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A Profit in Our Own Country

RECORD OF A SEMINAR CONDUCTED BY THE CRAWFORD FUND FOR INTERNATIONAL
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EDITOR: JANET LAWRENCE



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DR GEOFF MILLER is internationally renowned for his work in agricultural policy, economic development and international trade. He left his position as Secretary of the Department of Primary Industries and Energy to be Australia's candidate for the position of Director General of the United Nations' Food and Agriculture Organisation. He has been chairman of the Australian Primary Industries and Energy Research Council and served on the Policy Advisory Council of the Australian Centre for International Agricultural Research.

Summary and Conclusions

GEOFF MILLER

AGRICULTURAL CONSULTANT

When I sat down this morning, faced with the unexpected task of thinking about how I might sum up proceedings, I realised I had to work through all of the papers and then listen to all of the discussion. As the day progressed it dawned upon me that today has been a day of good news, that is, good news only. The Australian psyche is such that when we hear only good news, we're suspicious. We have this deep underlying cynicism. That cynicism is nowhere better expressed than in the realm of politics, and associated with politics in the ever vigilant news media that we have here in this country. It is, after all, politics and the media that we are ultimately trying to influence through this seminar.

Now, why is it that we have all been here today? I mean, is this just the converted preaching to themselves? If the benefits of international agricultural research are as great as we say they are, then why is it that the funding shortfall doesn't immediately disappear? Or is it that we're a group of people looking at the issues through rose-tinted glasses? Are we in fact colouring what we see by selecting the logic to suit our own interests? This is a question that must be addressed openly if we want to be taken seriously.

I'm going to start by being a little provocative and ask you, 'Is the CGIAR system so wonderful?' My answer is 'Almost, but not quite.' The system does have problems. Not all of the projects in the CGIAR system yield 30% plus internal rates of return. Not all of the Centres are well governed. There has been a multiplication of objectives pursued, a multiplication of Centres, a multiplication of expectations, and at the same time there has been a simultaneous reduction in the budgets. There's room for improvement in the governance and in the

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management of the system, including in the financial management. There's room for enhancement of collaboration between the Centres, and between the Centres and the national agricultural research systems of the developing countries themselves.

Yet, just as Australians have been leaders in agricultural science within the CGIAR system, and in the development of the system, so too are we at the forefront of efforts to advance further the performance of the CGIAR. Many of you outside rural research in Australia are probably not aware of the quiet revolution that has occurred in Australian agricultural research and development over the past decade or so. That revolution has not merely been a response to budget cuts, it has been a ground swell of proactive initiatives to lift the performance of the system.

The innovations include foundation of the new Research and Development Corporations for each agricultural industry and sector and the new Cooperative Research Centres that bring research institutions together and into closer collaboration with industry. They also include dramatic changes in the internal management systems in the CSIRO, the state agencies and the universities.

The Australian agricultural research and development system has been bruised by the budget cuts of the 1980s and the early 1990s but not as badly bruised as the CGIAR system. These proactive initiatives are among the principle reasons for that. What we have today is a genuinely internationally competitive agricultural research and development system here in this country—not a perfect one, but an internationally competitive one—that has gone through enormous adaptation over the past decade.

Those of you here not involved in agricultural research should rest assured that we look upon the CGIAR system the same way as we do our own system. The CGIAR has been responsive, very responsive. Even as it is today, its benefits to humanity are enormous. Its benefits to Australia are very great. But our agricultural research and administration leaders will continue to work hard to advance the performance of the CGIAR system.

It's against that background that I'd like to restate the benefits that flow to Australians as a result of their investment in the international agricultural research system. There are six pipelines through which these benefits flow, as they've been discussed today. Both John Dillon and Earl Kellogg in their papers gave us taxonomies and there's another one in the two-page handout called *Australia: Doing Well by Doing Good*,

which I'll come back to. But I'll briefly follow John Dillon's taxonomy.

John Dillon, first, listed improved agricultural technology as a pipeline through which benefits flow to Australia. Tony Fisher, John Brennan and Peter Kerridge have given us an enormously rich array of illustrations and practical examples of how those benefits have flowed to us.

The second pipeline through which benefits flowed to us is through enhanced trade. Earl Kellogg, Kim Anderson, Don McLaren and Lindsay Falvey today debunked the myth that expanded agricultural production in the poorest developing countries results in reduced opportunities for Australia in international agricultural trade.

In this most recent session, the third pipeline through which benefits flow to Australia—that is, through improving the management of our own environment and natural resources—has been the subject of discussion by Jim Ryan, Ann Hamblin and David Constable. But, as was evident from that session, benefits from improvements in the international physical environment will also flow directly to Australia.

John then went on to list three further avenues through which benefits flow to Australia. I think these three further pipelines have been quite significantly understated during the course of today's proceedings.

The first of those, and the fourth on my list, is what John called the complementarity we gain from our own science in participating in international agricultural research. I would go much further than that. The Australian agricultural research and development system—not just the public sector agricultural research and development system but also the private sector agricultural research and development system that Lindsay Falvey touched on briefly—is an internationally competitive sector of the Australian economy. As a services industry it can bring enormous benefits to this country itself.

The more internationally competitive and the larger Australia's agricultural research and development system, the more Australian agriculture will be enhanced. Our agricultural sector will benefit, but so too will the Australian economy, directly through the efforts of people working in the services industry. Remember that provision of services is the area that's most rapidly growing in world trade, and the provision of agricultural research and development services is an area in which we excel. So that's the fourth pipeline through which benefits flow to Australia.

The fifth pipeline, as John listed, is more diffuse and pragmatic. This is through the international political arena.

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Now during the last 15 months or so I was privileged to visit 66 countries around the world, most of them developing countries. I can tell you that the magnitude of the political benefits that flow to Australia through our excellence in international agricultural research and development is simply not understood in this country.

In developing countries—and the vast bulk of countries around the world are developing countries—agriculture is a much larger sector of the economy. Agriculture ministers are top ministers in governments in the developing world. Therefore agriculture ministers have a much bigger impact on the perception of Australia as a nation. The decisions that other countries take to support, or withhold support for, Australia in international political forums is heavily conditioned by what foreign agriculture ministers think of this country.

On occasions I have had agriculture ministers, and even on one occasion a president, say things to me like, ‘There’s been a lot of fuss about your country closing its embassy here. We’re concerned about that, but by God don’t you take out the assistance that the Australian Centre for International Agricultural Research is providing!’ I think we need to be much more aware that in pursuing our foreign policy objectives there is a substitution that can occur between diplomatic effort and genuinely productive effort in promoting agricultural growth and development.

Another example relates to Australia’s experience in Vietnam. Australia is very well placed commercially and highly respected in Vietnam, despite the fact that we were on the opposing side during the course of the Vietnam war. There’s one reason for that and only one reason. Australia, through AIDAB and IRRI, was able to get in straight after the war and make a major effort to increase agricultural production in that country. Expanded agricultural production has been the key ingredient in getting the country back on its feet.

The role of the Cairns group internationally constitutes yet another example. We would never have had the respect needed to establish, develop and manage the Cairns group during the course of the international trade negotiations if we hadn’t established a reputation at the very forefront of world agriculture—and I mean professional world agriculture. So I think that fifth benefit that John Dillon mentioned warrants somewhat more attention than it’s had.

But the sixth pipeline as John has listed it, is the moral and psychic benefit. We Australians are humanitarian. It is our contribution to humanity that is ultimately the most