


Analyzing Governance and Policy Processes in Agricultural Development:
Conceptual Frameworks and Empirical Case Studies

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Guiding questions

- **What analytical framework do you use for the analysis of linked social-ecological and social-technical systems?**
- **What are the origins, main elements and applications of the analytical framework, and the associated heuristics, language and important discoveries?**

Introduction

- **An analytical framework should**
  - guide our research in such a way that we can generate new knowledge
  - help us to understand something that we did not understand before by
    - generating new empirical evidence and/or
    - developing or substantiating theories
  - have explanatory power – answer “why” questions
  - be more than a “mapping tool” to describe reality
- **What do we want to understand?**
  - How does agricultural development happen?
  - How can it be promoted?
  - How does it become equitable and sustainable?
- **Agriculture: Interface of socio-ecological and socio-technical systems**

Agricultural development
What do we want to know?

- **Important theories already exist**
  - Induced innovation, farming systems and others, but:
  - Potential of agriculture to reduce poverty still remains largely underutilized (WDR 2008).
- **Where are the knowledge gaps?**
  - Process of agricultural development
    - Revolutionary change vs. gradual change
  - Relations between technological change and institutional change: Which has causal priority?
  - Technological options are often available
    - Why are they not adopted?
- **Governance – institutions and policies are key**
  - Use of analytical frameworks to understand their role

- **“**Indeed I regard **the institutional environment for rural development and agriculture** as the single most important performance issue to be resolved in low income under-performing countries.”
- ***Hans Binswanger (2004)***

Analysis of agricultural institutions

- **Institutions along the agricultural value chains**
  - Agricultural **research**, from local to global
  - Agricultural **extension** and **veterinary services**
  - Institutions for input and credit supply, incl. **mechanization**
  - Institutions for natural resource management – with focus on adaptation to **climate change**
  - Land and labor arrangements in agriculture
  - Agricultural marketing institutions
  - Food utilization - nutrition
- **Positive analysis**
  - What institutions exist? What are their opportunities and constraints? Why are they often dysfunctional, or lacking?
- **Normative analysis**
  - How can they be improved?

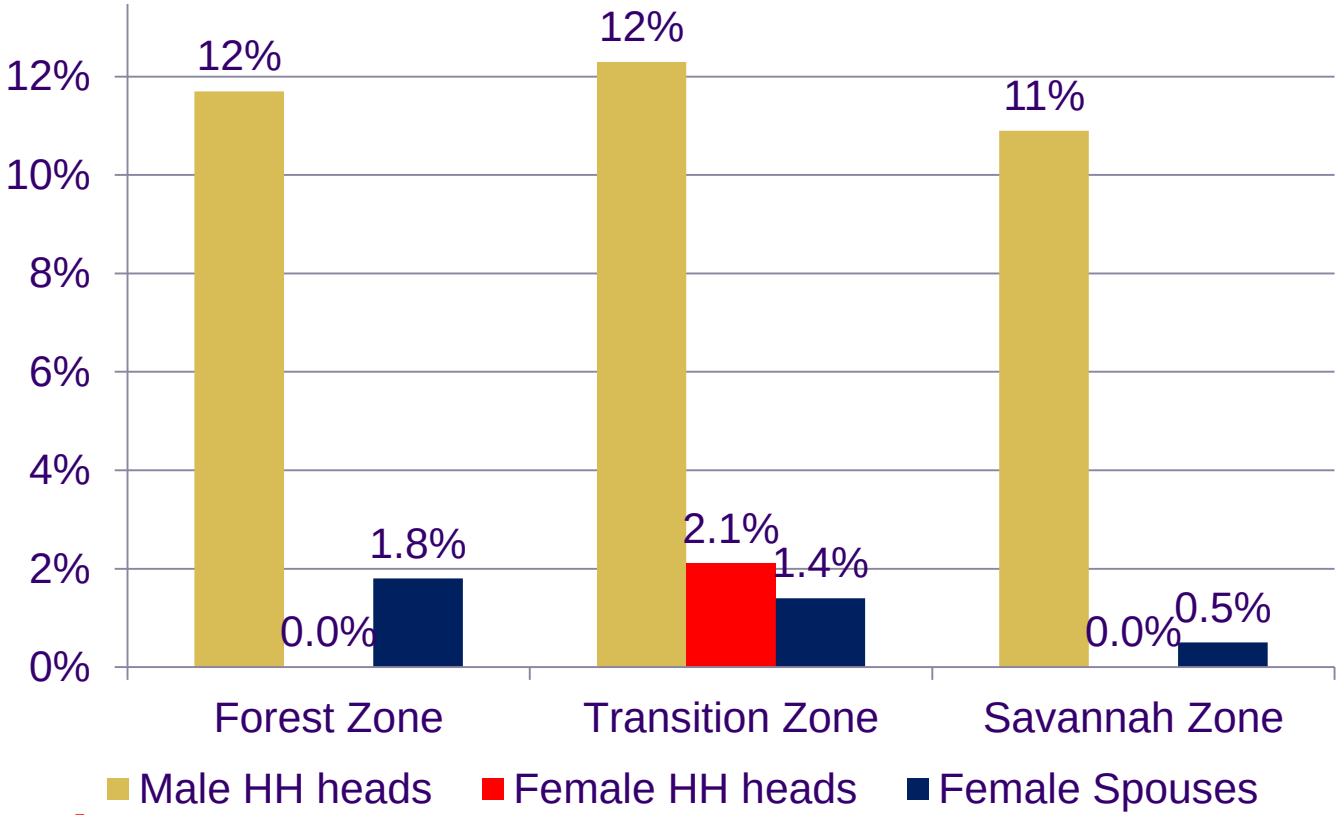
at the entrance hall of Humboldt Universität

Governance challenges: Some examples

Agricultural extension in Ghana

Important service to promote innovation

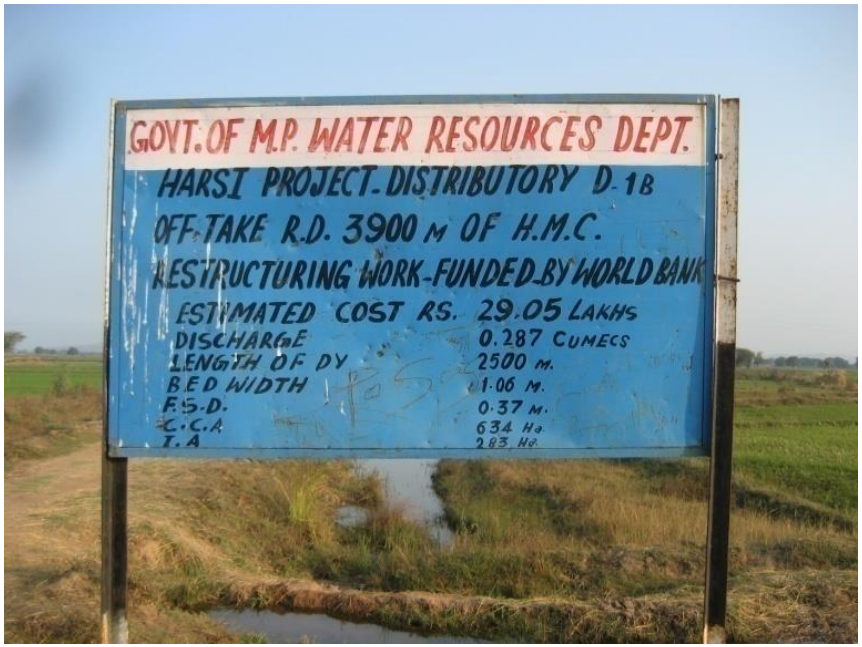
But most farmers do not have access to extension services



Absenteeism!
Exclusion!

ISSER-IFPRI Survey 2008 in 6 districts

Governance challenges: Some examples
Participatory irrigation management in India



Investment in rehabilitation of canals, to be managed by water user associations

Elite capture!

… some farmers break the lining to divert water to their fields

Governance challenges: Some examples
Small reservoirs in Northern Ghana

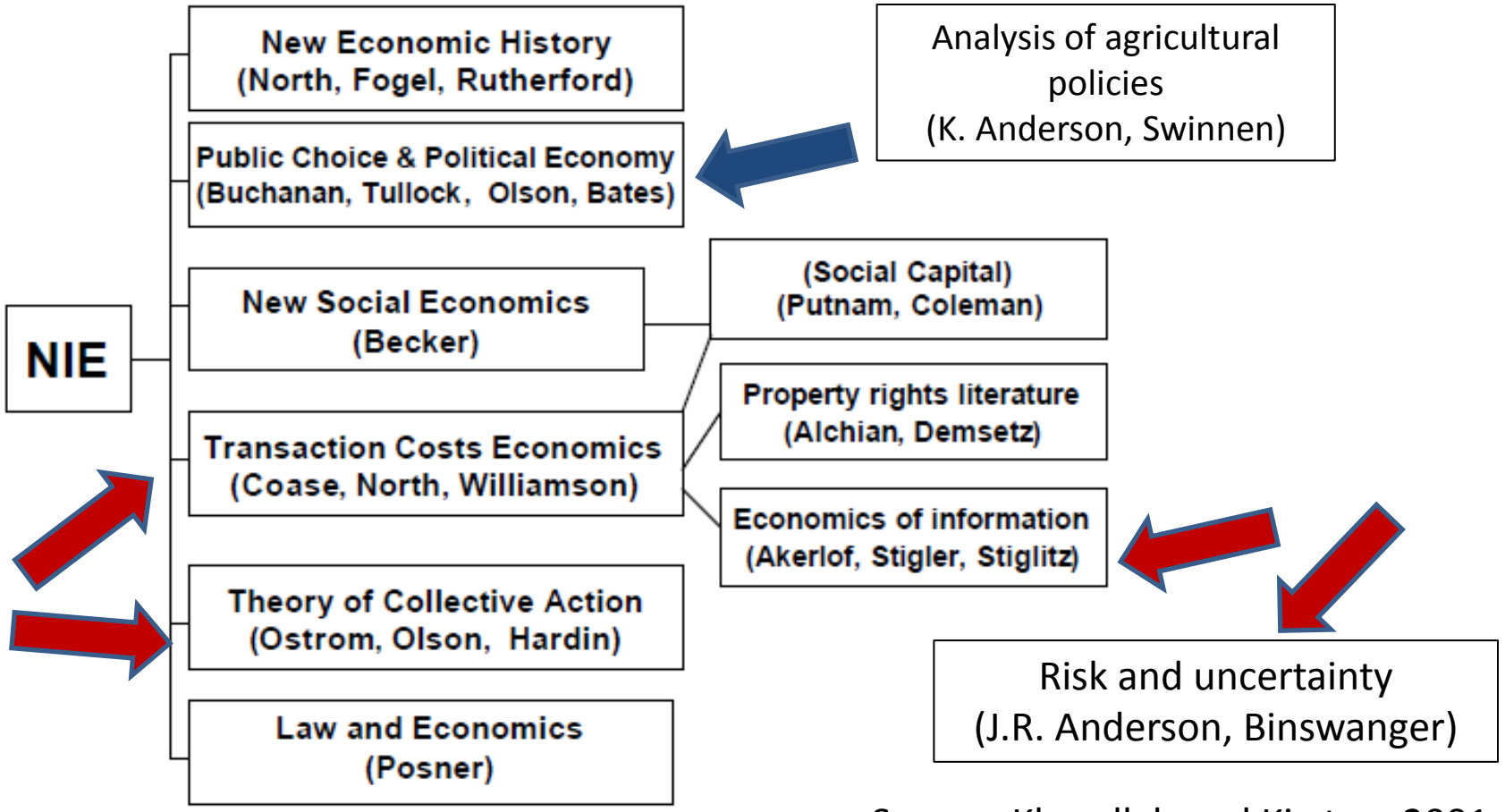
Big hope for a sustainable agricultural development in Africa

But how to make them work?

Corruption in infrastructure provision!

Analytical concepts for the analysis of agricultural institutions

Figure 1: Branches of the New Institutional Economics



Source: Kherallah and Kirsten, 2001

Framework for the Analysis of Agricultural Institutions

Three Sectors and Four Steps

The Three Sectors: Public, Private and Third

	Public sector	Private sector - Market	
Types	**Government & administration**	**Agribusiness**	**Farm households**
Goals	Public interest Regulation	Maximizing profit; Corporate social responsibility	Multiple goals (food security, income, safety)
Problems	*Bureucracy, capture, corruption*	*Market failure; lobbying; bribery*	*Cash constraints; lack of voice*

	Third sector – Collective Action		
Types	**Membership organizations**	**Cooperatives (with enterprise)**	**NGOs (non-profit)**
Goals	Multiple goals (self-help; advocacy)	Benefits to members and social goals	Public interests
Problems	*Free riders, exclusion*	*Free riders, exclusion*	*Hidden profit*

A Four-step Approach to Analyzing Governance in Agriculture

A Four-step Approach to Analyzing Governance in Agriculture

- **Step 1: Is there a market failure regarding this service (e.g. research, extension, seed supply, finance, etc.)?**
  - Possible reasons: Public goods, externalities, etc.
  - Why starting with the market?
    - *Proposition*: Where markets work well, they have important advantages as a governance structure.
      - *To be debated…*
- **Step 2: What can the state do to address the market failure?**
  - Regulation; provision by the state; contracting out; public-private partnership, etc.
  - What are the governance problems that arise for the state when addressing the market failures?

A Four-step Approach to Analyzing Governance in Agriculture

- **Step 3: What role can community-based solutions play to address the market or government failure?**
  - What are the opportunities and constraints to collective action?
  - What governance challenges do communities face in addressing market and government failure?
- **Step 4: What governance solutions can be identified? Which ones fit best?**
  - What is the role of the state, the market and the third sector in different types of solution?
  - How can checks and balances be created?
  - What will work where and why?
  - Which solutions will fit best with the situation?

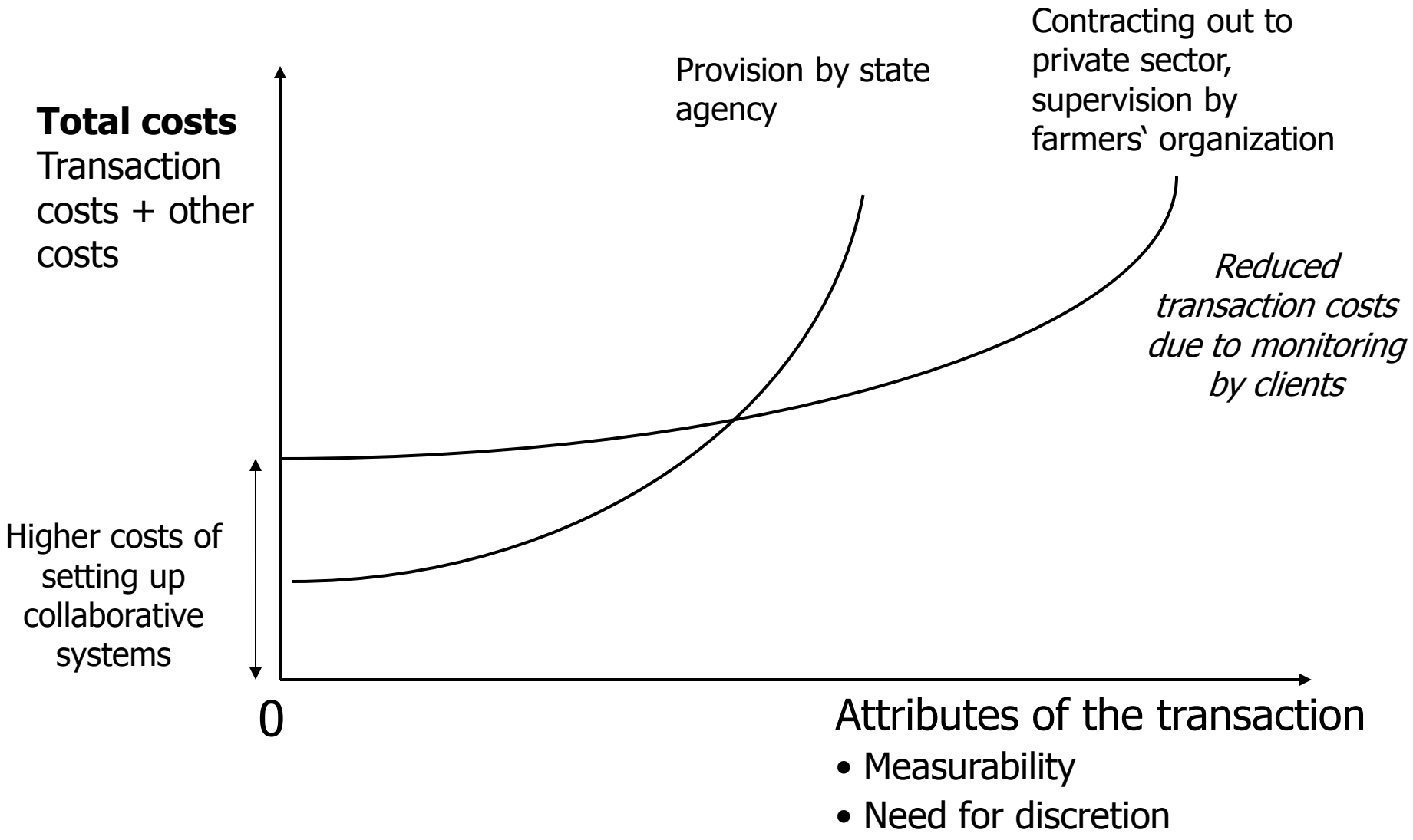
What are the reasons behind the governance challenges in agriculture?

- **Challenges to make the market work**
  (cf. Binswanger & McIntire, 1987; Birner & Anderson, 2007)
  - Spatial distribution of agriculture; high transaction costs;
  - Nature of risk in agriculture; information asymmetry
  - Public goods; externalities; spill-over (esp. in R&D)
  - Common pool resources (e.g., rangelands)
  - "Hold-up" problems for perishable goods
- **Challenges to make the public sector work**
  - Nature of agricultural and rural services – difficult to supervise
    → transaction-intensive in terms of space & time
    → require discretion (Woolcock & Pritchett, 2004)

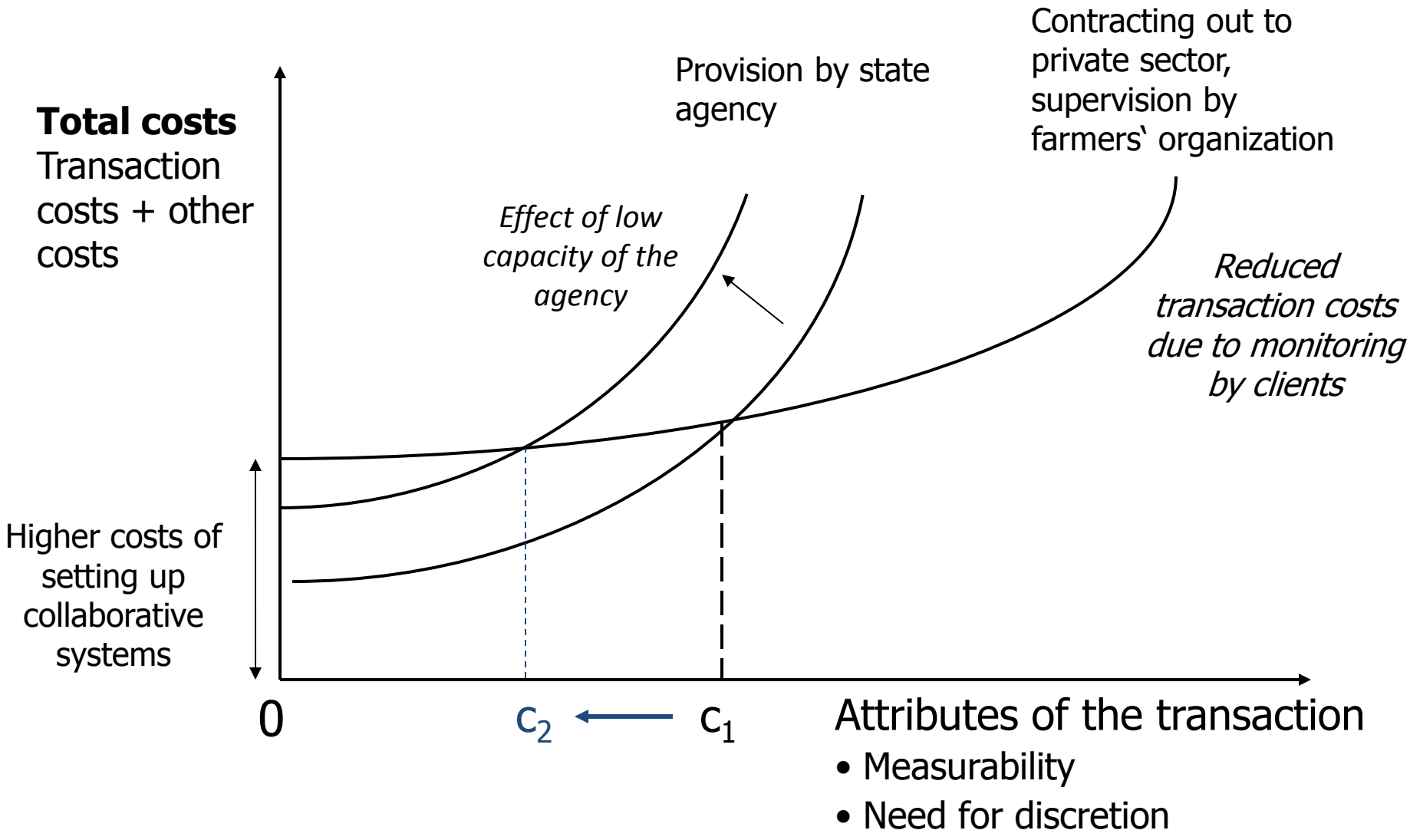
What are the reasons behind the governance challenges in agriculture?

- **Challenges to make the public sector work (continued)**
  - Scope for corruption (infrastructure)
  - Delivery of private goods (fertilizer, food) – prone to "leakage"
  - Political economy of agricultural policies
    - Between neglect and political capture (cf. Bates, 1981; Krueger et al., 1992, Anderson et al., 2011; Birner and Resnick, 2010; Birner et al., 2011)
- **Challenges to make community management work**
  - Collective action required (Hardin, 1968; Ostrom, 1990)
  - Elite capture; exclusion (Agrawal & Gibson, 1999)
  - Gender roles (World Bank, FAO & IFAD, 2008)

Analyzing "fit" of extension approaches
Example: Transaction costs economics



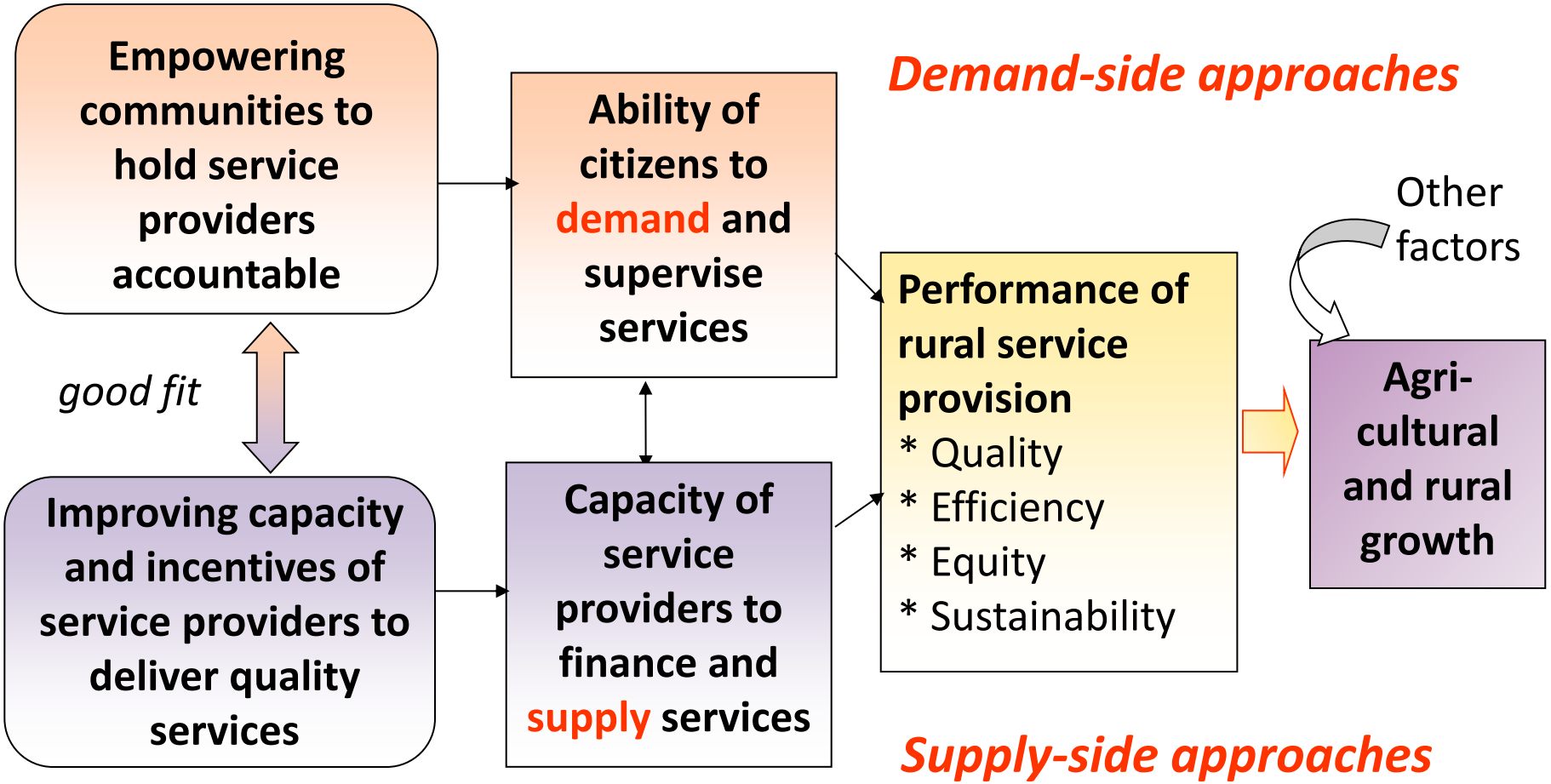
Analyzing "fit" of extension approaches
Example: Transaction costs economics



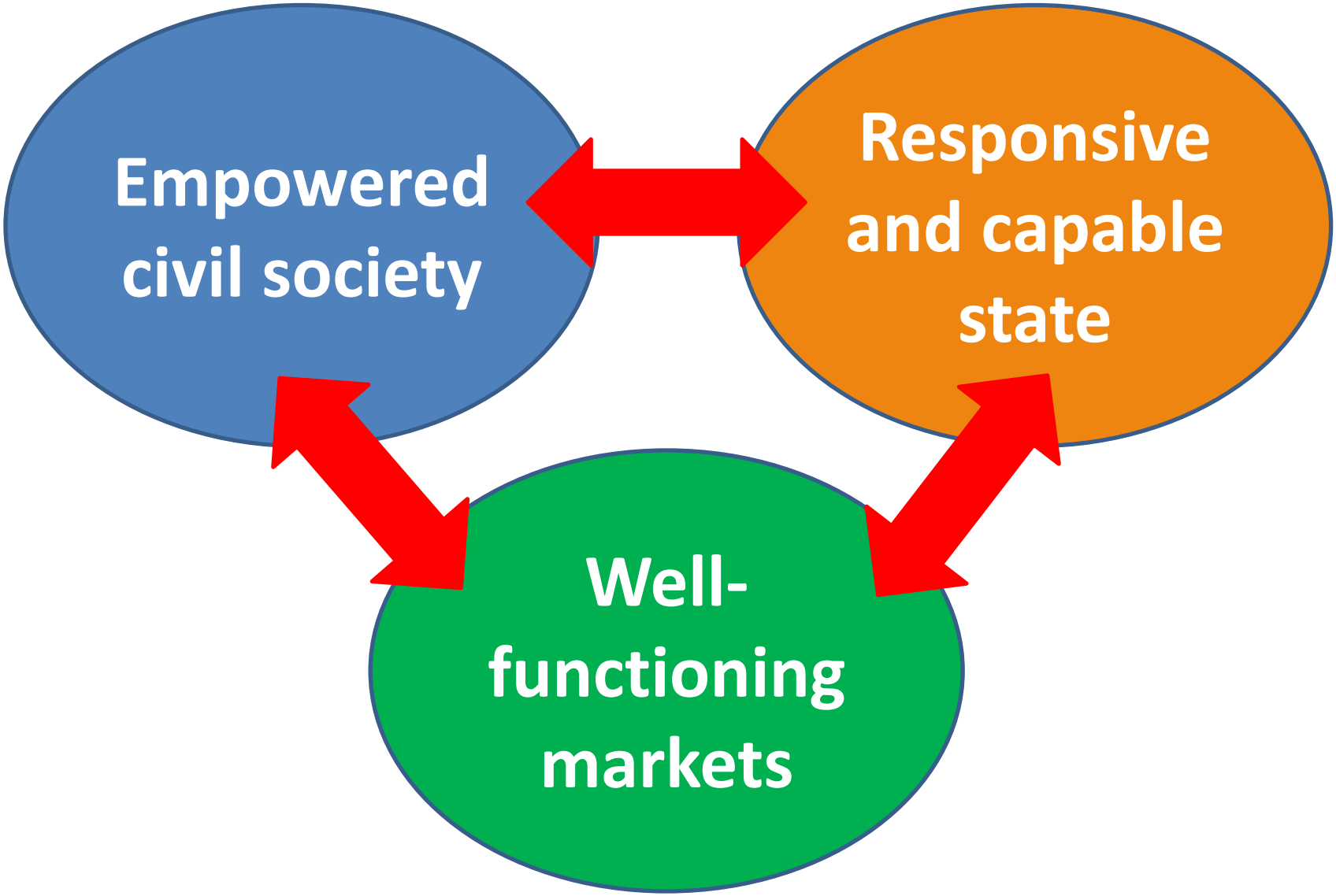
Case studies

- **Agricultural extension in Ghana and Uganda**
  - Who has access?
  - What are the challenges that extension service providers face? What are the reform options?
- **Veterinary services in Uganda, Ghana and Kenya**
  - What is the comparative advantage of different types of service providers (different governance structures)?
- **Biotechnology regulation in West Africa**
  - Should countries move to a regional system of regulation?
- **International Agricultural Research: ICRISAT**
  - What is the comparative advantage of the CGIAR versus national research organizations?

How to improve governance? Conceptual Framework



Good Governance as a System of Checks and Balances



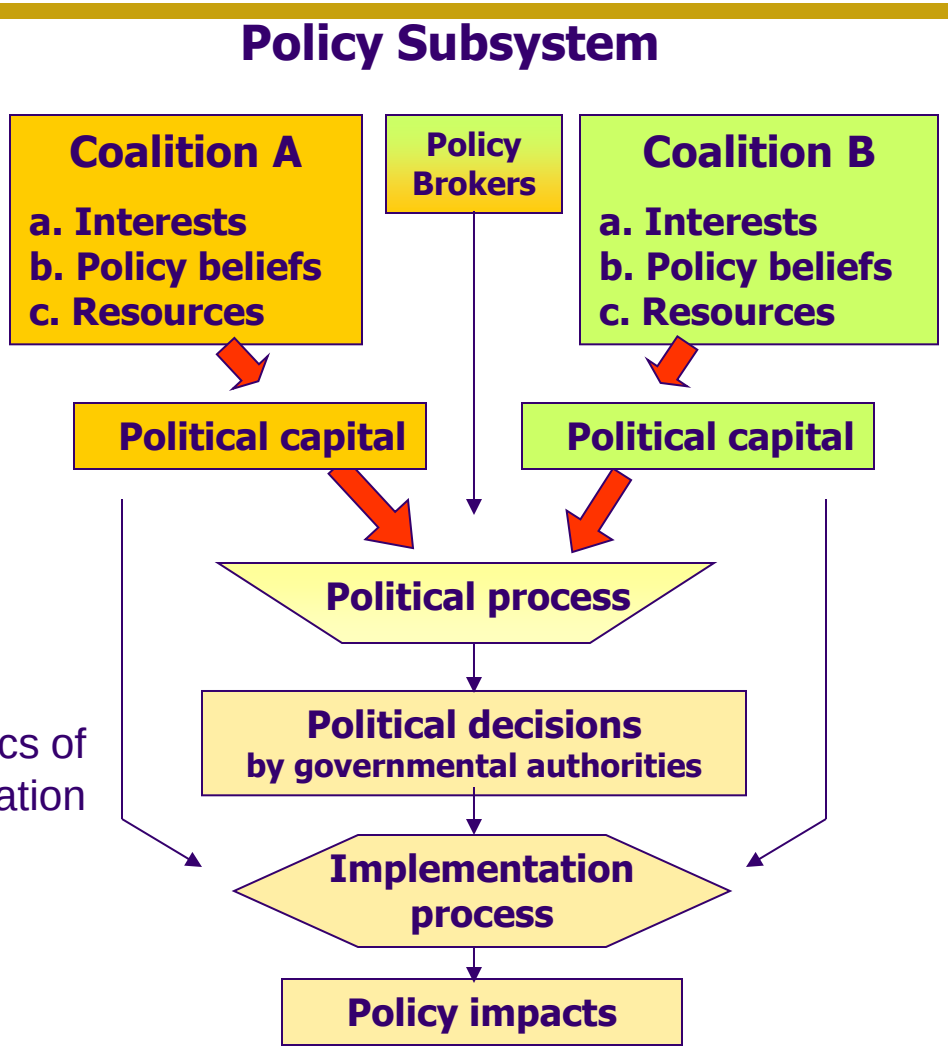
…. but how to get there?

Analyzing agricultural policy processes

Analysis of agricultural policies

- **Normative analysis of agricultural policy instruments**
  - Major field of mainstream agricultural economics
  - Questions for institutional analysis
    - Political and administrative feasibility of different policy instruments
    - May lead to “second-best” options
- **Positive analysis of agricultural policies**
  - Also a major field of mainstream agricultural economics (rational choice approaches – e.g., K. Anderson, Swinnen)
  - Alternative approaches
    - Focus on policy processes and role of beliefs/ideas
    - Using concepts of political science
      - Advocacy Coalition Framework (Sabatier)
      - Discourse analysis (Hajer)
      - Political resource theories – political capital

Conceptual framework for the case studies
Advocacy Coalition Framework



Advocacy coalitions
- Contra-subsidy
- Pro-subsidy

Beliefs
- ⇨Core beliefs
- ⇨Policy beliefs
- ⇨Factual/causal beliefs

Political capital
- ⇨ Mobilizing votes
- ⇨ Organizing protest
- ⇨ Lobbying
- ⇨ Invoking evidence

Source: Adapted from Sabatier and Henkins-Smith (1993)

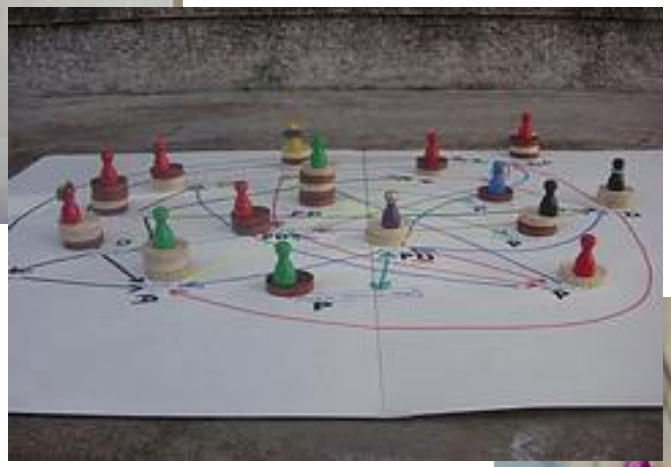
Using participatory reserach methods

Eva Schiffer
using
Net-Map

http://netmap.ifpriblog.org/

“Net-Map” as a method to analyze policy processes and governance problems

Stakeholders involved are identified and marked on sheet of paper



Arrows show implementation activities

“Towers” of carom game pieces visualize how much influence different stakeholders have

Fotos: E. Schiffer

Case studies using this framework

- **Agricultural policy reform in India**
  - Why has it been so difficult to reform agricultural policies that are not pro-poor and not conducive for the environment?
- **Agricultural extension reform in Uganda**
  - Why was the effort to introduce an innovative demand-driven model for agricultural extension services ultimately not successful?
- **Agricultural policies in Sub-Saharan Africa?**
  - Why are there “two worlds” of agricultural policy-making? A donor world – and a domestic world

Role of these frameworks

- **Is there a scientific community that has emerged around this framing, heuristics and terminology?**
  - **Overall, yes**: Both O. Williamson and E. Ostrom won the Nobel Prize in Economics – so did D. North and R. Coase; Advocacy Coalition Framework also widely used
    - but still relatively few applications in agriculture, except for natural resource management
- **Are there major linkages or barriers regarding interaction with other scientific communities also doing research on institutional analysis of social-ecological systems?**
  - **Linkages: Yes** – approaches compatible with rational choice models used in economics; scope for collaboration with agronomy
  - **Barriers: Yes -** focus on agricultural development seen critically by ecologists

Recommendations for WINS

- **Develop a clear understanding regarding the real-world problems that WINS will help to solve**
  - Sustainable natural resource management
  - Pro-poor agricultural development
  - Climate change
  - or …..
- **Be a forum for "analytical debates!**
  - in recognition of epistemological differences
- **Strive for methodological excellence**
  - especially in qualitative and mixed methods
- **Bring new approaches into the mainstream**
  - otherwise, the impact will remain limited
  - avoid just criticizing others
  - make a contribution to resolving real-world problems