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PANEL 7: THE FUTURE OF AGRICULTURAL ORGANIZATIONS AT
GLOBAL, NATIONAL AND LOCAL LEVEL

ORGANIZER AND CHAIRPERSON

Hartwig de Haen (FAO)*

PANEL DISCUSSANTS

Agricultural Organizations: Mandates, Functions and Performance *Daniel Bromley (University of Wisconsin, USA)*

Knowledge Networks for Augmenting Grassroots Creativity and Innovation
Anil Gupta (Indian Institute of Management, India)

National Dimensions: The Role of Agricultural Organizations in Designing, Implementing, Monitoring and Evaluating Policies *Wilhelm Schopen (Federal Ministry of Food, Agriculture and Forestry, Germany)*

International Organizations Affecting Agriculture: Characteristics, Environment and Challenges *Kelley White (US Department of Agriculture)*

RAPPORTEUR

Katinka Weinberger (Centre for Development Research, Germany)

This panel dealt with the rapidly changing roles of agricultural organizations as a result of the various policy reforms and structural adjustments which many countries, developing as well as developed, have undergone in the recent past. Since the early and mid-1980s, under the pressure of a severe economic crisis and growth stagnation, many developing as well as developed countries have progressively abandoned the economic paradigm based on mistrust of markets to allocate resources, implying an active government role in the economy. The new policy paradigm assigns a much greater role to markets and a reduced role of governments in allocating resources. Governments are now expected to concentrate on areas in which markets fail and on the production of non-market goods necessary for the efficient and socially acceptable functioning of economy and society. Generally, this implies that the state, possibly in collaboration with non-governmental and private organizations, should, above all, ensure a sufficient supply of public goods and services.

An additional but related manifestation of the new paradigm is the increasing global interdependence resulting from liberalization of financial flows and the opening up of markets (including agricultural markets) as a result of the Uruguay Round of trade negotiations. Governments are expected to reduce direct market interventions and concentrate on enabling environments for markets to function more satisfactorily. In this new era governments negotiate, implement and supervise international standards, codes and trade agreements and ensure information exchange.

Together with an increased overall emphasis on participatory, decentralized and pluralistic political systems, these paradigmatic changes have had far-reaching implications for the institutional framework. The changes in paradigm promote further forces of change through the possibilities for increasing interaction between agriculture and the rest of the economy, but also with the non-farm rural economy through production and expenditure linkages. At the level of the individual farm households, labour market linkages to the non-agricultural sectors play an increasing role. At the sectoral level there are tendencies of enhanced linkages of primary agriculture to factor and product markets through upstream and downstream interactions. Together with a wide range of location-specific social and ecological functions which societies have been associating with agriculture, this diversification has resulted in traditional agricultural organizations being more and more involved with issues that go beyond agriculture itself, for example environment protection, maintenance of landscapes or rural poverty alleviation.

Finally, the diversity of mandates of agricultural organizations is being shaped by the increasing attention which consumers pay to the quality, safety and health effects of diets and foods. This process has led either to the establishment of completely new, or to the reform of existing regulatory bodies, and the strengthening of existing, or creation of new, consumer interest groups which attempt to influence policies and developments in these fields.

The above factors, along with increased budgetary constraints, are leading to revisions of mandates, structures and work programmes of agricultural organizations, including new forms of division of labour between governmental and non-governmental, international, national and sub-national organizations. The Panel topics and speakers were chosen to reflect some of the main tendencies of this process.

Diversity of agricultural organizations

An overview on agricultural organizations was given by Bromley. At the outset, he recommended maintaining a clear distinction between institutions as expressions of societal values, rules and norms, and organizations as structural entities where decisions and actions are taken within the given institutional framework. According to Bromley the provision of low-cost information to dispersed and remotely located agricultural producers provided the original *raison d'être* of most of the agricultural organizations. Bromley categorized agricultural organizations into four types, each performing a distinct role at various stages of economic and social development: private organizations at

local and national level; non-governmental organizations at local, national and international level; national governmental organizations operating at national and international levels; and, finally, multinational organizations that operate at the international level.

The point was made that, over time, these organizations have evolved from having mainly an information function to having a variety of roles. Four different types are distinguished: advocating, facilitating, inducing and compelling. Depending on their place in the 'public-private continuum', the mandates of the organizations comprise a different mix of these functions. According to Bromley, all organizations have a tendency to undergo so-called 'mission drifts'. As a result of changing political and economic circumstances, they tend to move from mainly information and facilitation functions towards functions of advocating and compelling. He concluded with the recommendation that it would be more in the spirit of the current market liberalization and withdrawal of governments from direct interventions in agricultural markets if organizations, in particular governmental organizations, were to drift back to a primarily facilitating role.

Organizations in an international context

White summarized the broad range of functions of international agricultural organizations, including research, technology transfer, policy advice, information collection and dissemination, financial transfers, neutral forum and establishment and monitoring of rules and standards. Each of the principal international organizations to which he referred (CGIAR, FAO, IFAD, IICA, OECD, World Bank, UNDP) performs a particular combination of these functions, depending on their respective mandates. White analysed the changes in the global environment (end of the Cold War, pervasive adoption of markets at national level, globalization of markets, emergence of 'bottom up' and 'participatory' development initiatives, fiscal restraint, emergence of environmental concerns), all of which necessitated adaptation of missions and operations of the international organizations concerned. Typical challenges and opportunities included the need to broaden the mix of functions of these organizations, increase competition among organizations ('loss of institutional uniqueness') and redirect and sharpen their focus.

In White's opinion, many of the difficulties in which the international organizations have recently found themselves were the result of their attempt to substitute for national organizations rather than to make use of their comparative advantages. More emphasis should be on facilitating national actions than on substituting for them. In concluding, White made particular reference to the importance of international agricultural research. Globalization and liberalization of markets reduced the ability of nations to capture the benefits of 'public goods research' and thus reduced the incentive for national investment in such research. International agricultural organizations therefore had an important role in finding an institutional mechanism for taxing the global community in order to ensure a sufficient level of public goods research.

The role of agricultural organizations in industrialized countries

Schopen addressed a particular phenomenon observed in many industrialized countries, namely the declining economic importance of agriculture and the rising additional demands societies make on rural areas. These include conservation of national resources, safeguarding and maintaining rural landscapes as cultural heritage and keeping rural livelihoods attractive for the population. As many of these functions were more or less directly related to agriculture, policy approaches were needed which went beyond the strictly agricultural and took account of the agricultural to non-agricultural linkages and spatial impacts of many rural activities. Schopen's conclusion from these trends was that agricultural organizations, in particular ministries and their subordinate agencies, will only have a sustainable future if they start to reflect this integrated and multidisciplinary rural perspective in their missions and functions. 'Ministries for rural areas' were needed with mandates comprising not only traditional agricultural policy, but also agroenvironmental, regional planning, cultural and social policies for rural populations. This also implied a coordinating role of government organizations for the involvement of local initiatives and non-governmental organizations in decision making and policy implementation.

If timely action in this regard was not taken, new organizations or other ministries handling environment and regional development would fill the 'vacuum'. Schopen gave a number of examples where these new tendencies had already been realized. In the light of budget limitations, a goal-oriented allocation of funds and a pooling of hitherto sectoral policies and programmes was advised. A final point was made: that at the European level the enlargement of the EU would enhance the relative importance of integrated policies for rural areas.

Importance of knowledge networks

Gupta expressed the view that, unless the context in which the future role and functions of agricultural and rural development organizations were perceived is changed, one would not be able to change the content of organizational design, development policy and relationships between public, private and voluntary organizations. Gupta started out by referring to several challenges which are before development planners and need solution, among them the expeditious sharing of experiences and solutions of similar problems between different parts of the world, the linkage of formal and informal sciences and the scaling up of 'little innovations', that is 'converting ideas into enterprises'. Gupta believed that the development process could become sustainable only when answers to these challenges were sought more rigorously and choices for decision making were more widespread – a process in which NGOs and NGIs have been engaged very effectively so far.

Gupta emphasized the need to facilitate access to information, in particular on useful innovations, which was absolutely essential for the poor. In this context he advocated the creation of so-called 'knowledge centres/networks' which would help their members in reducing transition costs for gaining access

to certain kinds of information and generate reciprocity amongst providers and receivers of information, so that incentives for problem solvers to create a network with knowledge centres would be ensured. Such organizational arrangements could liaise with other existing efforts over the globe, mobilize volunteers and donors and fulfil an ethical obligation towards poor people through appropriate arrangements, such as use of local language and protection of intellectual property and cultural heritage of local communities. Gupta expected that 'information entrepreneurs' would become more significant in the future. He concluded that markets and the state, so far, seemed to be handicapped in dealing with the problem of sustainability in agriculture and rural development.

Floor discussion: adapting to a changing environment

As the theme of this panel covered a wide range of issues, the discussion could only address a few of them. One of the main points raised was the climate of change experienced by agricultural organizations at all levels and the impact that this had on their future. Participants agreed that the mission drift observed by Bromley would have to be reversed and organizations encouraged to revisit their roles. While agreeing that the declining role of agriculture in many economies was a fact and needed to be reflected in the downsizing and/or adaptation of organizational mandates, several participants referred to the strong lobbying exercised by the farm community in many developed countries. This might make any downsizing or adaptation of mandates of agricultural organizations rather difficult. On the other hand, it was underlined that there are many developing countries with rather weak lobbying for higher priority for the agricultural sector in overall economic policy. These countries would have to strengthen their agricultural organizations so as to ensure that agriculture be given the needed primacy in overall development priority.

Several discussants were worried by the shortage of investment in agricultural research and commented on what agricultural organizations could do to redress this trend. While recognizing that international organizations had an important role in ensuring that agricultural research reflected global public interests and also benefited the developing countries, they emphasized the need not to neglect the local research organizations. Local, national and international, public- and private-sector research had clear complementarities which needed to be tapped. A consensus developed during the debate that there is a continuous need for agricultural organizations to adapt to changing circumstances. The suggestion that the organizations have to be open for a widening of their missions and to reorient their mandates towards a broader range of rural issues was shared by a number of speakers. There was also agreement that the division of labour between the various levels and types of organizations needed to be revisited. Interaction between organizations had to be strengthened and duplication of work avoided as far as possible. Governmental as well as non-governmental organizations, including grassroots organizations, needed to build more on their complementarities and comparative advantages in order to be useful to the farmers and the societies as a whole.