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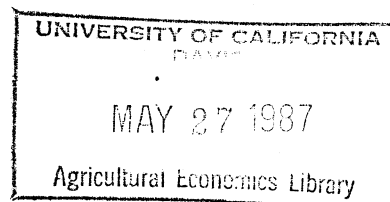
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THE AGRICULTURAL POLICY DELIVERY SYSTEM

IN PERU

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THE AGRICULTURAL POLICY DELIVERY SYSTEM IN PERU

I. INTRODUCTION

An exhaustive analysis of the characteristics of the agricultural policy system in Peru, would demand a lengthy document and considerable amount of time. Here we summarize a number of issues which are particular to Peru, but not uncommon to other countries. This brief document has the purpose of motivating discussion oriented towards finding suggestions of interest for many countries.

It is important, to begin recognizing that policy analysis is part of a sequential and articulated process of diagnostic - analysis of expected policy effects - policy formulation - decision making - implementation - evaluation. The most serious problem we find is the inexistence of this articulated process; thus those responsible of each stage of the process are rarely in communication with the other participants.

The institutional base, as we discuss it here, refers to the public sector agencies and other non-public organizations who participate or contribute to the policy analysis and delivery system. A first look within the public sector identifies a number of policy analysis and planning agencies, which do not have well defined functions, tend to do repetitive work, leave lagoons and have not established a network to benefit from each other's work. They include units of Economic Research at the Ministry of Economics and Finance, at the Central Bank, the National Institute of Planning, and the Planning office at the Ministry of Agriculture (OSPA). More recently, in 1983, a new unit, the Agricultural Policy Analysis Group (GAPA) was created as a service unit to the Minister of Agriculture. A first step towards an effective policy analysis system in the public sector requires a coordination of the work of all these units; within the limits of their responsibilities.

Outside the public sector we find research oriented groups in the private Universities, Research Centers and Foundations, and, more recently at the National Farmers Organization (ONA). The research capacity at this latter unit is very limited, however the little analysis done is very effectively used for political dialogue.

At the other research centers, their work is reference material for discussion at seminars and workshops and it is published; yet its direct utility for public policy formulation has not been highly significant. This participation of the centers and foundations is however important as they influence the formation of professionals and provide direct information for the private sector.

The analytical capacity within the agricultural public sector has been traditionally limited to a small group of advisers without enough time for long term planning and for the provision of information to the Minister for short term decisions. This has its origin in the lack of continuity of the staff, their employment instability and lack of organized data; which is discussed next. However, one must give great merit to the professionals charged with the responsibility of doing 'fire fighting' as they have demonstrated ability to perform this task.

A small number of Peruvians take turns as agricultural policy advisors, and this should not be surprising when one considers the high frequency with which Ministers of Agriculture are changed and the limited number of qualified and readily available professionals. No one minister has 'repeated the plate in the same sector', however policy advisors are seen on and off in the corridors every number of years. There are political reasons, there are arguments of friendship, there is recognition for present capacity of some younger professionals, but there is no institutional continuity. Another reason for professionals being on and off in the role of policy analysts is the low salaries, which can not be afforded for very long times.

The issue of low salaries paid to qualified policy analysts in the public sector, is a serious one. Most qualified analysts have a higher opportunity cost, not necessarily as agriculturalists or agricultural economists, but just because they have developed talent applicable elsewhere. The problem of paying inadequate salary to nationals is being temporarily solved by parallel payment mechanisms, usually with grants or as short term consultants; however this creates some resentments within the public sector employees.

The instability in the agricultural public sector, as briefly discussed, has an additional and important implication, which is the lack of sufficiently well organized data. Unfortunately, in the short time that analysts are 'in charge' do not dedicate enough effort to establish a well organized data base. Other public sector employees, usually of lesser analytical capacity, keep data as a source of unexploited power. Currently the Agroecconomics Program of the Agricultural Research Institute (INIPA) has organized and made of public use a well structured data base of valuable use for policy analysis.

Although with limitations, there is some capacity in the agricultural public sector in Lima. The participation of the producers in the analysis is insignificant at this level. In contrast, in the departments (states), outside Lima, where agricultural production takes place, the capacity of the public sector is even smaller; however the relations with the producers are more frequent. An important effort is required therefore to build policy analysis capability at the level of the departments; as an effort to create a second level (regional) for policy analysis and planning.

The issues raised cover some of the characteristics of the Peruvian agricultural policy delivery system. These characteristics are, on our judgment, some of the most serious limitations to do policy analysis as part of the articulated process that we referred earlier. Important efforts are required to create a sustained policy analysis capability of utility to decision makers, to those responsible for implementing the policy and those affected by the policies.