beef industry. He stresses that international investors are wanted in the long-term development of the cattle industry. Investors, he argues, would enable Brynanian to become a competitive market player on par with other big beef exporting countries such as Brazil.

However, the realities of this civil war-torn country are stark in comparison to Schmidtch's optimistic 100% all-beef plan. Ethnic tension over land ownership and access to farmland have contributed to civil war, and investors are hesitant to fund the Brn-dominated cattle industry. One industry investor, directly linked to fast food giant McDonald's has told *the Economist* that investment in the cattle industry is "at this point, too political and unprofitable".

In addition to the above, there are logistical reasons why investors are steering clear of Brynanian. Presently, the port city of McGillidishu is under siege. The lack of access to McGillidishu means that all major export routes are blocked. Despite the short-term solution of low-level imports and exports making a tortuous overland journey through neighboring Ruritania, significant lags in delivery not to mention precarious road travel, high probability of looting, and damage are all reasons why investors are shopping outside Brynanian. Given this trade climate, investors may look to Brynanian and definitely have something to beef about.

Disclaimer: This is not the real Economist. Brynanian is not a real country and exists as part of a fictional conflict simulation.

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