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## **Donors and Domestic Policy Makers: Two Worlds in Agricultural Policy-Making?**

Jonathan Mockshell and Regina Birner

Department of Agricultural Economics and Social Sciences in the Tropics and Sub-tropics,  
University of Hohenheim, Germany

Email: J.Mockshell@uni-hohenheim.de and Regina.Birner@uni-hohenheim.de

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### *Abstract.*

*In recent decades, many developing countries have moved from taxing their agricultural sector to subsidizing it, a phenomenon referred to as “overshooting”. Using Ghana and Uganda as case study countries, this study aims to contribute to explaining this phenomenon by examining the role of policy beliefs. The study is based on the Advocacy Coalition Framework and relies on discourse analysis as analytical method. In-depth interviews with policy actors in both countries served as empirical basis. A quantitative analysis of the transcripts was used to identify different discourse coalitions, and a qualitative analysis was conducted to examine the discourses and identify their underlying policy beliefs. The paper identified far-reaching differences in the agricultural policy beliefs between domestic policy makers and donors regarding the question: What does it actually take to develop small-holder agriculture? The evidence from this analysis highlights the role that divergent policy beliefs can play in influencing agricultural policy choices.*

Keywords: agricultural input subsidies, small-holder agriculture, policy beliefs, discourse analysis, agricultural policies, Africa

JEL codes: Q18 Agricultural Policy; Food Policy



## 1 Introduction

Agricultural development policies remain a contested debate among policy makers. Differences in policies regarding subsidies, import tax and the role of the public versus the private sector have been intensely debated. In developing countries, the market failure argument forms a dominant justification for state interventions such as subsidy policies. The economic literature on the political economy of agricultural policies has explained these policy choices using a variety of models that ultimately rest on the rational choice paradigm. Political support function explanations suggest that policy makers implement policies that reward voters (see De Gorter & Tsur, 1991; Swinnen, 1994). A related concept considers the activities of lobby groups who influence policies by paying rents to policy makers (Bates & Block, 2010; Swinnen, 2010a). Explanatory approaches developed in the political sciences have focused on patronage explanations, which portray policy makers as implementers of policies that reward their clientelistic networks (see Bates, 1981; Van de Walle, 2001). Both types of approaches have gone a long way in explaining agricultural policy patterns. Yet, these explanations do not take into account the fundamental role of policy beliefs. As Goldstein & Keohane, (1993) and Orren, (1988) note, beliefs of policy actors do matter because they are, like religious beliefs, the “glue” that is holding actors together and enables them to pursue common goals and influence political outcomes (see also Böcher, 2012; Grindle & Thomas, 1989). Importantly, policy-makers make choices on specific policy instruments, and they may not take into account the overall effect of these policy instruments (which is captured in aggregate measures such as the nominal rate of assistance). As the analysis of the narratives in the classical political economy study by Krueger (1992, see also Krueger, Schiff, & Valdés, 1991) showed, policy-makers select policy instruments on the basis of their beliefs about the effect of such instruments. For example, dominant beliefs about the effect of cheap food prices on industrialization strongly influenced the choice of agricultural policy instruments in developing countries in the early post-independence period (Krueger, 1992). The policy instruments implemented to achieve this goal often had effects that the policy-makers did not anticipate, partly because they neglected the administrative challenges of implementing them. Rather than withdrawing the original instrument, policy-makers often implemented additional policy instruments to counteract unwanted effects, a strategy that tended to exacerbate unwanted effects. Krueger (1992: 130) used the term “whoops-theory” to describe such type of policy-making that is based on inaccurate policy beliefs about the effect of specific policy instruments.

A similar argument has been made for structural adjustment policies. The withdrawal of government interventions from agriculture in the 1980s was based on strong policy beliefs regarding the role that the market can play (cf Wolfensohn & Bourguignon, 2004), while current

policies are influenced by a set of policy beliefs described as the “Post-Washington-Consensus” (see Gore, 2000).

Even though there is strong empirical evidence that policy beliefs matter for policy outcomes, they have been relatively neglected in studies that aim to explain agricultural policy choices. In their 1997 review of the literature on the political economy of agricultural policies, Binswanger & Deininger, (1997:1999) found that “knowledge of impacts of ideas as generators and facilitators of policy change still remains poorly integrated across subfields and schools of sciences where further research is needed.” In the meantime, some quantitative cross-country studies have included variables that capture political ideology and they found rather complex interactions between ideology, political institutions, economic structure and agricultural protection (see review by Swinnen, 2010a). These studies referred to a rather broad classification of left-wing and right-wing ideologies. There is a lack of empirical research that identifies the policy beliefs that different actors involved in agricultural policy-making processes have with regard to different policy instruments. This paper aims to address this knowledge gap through an in-depth case study of agricultural policy beliefs in two countries: Ghana and Uganda. The study is based the Advocacy Coalition Framework and relies on discourse analysis as analytical method. In-depth interviews with 67 actors involved in agricultural policy processes served as empirical basis for the analysis. A quantitative analysis was used to identify different discourses and discourse coalitions, and a qualitative analysis was conducted to examine the different discourses and identify their underlying policy beliefs. The paper identified far-reaching differences in the agricultural policy beliefs of different types of actors, which are likely to influence policy processes and outcomes. The paper is structured as follows. Section 2 presents a literature review. Section 3 describes the research methodology and Section 4 presents the results. In Section 5, the results are discussed and Section 6 draws some conclusions.

## **2 Explaining Agricultural Policy Choices: Insights from the Literature**

This section starts with a brief review of the evidence on the aggregated effect of agricultural policy choices in developing countries, followed by an overview of the existing approaches to explain those policy choices.

### *2.1 Patterns of agricultural policy choices*

The study by Krueger, Schiff and Valdés (1991) quoted above showed that up to the 1980s, developing countries generally taxed their agricultural sector, while industrialized countries supported it. The study also revealed that developing countries tended to tax in particular export

commodities, while at the same time supporting import-competing commodities. A follow-up study by Anderson (2009) revealed that this pattern has substantially changed since the 1980s. Using the Nominal Rate of Assistance (NRA) as aggregate measure of the effect of a country's policy choices, the study showed that industrialized countries have substantially reduced their support to agriculture. Developing countries have generally stopped the taxation of export crops, but they continued to support important competing crops, though at lower rates than was the case in the 1980s (see Figure 1). As a result, developing countries are, on the average, now also supporting their agricultural sector. There are, however, considerable differences between continents. In the period from 2000 to 2005, the NRA for import-competing agricultural commodities was 1.6% in Africa as compared to 26.5 percent in South Asia (Anderson, 2009: 23). The move from overall negative to positive rates of assistance to agriculture has been described as "overshooting", a phenomenon that is heavily criticized in the agricultural economics literature. Anderson and Masters (2009a: 355) express this concern as follows: "A fundamental concern in agricultural policy over time as economies progress toward becoming middle-income, though, is overshooting. In response to rural poverty and inequality, many countries start protecting agriculture soon after they stop taxing it. This imposes large costs on consumers, and slows national economic growth." Agricultural policy choices in the two case study countries, Ghana and Uganda, have followed the general pattern, but they had already "overshot" more than the average of Sub-Saharan African countries. The NRA rates for import-competing commodities in the period of 2000-2004 were 35.8% in Ghana (Brooks et al., 2009) and 15% in Uganda (Matthews et al., 2009: 348). Ghana started cocoa sector reforms as part of a general market liberalization program initiated in 1983, following a financial crisis. The reforms allowed private licensed companies to purchase cocoa from farmers, but the state cocoa marketing board still remains the single exporter of cocoa in Ghana (Birner & Resnick, 2010). Since the reforms, there has been a gradual increase in the producer prices paid to cocoa farmers, but in the period from 2000-2004, the NRA to cocoa was still approximately 20 percent. However, while keeping the producer price below the world market price, the government has increased input subsidies aimed at increasing yields, e.g., through a 'cocoa mass spraying' program (Birner & Resnick, 2010).

The support to import-competing products, which had reached NRA rates as high as 70% in the 1980s, was gradually reduced as a consequence of the structural adjustment program. It reached almost zero in 1992 (Brooks et al, 2009: 433). Since then, the support has been increasing, as indicated above. Most policy instruments implemented in recent years have focused on the provision of inputs. In 2007, the government introduced the Agricultural Mechanization Service Centers (AMSEC) program. Under this program, private companies receive five tractors and

complementary implements under highly subsidized conditions, supposedly to provide mechanization services to smallholder farmers (Benin, Johnson, Jimah, & Taabazuing, 2012). Under the Block Farming program, beneficiaries (preferably young farmers) are supposed to cultivate adjacent fields (“blocks”), for which they receive subsidized fertilizer, seeds, and mechanization services. A National Food Buffer Stock program has been set up to purchase output from farmers at a guaranteed minimum price. Fertilizer subsidies, which had been abolished in the early 1990s, were also re-introduced on a large scale in the 2000s (Benin et al., 2012).

Uganda initiated its Structural Adjustment Program in 1987, leading to a shift from a state-controlled to a liberalized market system. The government abolished all coffee taxes and introduced private sector participation in the purchase and export of coffee to the international market (Anderson and Masters, 2009). As in the case of Ghana, import-competing products have received increasing government support. Most notably, in 2006 the President of Uganda initiated the Prosperity for All (PFA) or ‘Bonna Bagagawale’ program, which provides highly subsidized inputs such fertilizer, improved seeds, livestock and tractors to farmers (MAAIF, 2011). A common feature of such programs is that inputs are supposedly provided on credit, but the repayment rates are very low (Rwamigisa et al., 2013).

## 2.2 *Political economy explanations*

### 2.2.1 Quantitative approaches

There is a substantial body of quantitative literature in agricultural economics that has aimed to explain the observed patterns of agricultural policy choices and their changes over time. This literature has been extensively reviewed (Binswanger and Deininger, 1997, De-Gorter and Swinnen, 2002; Birner and Resnick, 2010; Swinnen 2010a, 2010b; Anderson et al., 2013), hence a brief overview seems sufficient here. Prior to the publication of the new data set on distortions to agricultural incentives (Anderson, 2010), the political economy literature was concerned with explaining the “paradox” that developing countries taxed their agricultural sector while industrialized countries supported it. Early explanatory approaches focused on differences in the ability of rural and urban groups of society to overcome the collective action problem of organizing themselves as political interest groups and to exercise political pressure. A second major group of approaches to explain the “paradox” focused on the interaction of voters, or groups of voters, with politicians (politician–voter models or voter support models). A further development in this literature was a class of models that explicitly capture interactions among politicians, for example, by modeling legislative bargaining under different constitutional rules.

The publication of the data set on distortions to agricultural incentives (Anderson, 2009) gave the impetus for a new set of political economy studies that aimed at explaining the policy changes described above that were revealed in the new data set (Anderson, 2010). These explanations feature some factors that have been relatively neglected in the earlier literature, including constitutional rules and, as indicated above, questions of ideology (Dutt & Mitra, 2010; Olper, 2007). As indicated in the introduction, these studies found rather complex relations between ideology and other factors (Swinnen, 2010a).

### 2.2.2 Limitations of quantitative approaches

Partly due to methodological reasons, the quantitative literature has focused on explaining the overall effect of agricultural (and non-agricultural) policy choices, as reflected in aggregate indicators, such as the NRA. Moreover, these models rest on the “as if” assumption. As pointed out by Birner and Resnick (2010: 1447), these quantitative models “explain outcomes ‘as-if’ politicians and interest groups behave as assumed in these models. This approach is related to the problem of ‘observational equivalence’ (de Gorter and Swinnen, 2002). The same outcomes can often be explained by different models.” While this approach has been extremely powerful in explaining general patterns of change over space and time, quantitative political economy models are less suitable for developing policy recommendations for a specific situation, since it remains unclear to what extent model assumptions correspond to actual behavior. This is relevant with regard to the concern of “overshooting” explained above. Without a better understanding of the reasons why policy makers select the policy instruments leading to this result it will be difficult to develop strategies to address it.

### 2.2.3 Qualitative approaches

In contrast to quantitative approaches, qualitative approaches are less suited to explain overall patterns of change, but they can contribute to a better understanding of why policy-makers chose a particular policy instrument in a particular situation. Moreover, qualitative can identify factors that have been rather neglected in the quantitative literature. One factor that features strongly in qualitative research on agricultural policy-making is the interaction of domestic policy makers with international development organizations (see, e.g., van de Walle, 2001; Jayne et al., 2002; Harrigan, 2003; Rwamigisa et al., 2012). These studies show that such interactions have a far-reaching influence on the choice of agricultural policies and their implementation—or lack of implementation. Another important factor, as highlighted in the introduction, is the role of policy beliefs in shaping agricultural policy choices. The qualitative analysis of political economy

narratives by Krueger (1992) is an excellent example of this approach. Krueger's study highlighted the role of broad ideologies as well as specific policy beliefs regarding the effect of particular agricultural policy instruments.

In the non-agricultural literature, the role of policy beliefs in shaping policy choices has been widely acknowledged. In this context, the Advocacy Coalition Framework (ACF) has been widely used to analyze the policy beliefs of different actors (Sabatier, 1988, 1999; Weible, 2006). Therefore, this study uses the AFC as conceptual basis. This framework is combined with discourse analysis, as this approach makes it possible to identify policy beliefs of different stakeholders, which are considered here as the unit of analysis (Rausser & Roland, 2010; Weible, Sabatier, & McQueen, 2009). This approach is further explained in the next section.

### **3 Research methods**

This section first describes the conceptual framework used for this study, followed by an explanation of the empirical research methods that were applied.

#### *3.1 Conceptual framework*

The term discourse refers to a set of ideas or beliefs expressed primarily through the use of language (van Dijk, 1998). It is a communicative process where a set of ideas and beliefs are expressed as a written or verbal product (van Dijk, 1998). Following van Dijk, (1998), this study applies discourse analysis to identify policy beliefs. The study of discourses also shows that actors who engage in the communicative process on the one hand typically have a positive self-representation of their beliefs, goals, and values but on the other hand have a negative representation of the others beliefs, goals and values (van Dijk, 1998).

To identify story-lines and metaphors in discourses, the study also draws on Hajer's approach of discourse analysis (see Hajer, 1995, 2006). The use of metaphor and story-line plays a key role in constructing discourses. A story-line expresses the facts of a phenomenon, and it has a starting point, middle and an end (Hajer, 2006). A metaphor represents an emblem of a general issue expressing it in a way everyone understands (Hajer, 2006). An ensemble of story-lines, the actors that utter the story-lines and the practices through which the story-line are expressed form a discourse coalition (Hajer, 2006:70). A discourse coalition is identified when actors share common story-lines in their discourses.



The identification of discourse coalitions in this study was also informed by the Advocacy Coalition Framework (ACF) developed by Sabatier & Jenkins-Smith, (1999).<sup>1</sup> The ACF concept identifies policy actors in a policy subsystem who share a particular set of policy beliefs and act together on the basis of their shared beliefs. A policy subsystem is defined as a field of policy analysis consisting of government, private sector, academia, civil society organizations, and others, who are actively concerned with a policy problem (Jenkins-Smith & Sabatier, 1994; Weible et al., 2009). Actors in the policy subsystem who share a set of normative and causal beliefs can be grouped into an advocacy coalition (Jenkins-Smith & Sabatier, 1994). A coalition identifies a problem and forms beliefs about the policy instruments that could be used to address the problem. A belief system includes implicit theories about how to achieve certain objectives, perceptions about the efficacy of policy instruments, value priorities, and perceptions of important causal relationships (Jenkins-Smith & Sabatier, 1994; Majone, 1980; Sabatier, 1988).

### 3.2 *Sampling procedure and interviews*

To apply the ACF and discourse analysis, a set of qualitative in-depth interviews was conducted. The sampling procedure for the respondents started by mapping the stakeholder organizations in the agricultural policy landscape. Based on this map, the initial respondents from the respective organizations were contacted and interviewed. Additional respondents were selected according to the qualitative research principles of ‘completeness’ (covering the broad spectrum of actors) and ‘dissimilarity’ (including respondents with diverse perspective) (see Blee & Taylor, 2002). The interviewed participants comprised of media, interest groups, knowledge providers and policy makers. They included international, national, regional and local government actors who are actively engaged in the agricultural policy landscape in Ghana and Uganda. Participant observation of policy actors during an agricultural sector review workshop in Uganda and informal interaction with the policy actors was also applied.

For each interview, the respondents were asked two broad initial questions. In the first question, the respondent was asked to identify the challenges affecting the agricultural sector. In the second question, he or she was asked to identify possible policy instruments to address those challenges. Importantly, the questions were asked as open questions without prompting any

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<sup>1</sup> The major epistemological difference between Hajer’s discourse analysis and Sabatier’s Advocacy Coalition Framework is well noted in this study. Hajer used an approach based on social constructivism where policy beliefs are assumed to be constantly changing, while Sabatier’s ACF applies positivism interpretation given a set of testable assumption of the policy making process, where policy core beliefs are assumed to remain stable overtime. Following Rwamigisa, Birner, Margaret, & Semana, (2013), this paper is based on positivist assumption because agricultural policy beliefs exist in the real world not as social construction. However the paper integrates social constructivist approach to discourse analysis by examining how language use helps to discover the policy beliefs of the policy actors.

answers. This approach made it possible for the respondents to identify challenges and policy instruments that they themselves considered important and to express what they considered relevant in their own words. Follow-up questions were asked to encourage the respondent to further explain his or her views. Over 90 percent of the interviews were tape-recorded with permission from the respondent. Some respondents were re-contacted for a second time to validate the responses and others were emailed the recorded transcripts for cross-checking. Table 1 shows the interviews conducted in each country. A total of 33 and 34 interviews were conducted in Ghana and Uganda respectively.

(Table 1 here)

### 3.3 *Data analysis*

During the field work phase, the in-depth interviews were tape-recorded and transcribed. Memo-writing was used to identify story-lines and additional actors to be interviewed as well as new set of questions. This follows Hajer, (2006) approach of identifying recurring patterns of speech through the story-lines.

#### 3.3.1 Identifying policy themes

The transcripts from the field work were uploaded into the NVivo 10 software for further analysis. The original texts were coded; metaphors and story-lines were also identified. Further coding was carried out to aggregate the initial codes into policy themes. A total of 17 policy themes were identified from coding the policy discourses of the respondents<sup>2</sup> (see appendix, table A5). The identified policy themes were assigned a binary value (where 1=Yes if the theme appeared in the policy discourses of a particular respondent and 0=No if otherwise). A total of 60 transcripts, consisting of 30 interviewed respondents from each country were used to generate separate data sets. Additional secondary sources of data from official strategic donor and government program documents were also analyzed.

#### 3.3.2 Factor and Cluster analysis

For each country data set, a factor analysis with principal component extraction was conducted on the 17 policy themes, using oblique rotation. Furthermore, a two-step cluster analysis was conducted to explore how the policy actors cluster around the 17 policy themes. The cluster

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<sup>2</sup> The 17 policy themes were those mentioned by the respondents in their discourses without prompting them during the interviews.

membership was determined and cross-tabulated with a policy actor identification variable. Results from the factor analysis and cluster analysis are presented in tables 2 and 3.

## 4 Results

This section presents the policy themes from the factor analysis, explains the discourse coalitions based on the cluster analysis and the story-lines, and provides a detail description of the policy actor discourses.

### 4.1 Policy themes

Factor analysis was used, as indicated above, to identify the policy themes. The Kaiser-Mayer-Olkin (KMO) value of 0.55 for the Ghana results and of 0.57 for the Uganda results is higher than 0.50, which confirms that factor analysis is appropriate for the sample (see Field, 2009). The Barlett's test of sphericity ( $\chi^2 = 261.6$  and  $278.5$ ,  $p < 0.001$ ) is significant, which confirms that correlation between variables is adequate for the factor analysis. Based on the Kaiser rule of selecting eigenvalues  $> 1$  (see Field, 2009), six and five principal components were extracted for Ghana and Uganda, respectively. These explain 79.0% and 71.7% of the variance, respectively. The rule of accepting factor loadings of absolute values more than 0.30 was applied. Tables 2 and 3 show the main policy themes with their factor loadings. The selection of the factor loadings followed Steven's (2002) recommendations of using higher loadings for small sample sizes.

Tables 2 and 3 here

In tables 2 and 3, each component is named based on a set of variables with higher factor loadings in that particular component. For both countries, similar policy themes were identified, which refer to appropriate technology, input subsidy, low agricultural productivity, quality standards and market price support.

### 4.2 Policy discourse coalitions

In both countries, two major clusters were identified through the cluster analysis. The cluster membership results were matched with transcripts of individual respondents. Following this matching, the identified policy themes were analyzed to identify the story-lines of each respondent in each of the two clusters. This analysis proved that the clusters share common story-lines regarding low agricultural productivity of small farms. However, they differed regarding the story-

lines of input subsidy, agricultural mechanization, market price support, youths' involvement in agriculture and the role of the public and private sector in agricultural services provision.

The similarity of story-lines within the clusters and differences between the clusters makes it possible to identify two patterns of discourses. Following the conceptual frameworks described above, the clusters identified in this study are referred to as 'domestic discourse coalition' and 'donor discourse coalition'. These labels have been selected because they reflect the composition of the two coalitions fairly well, as further explained below.

#### *4.3 Actors in the discourse coalitions*

The composition of the policy actors in each coalition is shown in table 4. The domestic coalition is dominated with policy actors from government ministries and agencies, interest groups, parliamentarians and political party representatives. International Financial Institutions dominate the donor coalition. The discourses of academic respondents from economics, agricultural economics and political science fields in Ghana were more aligned with the donor coalition. However, in Uganda, only the discourses of the political science respondents were more aligned with the domestic coalition while the economists and agricultural economists were more aligned with the donor coalition. In both countries, non-governmental organizations were more aligned with the domestic coalition.

Table 4 here

#### *4.4 Policy beliefs*

This section describes the policy beliefs held by the domestic discourse coalition and the donor discourse coalition. Policy beliefs include theories, ideas, policy instruments and perceptions about how to solve some identified problems in the policy subsystem. These policy beliefs have been derived from the transcripts of the in-depth interviews using the generated policy themes as a guide. The major story-lines, specific phrases and metaphors from the interviews are emphasized with italics. First, common policy beliefs of food production-market price linkages and youth involvement in agriculture from Ghana and Uganda are presented. Next, country-specific policy beliefs concerning appropriate technology, the agricultural situation and input subsidies are presented. Finally, the coalitions' positive self-representation and negative other-representation is identified.

#### 4.4.1 Agricultural policy beliefs

*Food production-market price linkages:* The coalitions recognized that market prices play a significant role in stimulating domestic food production, but they differed in their policy beliefs regarding appropriate policy instruments. The domestic discourse coalition viewed market price support as vital to stimulating production, but the donor discourse coalition highlighted that such a policy instruments are distorting the market. In Uganda, the domestic discourse coalition partly attributed low food production to prevailing low market prices. In the words of an NGO representative: “Prices offered to farmers are very discouraging. Yet, price is very important for stimulating production...if you should look at any jumping in production levels of any crop, price would be a very big factor.”<sup>3</sup> In the story-lines of the domestic discourse coalition, there was a common policy belief that market price stabilization was an appropriate policy instrument. This was viewed by the coalition as a mechanism to stimulate domestic food production and increase farmers’ income. A government policy advisor in Ghana said: “I believe, if we are targeting [a particular policy instrument], we should target price support.”<sup>4</sup> The official mentioned that “what a farmer wants is a good price. So it can encourage him to expand his area of cultivation and adopt new technology. If you give him seed and fertilizer and he grows and the yield is high and there is no assured market price, you have not done much.”<sup>5</sup> Another official pointed out that “if we are looking at food security and we are trying to get adequate raw material to add value and reduce post-harvest losses, then the government should target price support. People will even borrow and produce.”<sup>6</sup> In the words of an award-winning farmer: “As a farmer, those two things (input subsidy and market price support) are needed. When you have the inputs and you don’t have the market, it’s a problem and also if you have the market and you don’t have the inputs to widen your farm, that’s also a problem, so those things have to move together.”<sup>7</sup>

The donor discourse story-lines described government price stabilization policies as “killing private sector initiative.”<sup>8</sup> A popular term in the donor discourse coalition was the ‘sustainability’ of government initiatives. A donor organization representative mentioned: “The government should pull out from this business of telling the world that maize should be sold at 70 GH cedis. If you do that, you discourage the private sector; this is because the business of producing maize becomes government business.”<sup>9</sup> In contrast, for the domestic discourse coalition, price stabilization

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<sup>3</sup> Interview with NGO, Kampala, November 21, 2012

<sup>4</sup> Interview with MoFA official, Accra, September 5, 2012.

<sup>5</sup> Interview with MoFA official, Accra, September 5, 2012.

<sup>6</sup> Interview with MoFA official, Accra, September 5, 2012.

<sup>7</sup> Interview with farmer, Kadjebi-Akan, September 28, 2012

<sup>8</sup> Interview with agricultural NGO, Accra, September 26, 2012.

<sup>9</sup> Interview with agricultural NGO, Accra, September 26, 2012.

mechanisms were needed to achieve production increases and also promote technology adoption by farmers.

The donor discourse coalition story-line was different. The discourse was concerned with the government creating a regulatory framework for the private sector to invest. The donor discourse coalition criticized Uganda's ministry of agriculture for not designing an agricultural regulatory framework. The criticism was that the Ministry rather focused on implementing productivity programs, whereas, in their view, the farmers needed output markets.<sup>10</sup> A donor organization representative said: "Farmers are not getting the premium price for beans and maize because the ministry of agriculture has not facilitated the process of setting up different grades. But the private sector is willing to pay a price according to grades, so price support is not necessarily a solution because it can easily get out of control. Rather, restructure the market, farmers are amazing guys, they know when there is an opportunity for them take advantage."<sup>11</sup>

In Ghana, the domestic discourse coalition also referred to the 'good old era' of the Ghana Food Distribution Company and the 'good new era' of the National Buffer Stock program as a price stabilizing instrument, which should be improved to stimulate production. Similarly, in Uganda the era of the producer cooperatives was highlighted in the domestic discourse coalition as "the best years" of high food production and assured income for farmers.

*Youth involvement in agriculture:* In the donor discourse coalition, low involvement of the youth in agriculture was a major story-line that proved to be a source of concern, but youth was not mentioned in the donor discourse coalition. In the domestic discourse coalition, the participation of the youth in agriculture is expressed as key to improving agricultural labor, increasing production and modernizing agriculture. A former Member of Parliament said: "Our farmers are ageing and are not being replaced, especially cocoa farmers, and then a lot of farming is still in the hand of people who are not educated, they find it difficult to follow instructions and to understand extension agents. So in short, farming is still largely traditional."<sup>12</sup> The respondent further expressed: "I think the National Youth in Agriculture program which was started about 5-6 years ago seems to be doing well. It is attracting a lot of young men and women into farming."<sup>13</sup>

A farmers' organization representative in Uganda described the migration of the youth from rural places to the cities as a "paradox" and said: "There are so many unemployed young men, there are so many people around who have no work but they prefer not to work on the farms. So, farmers find it very difficult, even if you have a tractor to open up land, you may find it difficult to get labor

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<sup>10</sup> Interview with donor organization, Kampala, December 20, 2012

<sup>11</sup> Interview with donor organization, Kampala, December 20, 2012

<sup>12</sup> Interview with former Member of Parliament, Accra, September 10, 2012

<sup>13</sup> Ibid

to plant and weed. Even those who can access things like oxen and tractors, they will make sure that they don't plant too much because you will end up losing the seed for nothing and nobody is there to help.”<sup>14</sup>

The Block Farming and Youth in Agriculture programs in Ghana described in Section 2 were evident in the policy beliefs of the domestic discourse coalition. However, in the story-lines of the donor coalition, the relevance of such programs was questioned and they were interpreted as being motivated by political patronage only. For example, a representative of a donor organization said: “The youth in agriculture program is not necessary, because there is already 60% of the rural population involved in farming.”<sup>15</sup>

#### 4.4.2 Ghana: Specific policy beliefs

*Appropriate technology:* The “hoe and cutlass”<sup>16</sup> nature of farming emerged a dominant metaphor in the story-lines of the domestic discourse coalition. The coalition used the “hoe and cutlass” metaphor to describe a “traditional” or “old” farming system in Ghana. In the words of a former Member of Parliament: “So we think we can go to the field and use our hoe and cutlass and continue to farm to feed this nation, we are doing it and we are feeding the nation, is that enough? We need to develop agriculture and we need to transform agriculture and link it to industry and services and that is where it can become proper business.”<sup>17</sup> Another politician expressed that “we are still looking at the small-scale farmers for everything that we do. Farming is not necessarily a bad thing because countries like Japan and others have developed based on its small-scale farmers. It's giving them the right technology to produce or re-orientating their minds toward modern technology is the answer.”<sup>18</sup> In the domestic discourse coalition, using tractors in farming was also viewed as a necessary step to modernize the agricultural sector. A farmers' association representative highlighted that “before agricultural modernization can take place ...government must ensure that farmers' access to tractors is addressed.”<sup>19</sup> The perceived importance of modernizing the agricultural sector to the youth was expressed by a former Member of Parliament as follows: “The youth face drudgery when they go into farming, because farming in Ghana is still largely dependent on hoe and cutlass making it unattractive to the youth, this is our concern.”<sup>20</sup> The donor discourse coalition generally acknowledged the drudgery regarding use of hoe and cutlass in farming, but modernization and transformation story-lines were not part of their

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14 Interview with farmer organization, Kampala, November 9, 2012.

15 Interview with donor organization, Accra, October 19, 2012.

16 Interview with MoFA official, Accra, September 5, 2012.

17 Interview with former Member of Parliament, Accra, September 10, 2012.

18 Interview with politician and government official, Accra, September 10, 2012.

19 Interview with farmer organization, Accra, September 26, 2012.

20 Interview with former Member of Parliament, Accra, September 10, 2012.

discourse. The two coalitions differed strongly in their policy beliefs regarding provision of tractors to farmers by government. In the donor coalition discourse, agricultural mechanization was seen as a private investment and the government should refrain from providing modern inputs like tractors. The prevailing donor discourse emphasized “sustainability”, pointing out that supplying tractors was not a sustainable policy option. Moreover, the donor coalition considered political patronage, rather than a desire for modernization, as the underlying reason for the government’s mechanization policy. Reference was made to similar programs that had existed in the past.<sup>21</sup> One respondent expressed this concern as follows: “The tractors have a political image, because they are big, when they say we have brought in tractors, when they say we have brought in 1000 tractors, you can make a big political statement of it.”<sup>22</sup> Political patronage was also an argument in this story-line of the donor discourse coalition, especially among the academic respondents in this discourse coalition. As one academic put it: “You know, the import of tractors and even their distribution system, it’s highly on patronage basis. If you are not a member of the party, if you are not close to somebody or the minister, you do not get a tractor. Even if the distribution is done on commercial terms, you still see some political maneuvering here and there to access them. Unfortunately, if people get it on those terms or these political terms, they do not pay.”<sup>23</sup>

*Low agricultural productivity and fertilizer input subsidies:* A perceived need for the provision of fertilizer input subsidies by the government was another strong policy belief expressed in the discourse of the domestic discourse coalition. The main purpose for the fertilizer subsidy program was seen to increase agricultural productivity.<sup>24</sup> In the story-line of the domestic discourse coalition, low agricultural productivity was dominant reason for fertilizer subsidies. For example, a former Member of Parliament said in this context: “Low productivity; productivity is a major problem in every aspect of our agriculture.”<sup>25</sup>

In the discourses as well as the official reports of the donors, one can find a general agreement with the argument of the domestic discourse coalition that low productivity is a major challenge affecting small-holder farmers. For example, the World Bank’s country assistance strategy states: “Agriculture (...) is constrained by low-productivity farming practices, poor infrastructure (e.g. roads, irrigation, and ICT), land tenure uncertainties, gender inequities, and uncertain access to inputs.” (World Bank, 2007:8). The World Development Report 2008 also highlighted that “...accelerated growth requires a sharp productivity increase in smallholder farming

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<sup>21</sup> Interview with donor organization, Accra, October 19, 2012.

<sup>22</sup> Interview with academic, Accra, September 11, 2012.

<sup>23</sup> Interview with academic, Accra, September 11, 2012.

<sup>24</sup> Interview with academic and politician, Accra, September 10, 2012.

<sup>25</sup> Interview with former Member of Parliament, Accra, September 10, 2012.



combined with more effective support to the millions coping as subsistence farmers...” (World Bank, 2008:xiii).

In spite of this agreement on the problem of low productivity, the two coalitions differed in their policy beliefs regarding the policy instrument of fertilizer input subsidies. A government official pointed out: “We know for most of our crops, we are doing fairly below 60 percent productivity and we have the potential to reach that 100 percent productivity. Some countries like China ...people are getting 15MT of maize ...and we are still getting below 5MT per hectare, even below 2MT, but generally yields are low, because people are not adopting the technology and it is expensive to adopt. This is the reason for the fertilizer subsidy; we also thought that we need some other complementary inputs. Although it is expensive, we added the seeds as well in order to increase yield.”<sup>26</sup>

In the story-line of the domestic discourse coalition, high cost of improved seeds and fertilizer was highlighted as the main reason for the lack of adoption of improved technologies by farmers. According to a government official, “this fertilizer subsidy is actually something that farmers are asking for. They cannot afford the price of fertilizer and government is only subsidizing the price of fertilizer by half.”<sup>27</sup> Another government official also mentioned that “giving fertilizer subsidy is demand-driven by farmers because they cannot afford it. But government wants to increase food production and develop the agricultural sector. If the sector develops, industry will develop and we can create more jobs and alleviate rural poverty, this is what we want for our people.”<sup>28</sup> In contrast, in the donor coalition story-line, the government fertilizer subsidy was labeled as market distorting and prone to corruption.

#### 4.4.3 Uganda: Specific policy beliefs

*The agricultural situation:* The two coalitions differed in their framing of the agricultural sector challenges. In the domestic discourse coalition, dependence on rainfall and declining soil fertility were frequently mentioned as hindering domestic food production. An official from the ministry of agriculture official pointed out: “For us in agriculture, the issues of mechanization, water for production, seed and extension are generally the main concerns. In our minds, these are the issues.”<sup>29</sup> Similarly, a representative of a non-government organization indicated that “the weather is a big issue in Uganda now. The changes in weather have been affecting agriculture in Uganda; temperatures are now higher than ever before. So, to me, why can’t the government

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<sup>26</sup> Interview with official of MoFA, Accra, September 5, 2012.

<sup>27</sup> Interview with government official, Accra, September 6, 2012.

<sup>28</sup> Interview with Politician, Kadjebi-Akan, October 1, 2012.

<sup>29</sup> Interview with MAAIF, Kampala, November 7, 2012.

provide irrigation systems at subsidized rates at the wholesaler or retailer level? For each unit the supplier gives to the farmer, the government will provide a subsidy of a certain percentage.”<sup>30</sup> Referring to declining soil fertility, a representative of a policy think-tank said: “Soil fertility has gone down over the years; the soil is no more fertile as it used to be in the past. Uganda’s soil is no more fertile.”<sup>31</sup> Another respondent pointed out: “Production is generally low, there is low agricultural production in the whole country, and the soil is no longer rich in nutrients. There is generally low agricultural output.”<sup>32</sup>

Similar to the case of Ghana, the donor discourse acknowledged that low agricultural productivity and limited use of modern inputs were challenges affecting the sector. Regarding productivity, a donor organization representative expressed the following concern: “This [i.e. agricultural productivity in Uganda] is probably the lowest in the world. In the developed countries, people have access to manuals on how to plant and harvest crops and the latest innovations in agriculture, which is not the case with Uganda.”<sup>33</sup> However, there were different views regarding the production potential. One respondent in the donor discourse coalition pointed out: “Natural productivity in Uganda is still higher than anywhere else, they get two rains per year, and the soil is still good though not as good as it was in the past.”<sup>34</sup> This respondent further explained that irrigation facilities were too expensive for farmers to manage.<sup>35</sup>

In the domestic discourse coalition, high input cost of agro-chemicals was highlighted as contributing to low agricultural productivity. A representative of a farmers’ organization pointed out: “Our farmers do not use agro-chemicals and fertilizer because of high cost and unavailability. Even where it is available there is a lot of counterfeit. I think Uganda is leading among the countries on the planet that have low fertilizer use, it is about 1.5kg/ha. I think a bag of 50kg fertilizer costs between 120,000 and 150,000UGX and very few farmers can afford that.”<sup>36</sup>

*Appropriate technology:* Similar to the case of Ghana, the continuous use of the hoe for farming was a central concern in the domestic discourse coalition. A representative of a farmers’ organization pointed out that “the hand hoe is very tedious, it is not effective in opening lands in terms of trying to catch up with the season, because it will take one individual over 15 days to open up an acre of land, the same one acre of land can be opened by oxen plough within two days ...but if you use a tractor, you need about 45 minutes to open up an acre. So, you can see in terms of

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30 Interview with agricultural NGO, Kampala, November 21, 2012.

31 Interview with NGO, Kampala, October 29, 2012.

32 Interview with NGO, Kampala, October 29, 2012

33 Interview with donor organization, Kampala, November 6, 2012

34 Interview with donor organization, Kampala, November 9, 2012.

35 Interview with donor organization, Kampala, November 9, 2012.

36 Interview with farmer organization, Kampala, November 9, 2012.

timeline because of lack of appropriate machinery to open up land, our farmers continue to remain in subsistence. With the hand hoe, mostly you will plant about one acre. If you continue, it means you will plant late and your crop performance will be poor.”<sup>37</sup> In the words of an agricultural extension officer: “I visited Japan and you found old people tilling their gardens because they have developed some appropriate mechanized tractors and other farm tools for them, so we need appropriate mechanization and government must invest in them.”<sup>38</sup>

In describing the situation, an academic mentioned: “The British found Ugandans with a hoe which was locally manufactured, sixty years later they left Africa with the hoe, and the hoe they left was imported. We later developed from the hoe to the plough, we haven’t moved from the plough to the tractor or to any other form of production. In the villages, we are still using the hoe, but this time it is imported, so they found us with the hoe and we are still using the hoe.”<sup>39</sup> Although dependence on the hoe for farming purposes is acknowledged by the donor coalition as a hindrance to increasing production, their story-line focuses on the role of private sector investment in promoting mechanization. While the donor discourse coalition is mostly concerned with cost implications, the domestic discourse coalition is more concerned with the need for mechanization as an essential condition to improve the agricultural situation. A donor organization representative pointed out that “mechanization is very expensive and small farmers cannot maintain it.”<sup>40</sup> The domestic discourse coalition assigns a strong role to the government for subsidizing mechanization services, a position that is very different from that of the donor discourse coalition, which focuses on private sector investment, which is, however, not seen to be feasible for smallholder farmers. The story-lines of the two coalitions regarding the appropriate technology display fundamental differences in core policy beliefs concerning the role of the state and private sector in the provision of modern inputs. While the domestic discourse coalition recognizes the government role as necessary to cover the initial investment in acquiring tractors, the domestic coalition believes that this should be entirely a private sector investment.

#### 4.4.4 Positive self-representation and negative other-representation

The two coalitions did not only have different policy beliefs on contested issues such as input subsidies and mechanization, their discourses were also characterized by a positive self-representation and a negative other-representation. As indicated above, this is a typical feature in competing discourse coalitions. A Member of Parliament in the domestic coalition pointed out: “I

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<sup>37</sup> Interview with farmer organization, Kampala, November 9, 2012.

<sup>38</sup> Interview with MAAIF, Bokumansimbi, December, 18, 2012

<sup>39</sup> Interview with academic, Kampala, December 24, 2012.

<sup>40</sup> Interview with donor organization, Kampala, November 11, 2012

see that these bodies [international donor organizations] are not really very committed to our internal processes and that they should generate more sustainable policy analysis and drive solutions. They just create dependencies from a technical point of view, that dependency does not necessarily fit into our context for demands, so we keep being avenues of experimentation and that is something which I don't understand - why up to now, fifty years after independence down the road, after the independence, we have failed to come to terms.”<sup>41</sup>

A development expert in the donor coalition made a statement that illustrates the negative other-representation in the donor discourse fairly well: “There are a lot of those government officials with that perspective of subsidizing agriculture, but they want to make money out of that. I have never heard of a government official who supports a service provision without an intention of getting their personal benefits from it.”<sup>42</sup> The donor coalition also highlighted a general lack of capacity among domestic policy makers. One interviewee mentioned that the policy planning unit of the ministry of agriculture had problems with proper planning and promoting of what he considered to be necessary for evidence-based policies. He complained that “they do not have figures at all in any of their policy documents.”<sup>43</sup> The same respondent highlighted the positive role that the donors, in his view, played in engaging policy actors and providing them with evidence-based policy options to feed into the decision making process.<sup>44</sup> The story-line of the domestic discourse coalition also highlights a positive self-representation, which focused on their ability to better understand the internal processes and on their capacity to be in control of their own policies.<sup>45</sup>

## **5 Discussion**

The purpose of this analysis, as pointed out in the introduction, was to contribute to the literature that aims to explain the so-called “overshooting” of agricultural policy changes in the post-structural adjustment era; that is the move of developing countries from taxing to subsidizing their agricultural sector. The analysis focused on two countries, Ghana and Uganda, who “overshot” much further than other countries in Sub-Saharan Africa, as pointed out in Section 2. Motivated by Krueger’s (1993) seminal analysis of the narratives that explained agricultural policy choices in the pre-structural adjustment period, this paper focused on the views that policy actors have regarding specific policy instruments that result in “overshooting.”

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41 Interview with Member of Parliament, Kampala, December 5, 2012.

42 Interview with donor organization, Kampala, November 9, 2012.

43 Interview with donor organization, Kampala, November 9, 2012

44 Interview with donor organization, Kampala, November 9, 2012

45 Interview with Member of Parliament, Kampala, December 5, 2012

In explaining the shift from the taxation to the subsidization of agriculture in developing countries, the quantitative economic literature reviewed in Section 2 ultimately focuses on political incentives to stay in power (see contributions in Anderson, 2010). It can be derived from that literature that economic development and democratization in African countries increased the political incentives to subsidize the agricultural sector (e.g., Bates and Block, 2010). The qualitative literature focuses on incentives as well as governance issues, highlighting in particular the opportunities that subsidies provide for rent-seeking (e.g., Jayne et al., 2002) and for using clientelistic networks to stay in power (e.g., van de Walle, 2001).

The analysis of policy discourses conducted in this paper complements this literature by examining the arguments that different groups of actors make in the political discourse at the country level. A discourse analysis has been conducted to identify discourse coalitions, their major story-lines and their underlying policy beliefs. Of course, one has to take into account that in a discourse, actors also use arguments strategically to justify their own position and possibly also to disguise their own interests (van Dijk, 2004). The economics literature on agricultural policy choices has, for a long time, implicitly assumed that policy beliefs and discourses only serve this function and have therefore been ignored in the analysis (see Section 2). Phrased differently, beliefs and discursive arguments were seen as endogenous to the actors' economic and political interests, which are already captured in the respective political economy models. The more recent quantitative literature, however, has revealed that policy beliefs and ideologies matter, as discussed in Section 2. Yet, this literature has only dealt with broad ideological orientations (left versus right).

The analysis of the discourses presented in this paper provides a more nuanced empirical picture, focusing specifically on agricultural policy beliefs. The discourse of the actors in what has been identified as the domestic discourse coalition identifies a strong belief that minimum prices and improved physical access to inputs such as fertilizer and machinery services are essential to improve agricultural productivity. Of course, this argument may easily be dismissed as a disguise for the political interest in serving larger farmers, who are more likely to benefit from such subsidies. This was the main position of the donor discourse coalition in both countries, as shown above. Economists who are content with the "as if" nature of the explanations of political economy models (see Section 2) may dismiss these policy beliefs for similar reasons.

However, from the perspective of practical policy-making, it might be useful to pay more attention to the policy beliefs of domestic actors and not to dismiss them so easily. If the only goal of policy-makers was to stay in power, they could use numerous other policy instruments to reward clientelistic networks that are much easier to implement than, for example, a block farming program or a buffer stock program. Moreover, there is no contradiction in accepting, on the one hand, that

domestic policy makers genuinely believe in the need for better access to inputs and mechanization and, on the other hand, acknowledging that such policy instruments *also* have political advantages for those pursuing them. What seems rather problematic is the view, expressed in the donor discourse as shown above, that policy-makers *only* pursue those instruments to stay in power or that bureaucrats are *only* in favor of such instruments because they offer scope for corruption.

For the policy dialogue that donors are pursuing in their efforts to change government policy, it makes a big difference on whether or not they accept that domestic policy makers have a genuine concern about increasing agricultural productivity. This will have consequences for the discursive strategies that donors want to adopt to make the case for their position. In the current discourse, as is obvious from the above analysis, donors mainly present what in narrative policy analysis is called a “non-story” (Roe, 2004). The dominant story-line of the domestic discourse coalition can be summarized as follows: “Productivity is low due to limited access of smallholders to inputs and lack of guaranteed prices. The proposed policy instruments (block farming, fertilizer and tractor subsidies, and price stabilization through buffer stocks) are essential to address these problems, and hence productivity will be increased. Agriculture will become more attractive to the youth and serve as an engine of growth.” The narrative of the donor discourse coalition mainly focuses on why this strategy is difficult (governance problems, political capture), and why it will not be successful. This coalition has not offered a convincing alternative story on how to address the productivity problem. The arguments they use focus on getting the frame conditions rights and promoting investment by the private sector. However, these arguments did not seem very convincing, since both Ghana and Uganda had extensively liberalized under structural adjustments, and they had not seen a substantial increase in agricultural productivity of smallholder staple crops.

If the donor discourse coalition would accept the genuine concerns of domestic policy makers, it would be easier to engage in a productive policy dialogue on alternative policy instruments to address these concerns. Such a dialogue could lead to a joint identification of open questions, which may require research to be resolved. A review of the literature on productivity increase in Sub-Saharan African agriculture is beyond the scope of this paper. However, there are obviously substantial knowledge gaps how to achieve “sustainable intensification” in Sub-Saharan Africa. Some concerns in this regard that feature strongly in the domestic discourse coalition, such as mechanization in Africa, have been grossly neglected for decades by donors and researchers alike, and have only recently received some attention (Diao et al., 2014).

## 6 Conclusion

The study identified divergent policy beliefs between domestic policy makers on the one hand, and development agencies on the other hand. It is a widely held policy belief among domestic policy makers that providing physical access to modern inputs is indispensable for moving smallholders out of their current “hoe and cutlass” nature of farming. The study suggests that the policy choices of domestic policy makers are deeply influenced by their policy beliefs regarding the question: What does it take to develop small-holder agriculture? While domestic policy actors believe transforming smallholder agriculture requires public intervention to provide modern subsidized inputs, the donor coalition believes that these interventions are market distorting and have only patronage and self-interest motives. The discourse analysis showed that the two coalitions also both have a strong positive self-perceptions and negative other representation, which makes a fruitful policy dialogue difficult. The fact that one could find such striking similarities in the findings in the two case study countries suggests that the discursive strategies may be of wider relevance in other countries, as well. The discourse analysis suggests that there are almost two different worlds of policy discourse, which are hardly connected: a ‘domestic world’ and a ‘donor world’.

The analysis provided in this paper suggests that paying attention to the role of policy beliefs in agricultural policy making has important practical implications. Understanding why governments adopt their agricultural policies is essential for a fruitful policy dialogue. In particular, these findings draw attention to the need to better understand the types of evidence that could help to bridge the gap between the policy beliefs prevailing in the “domestic world” and the “donor world”.

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## Tables

**Table 1: Interviewed stakeholders in Ghana and Uganda**

Type	Ghana	Uganda
Government agencies (Agriculture policy unit, extension and finance)	7	7
Academic (Agriculture and Political science)	3	4
Think tanks (Research)	1	2
Donor agencies and IFI <sup>a</sup>	5	6
NGO <sup>b</sup>	4	4
Political party representatives and Parliamentarians	5	4
Interest groups (Civil society organization)	3	2
Farmers (small and large scale)	2	3
Traditional authorities	1	-
Local government	2	2
<b>Total</b>	<b>33</b>	<b>34</b>

Source: Authors' compilation

<sup>a</sup>International Financial Institutions

<sup>b</sup>Non-governmental Organization

**Table 2: Ghana; Policy themes (Factor analysis)**

Variables		Main policy themes					Rainfall dependent farming and crop insurance
		Input subsidy and appropriate technology	Quality of agricultural input	Low agricultural productivity	Market price support and storage	Youth involvement in agriculture	
1	Appropriate technology	<b>0.88</b>	0.00	-0.23	-0.17	-0.14	0.15
2	Inadequate access to credit	<b>0.78</b>	0.01	<b>0.30</b>	0.17	0.04	0.13
3	Fertilizer subsidy	<b>0.69</b>	-0.14	-0.06	0.24	-0.11	-0.19
4	Agricultural mechanization	<b>0.51</b>	0.00	0.01	0.21	<b>-0.49</b>	-0.14
7	Rainfall dependent agriculture	<b>0.39</b>	<b>-0.46</b>	-0.20	0.16	-0.07	<b>-0.31</b>
12	Public extension	<b>0.35</b>	0.04	-0.07	0.72	0.16	0.14
5	Counterfeit inputs	-0.07	<b>0.86</b>	-0.04	-0.13	-0.16	0.01
6	Quality standards	0.15	<b>0.76</b>	0.03	<b>0.30</b>	0.23	-0.20
15	Hoe and cutlass farming	0.06	<b>0.39</b>	0.04	0.27	-0.68	-0.17
13	Irrigation facilities	0.27	<b>-0.37</b>	<b>0.33</b>	<b>0.38</b>	-0.06	-0.17
8	Low agricultural productivity	-0.07	-0.01	<b>-0.89</b>	0.26	0.16	0.10
9	Private extension	-0.17	0.00	<b>0.87</b>	0.06	0.10	0.21
10	Lack of storage facility	-0.07	0.00	-0.02	<b>0.86</b>	-0.20	-0.18
11	Market price support	-0.06	0.01	-0.13	<b>0.86</b>	-0.10	0.10
14	Youth in agriculture policy	0.19	-0.12	0.06	-0.06	<b>-0.79</b>	-0.02
17	Inadequate land policies	-0.19	-0.21	-0.01	0.27	<b>-0.58</b>	<b>0.58</b>
16	Crop insurance	0.23	-0.04	0.09	-0.01	0.11	<b>0.89</b>
Eigenvalues		5.49	2.42	1.80	1.46	1.31	1.04

Extraction Method: Principal Component Analysis; Rotation Method: Oblimin with Kaiser Normalization. Rotation converged in 25 iterations. Factor loadings over 0.30 appear in bold

Source: In-depth interviews

**Table 3: Uganda; Policy themes (Factor analysis)**

Variables	Main policy themes				
	Market price support and storage	Appropriate technology	Quality of agricultural input	Inadequate land policies	Input subsidy and low agricultural productivity
1 Quality standards	<b>0.86</b>	-0.20	-0.02	0.08	-0.04
2 Lack of storage facility	<b>0.80</b>	0.07	-0.08	0.02	0.03
3 Hoe and cutlass farming	<b>0.59</b>	<b>0.54</b>	-0.13	-0.28	0.14
4 Market price support	<b>0.50</b>	<b>0.36</b>	-0.09	0.03	-0.19
5 Youth in agriculture policy	0.45	-0.08	0.25	<b>-0.33</b>	<b>-0.36</b>
16 Public extension	0.39	0.10	-0.06	0.29	<b>-0.60</b>
6 Rainfall dependent agriculture	0.07	<b>0.90</b>	0.02	0.07	-0.04
7 Irrigation facilities	-0.05	<b>0.88</b>	0.06	-0.06	0.13
8 Fertilizer subsidy	-0.15	0.57	0.19	0.10	<b>-0.45</b>
11 Counterfeit inputs	0.06	<b>0.42</b>	<b>-0.54</b>	<b>0.40</b>	0.02
17 Agricultural mechanization	0.21	<b>0.40</b>	-0.04	<b>-0.31</b>	<b>-0.46</b>
9 Private extension	-0.16	0.30	<b>0.84</b>	0.09	-0.10
10 Crop insurance	0.08	-0.05	<b>0.65</b>	0.19	0.53
12 Inadequate land policies	-0.05	0.05	-0.10	<b>-0.87</b>	0.01
13 Appropriate technology	0.26	-0.15	0.22	0.08	<b>-0.77</b>
14 Low agricultural productivity	-0.11	-0.05	-0.06	-0.10	<b>-0.71</b>
15 Inadequate access to credit	0.24	0.28	-0.18	-0.02	<b>-0.64</b>
Eigenvalues	5.82	2.16	1.76	1.34	1.13

Extraction Method: Principal Component Analysis; Rotation Method: Oblimin with Kaiser Normalization.

Rotation converged in 15 iterations. Factor loadings over 0.30 appear in bold

Source: In-depth interviews

**Table 4: Participants in the discourse coalition (Cluster analysis)**

Policy stakeholder organizations	Ghana		Uganda	
	Domestic coalition	Donor coalition	Domestic coalition	Donor coalition
Government agency (agricultural policy unit, extension and finance)	7	0	6	0
Academic (economics, agriculture, political science)	0	3	2	2
Think tank (research)	0	1	2	0
International finance Institutions/ Donor organizations	0	5	0	6
Non-governmental organizations	3	2	3	1
Political party representatives and parliamentarians	5	0	4	0
Interest groups	3	0	2	0
Local governments	1	0	2	0
Total	19	11	21	9
Total sample size	N=30		N=30	
Cluster distribution	63.3	36.7	70.0	30.0

Source: In-depth interviews

## Annexes

**Table A1: Story-lines and policy beliefs identified in the discourse analysis\***

Area	Domestic discourse coalition	Donor discourse coalition
Low agricultural productivity problem	<p>The agricultural sector is <i>characterized by low productivity</i> because of the hoe and cutlass nature of farming.</p> <p>There is a lack of <i>irrigation facilities</i> and <i>agricultural mechanization services</i> to open up lands.</p> <p>High cost of inputs, low market prices, post-harvest losses, and no value addition hamper agricultural development.</p>	<p><i>Low productivity is a result of low private sector investment.</i></p> <p>There is a lot of policy work and many policy documents, but the government is not implementing the policies.</p>
Divergent views on agricultural policy directions	<p>Agriculture should be treated as a <i>social service, just like health care and education.</i></p> <p>The government should invest in the agricultural sector because it is <i>the duty bearer.</i></p> <p>Donor policy programs seek to address domestic problems through <i>market-oriented approaches</i> which do not take the domestic environment into consideration.</p> <p>Donor policies are just based on recycling of external knowledge and do not fit internal policy processes.</p>	<p>Agriculture is a <i>private sector activity.</i></p> <p>Government policy programs are demand-driven and seek to address the needs of the people through a socially oriented approach, which is not sustainable.</p> <p>The government should not intervene in the market; it should allow the private sector to invest. The government should only provide regulations and enforce the laws.</p>
Role of market reforms	<p>The government should lead the formulation and implementation of policies.</p> <p><i>Market reforms and privatization ideas were imposed on us by the World Bank and IMF.</i></p> <p><i>Everybody knows that market reforms were done in bad faith and in a rush.</i></p>	<p><i>Donors do not impose ideas, but bring ideas that have worked in some places</i> that might not always work in a particular context.</p> <p>Market reforms were good, but most countries did not implement the reform prescriptions.</p> <p>Government failure: state institutions were mismanaged, coupled with political interference and corruption.</p>
Fertilizer input subsidy	<p>Small-holder farmers cannot afford fertilizers.</p> <p>Fertilizer application by farmers will increase production, reduce production costs, and increase farm income.</p>	<p>Subsidies do not get to small-holder farmers, but rather to the large and medium-scale farmers.</p>

\* The major story-lines, specific phrases and metaphors from the interviews are emphasized using italics. Source: In-depth interviews



**Table A2: Story-lines and policy beliefs identified in the discourse analysis\***

Area	Domestic discourse coalition	Donor discourse coalition
Agricultural mechanization	<p>Small-holder farmers cannot afford the high cost of investment in farm machinery and the government should support farmers.</p> <p><i>Hoe and cutlass farming is not attractive for the youth.</i></p> <p>There is a <i>lot of drudgery</i>, which cannot help the nation. To attract the youth, we need to modernize the sector.</p> <p>Mechanization is necessary to <i>modernize and transform</i> the agricultural sector.</p> <p>Hoe and cutlass is not helping the country to achieve food security.</p> <p>Rural-urban migration is affecting rural labor availability.</p> <p>The government mechanization program will help to prepare the land and plant on time.</p>	<p>Tractors have a political image and they are usually mismanaged when people receive them based on political affiliation.</p> <p>Historically, tractor services have not been a viable investment.</p> <p>Investment in mechanization should not be supported by donors because it is <i>private sector activity</i>.</p> <p>The government policy of trying to develop mechanization is old-fashioned and not sustainable.</p>
Role of youth involvement in agriculture	<p>High <i>youth unemployment</i> and aging farm household population cause declines in food production.</p> <p>Youths should be encouraged to take on <i>farming as a business</i>. The youth can read and better understand instructions from extension agents.</p> <p>To <i>modernize the agricultural sector</i>, current labor must be upgraded. The youth offer a better opportunity to achieve this objective.</p>	<p>The youth program has been politically tinted and is only rewarding some groups of people.</p> <p>The agricultural sector is employing enough people already, it is not necessary to have another policy to attract the youth.</p>
Market price support	<p>Supporting farmers with inputs will increase production. Such increase in production must be sustained through a <i>guaranteed minimum price</i> to farmers.</p> <p><i>Prices stimulate production and with good prices farmers will respond and produce. Farmers are very smart and business-minded people, but the price offered to farmers is very discouraging.</i></p> <p>Input and price support must go together and should be balanced especially for food crops if the government wants to encourage production and the adoption of new technologies.</p>	<p><i>Government intervention creates market distortions</i>, which hinders private sector investment and growth.</p> <p>The mandate of the government is not to fix prices, but is to create an <i>enabling environment</i> for the market actors.</p>

\* The major story-lines, specific phrases and metaphors from the interviews are emphasized using italics.

Source: In-depth interviews

**Table A3: Story-lines and policy beliefs identified in the discourse analysis\***

Area	Domestic discourse coalition	Donor discourse coalition
Role of input subsidies	<p>Subsidies are important to <i>transform and modernize the subsistence hoe and cutlass nature of agriculture</i>.</p> <p>Without subsidies like mechanization services, fertilizer, extension, seeds, and market price support, farmers will remain <i>subsistence farmers</i>.</p> <p>The sector employs 80% of the population. Support from the government will have long-term impacts on rural poverty reduction.</p> <p>Countries that have developed did so through a small-holder sector; supporting the small-holder sector will provide raw materials for industry.</p>	<p>Subsidies are very expensive to the economy; they distort the market and kill <i>private sector initiatives</i>.</p> <p>The business of providing fertilizer, mechanization services, and seeds is not a government business. Instead, it is a private sector business.</p> <p>We think that farmers are poor. Go out and see how many farmers are buying expensive mobile phones.</p> <p><i>Farming is not for everyone</i> and only serious people should remain in farming. For those who cannot make it, they need social protection measures.</p>
Advise on input subsidy	<p><i>Donors advise us not to subsidize our farmers, but they still subsidize their farmers</i>. If they stop subsidizing their farms they will import food from Africa. They do not want that. They have their own agenda, which influences our policies.</p> <p>The government can afford to subsidize farmers by strengthening domestic revenue collection rather than depending on donors for budget support.</p>	<p>Europe and the U.S.A. give subsidies because they can afford it. They have a huge industrial and service sector. There is just about 2% of the total population involved in agriculture.</p> <p>It is against donor principles to give money for subsidies.</p>
Operational and governance challenges	<p>Some specific policy instruments or strategies may have operational challenges, but that does not mean that the overall goal is not good. The overall goal may be good.</p> <p>We should build the capacity and strengthen the <i>accountability</i> of existing state institutions rather than create <i>parallel structures</i>.</p>	<p>Leadership and capacity of ministry staff influences policy formulation and implementation.</p> <p>Most of the <i>government institutions</i> lack capacity and we have to provide policy experts for the ministry.</p> <p>They do not have adequate data to feed into the policy process.</p>

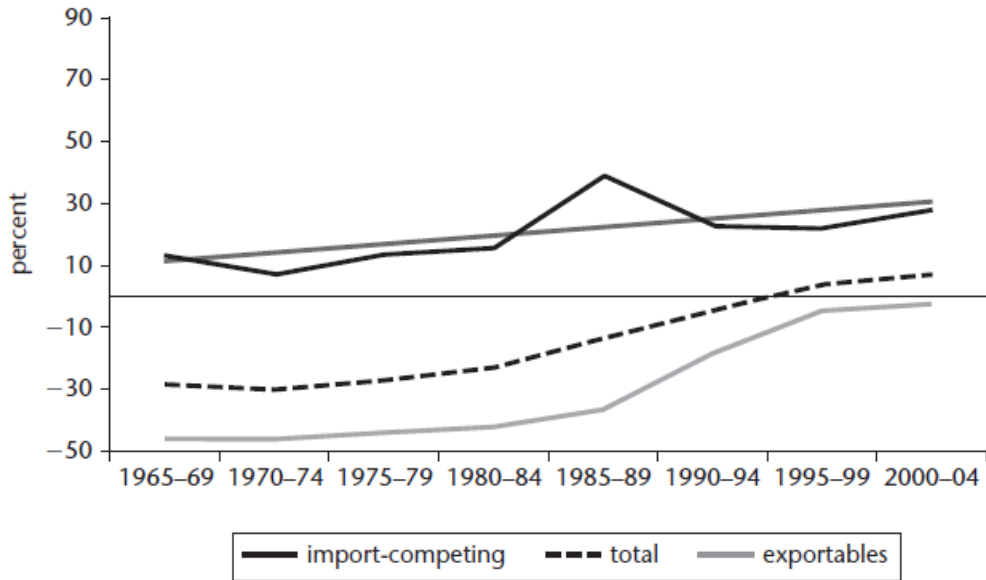
\* The major story-lines, specific phrases and metaphors from the interviews are emphasized using italics.  
Source: In-depth interviews

**Table A4: Self-and other-representation of the two coalitions\***

Type of representation	Domestic discourse coalition	Donor discourse coalition
Positive self-representation	Capable of <i>understanding the domestic problems</i> and <i>determining the best policy options</i> for the local economy.	Donors are capable of <i>bringing external experience and superior knowledge</i> to provide evidence-based policy options to the domestic economy.
Negative other representation	<p>They come with <i>external models</i> from other places which are not applicable to our internal processes.</p> <p>They come to promote policies that do not ensure domestic food security, but rather to create <i>technical dependency</i>.</p> <p>The very day they stop subsidizing their farmers, they will have to import food from us, and they know it! Their interest is to make money for their home countries.</p> <p>These bodies are not very committed to our internal processes that should generate more sustainable policy analysis and drive solutions. Instead, they just create <i>dependencies</i>, and <i>from a technical point-of-view, their solutions do not necessary fit into our context</i>.</p>	<p>They are not aware about the financial implications of subsidies. It is huge. That is the problem with the Ministry of Agriculture; they do not have figures at all in any of their documents.</p> <p>Government officials have a <i>subsidy perspective</i> and want to implement the programs for self-profit motives.</p> <p>Those policy officers lack capacity, they do not have any figures to show, and when they start implementing the program, they always have financial difficulties.</p> <p>Politicians think about their votes. Anything that gives them votes they will implement if that is what the people want.</p>

\*Specific phrases and metaphors from the interviews are emphasized using italics.  
Source: In-depth interviews

**Figure 1: Change in Nominal Rate of Assistance to Agriculture in Developing Countries (1965-2004)**



Source: Anderson (2009, p. 22)