

The Seven Habits of Highly Effective Farmers' Organisations

Focus

This FAC Policy Brief presents what we have termed 'The Seven Habits of Highly Effective Farmers' Organisations'. This seeks to provide some insights into what may be described as the 'critical elements of success' in high-performing farmers' organisations in Africa. The seven 'habits' identified are: (1) Clarity of mission; (2) Sound governance; (3) Strong, responsive and accountable leadership; (4) Social inclusion and raising 'voice'; (5) Demand-driven and focused service delivery; (6) High technical and managerial capacity; and (7) Effective engagement with external actors. These habits offer a useful checklist of working principles and practices to assess the performance of farmers' organisation in Africa and elsewhere.

A smallholder revolution and farmers' organisations

The 2008 World Development Report on Agriculture for Development (World Bank

2007; see also Mercoiret and Minla Mfou'ou 2007) places strong emphasis on the promotion of farmer's organisations (FOs) to help bring about what it calls a 'smallholder revolution' – to facilitate farmer access to inputs, credit, output markets and technical training and to increase engagement with policy processes to improve coordination within the agricultural sector. Some policy analysts and advocates who are more sceptical of some aspects of this agenda also emphasise roles for FOs improving smallholders' access to services (cf., Peacock, et al. 2004), while others (cf., Bosc, et al. 2002; Collion and Rondot 2001) explicitly see them as a new mode of economic and social regulation to replace governments' hierarchical coordination.

We undertook a study of the roles, functions and performance of farmers' organisations in Ethiopia, Kenya and Malawi for the Bill & Melinda Gates Foundation (Thompson, et al. 2008). We found that FOs have a mixed record in all these areas and these insights

lead us to urge caution in relying on them for too much – at least in the short term – to drive any kind of major changes in the agricultural sector in Africa. While some FOs have made considerable advances in improving their members' incomes through better access to inputs, markets and other services, and a few have shown a capacity to inform and influence policy, many FOs have failed or at best, only partly succeeded.

The ability of small farmers in Africa to adjust to the dynamic and uncertain economic, environmental and political conditions that are shaping agricultural policy and practice is made more difficult by the imbalance of power between often inadequately resourced and poorly organised agricultural producers and powerful public or private operators. This imbalance is largely related to farmers' limited access to information and education, and a relative lack of capacity to formulate objectives and define a strategic vision for development. Their participation in public debates on agricultural growth and development often remains symbolic and, in practice, decisions are made for them, rather than with or by them. Despite these apparent weaknesses, many African governments, donors and NGOs are increasingly looking to FOs to engage in service delivery, negotiate with market actors and participate in agricultural policymaking. Efforts are now under way to develop institutional frameworks that recognise their potential role and mechanisms for farmers and their representatives to voice their concerns at local, national, regional and international levels. Similarly, several governments and international agencies are increasing investments in FOs to strengthen their organisational capacity and improve their leadership.

While this renewed interest in farmers' organisations should be welcomed, an extensive literature on FOs in Africa warns that they

can also be undermined by attempts to encourage them to scale up too rapidly or to take on too many or over-ambitious activities. They can also be undermined by subsidies, by a failure to focus on core activities offering clear incentives and benefits to members, and by donor and government support and interference that interacts with them more as development agents than as private businesses (c.f., Penrose-Buckley 2007; Heemskerk and Wennink 2006; Peacock, et al. 2004; Stockbridge, et al. 2003; Bosc, et al. 2002; Collion and Rondot 2001; Hussein 2001; Kindness and Gordon 2001; Stringfellow, et al. 1997; Hussi, et al. 1993; Lele et al, 1981).

Similar trends can be found in other regions. For example, a review of 12 federations of rural organisations in Latin America, whose primary concerns related to agricultural development, found that the strongest (i.e. most able to project members' concerns in negotiations with government, donors and market actors) had benefited from an extended period of support from NGOs or other outside leaders (Carroll and Bebbington 2001). In most cases, external actors were involved in creating the organisations, which suggests that strong organisations can be induced from the outside.

Our conclusions are largely supportive of this wider literature, but provide further insights to those who are facing questions about what functions FOs can be expected to fulfil, and how they can be encouraged to expand to effectively achieve these functions on a significant scale. This study has shown that the method of engagement between FOs and external agencies is critical. That is, the most fruitful partnerships involve intensive 'software' support, in which external actors accompany and advise farmer organisations over a long period, but do not intervene directly in decision making. Such collaborations can also help existing organisations



Farmers voice their support for pro-smallholder policy in Kenya.

become more empowered and more capable of representing the interests of their members in key policy arenas.

The seven habits of highly effective farmers' organisations

A key part of our analysis of the performance and effectiveness of farmers' organisations in Africa comes from two diverse sources. The first is the International Co-operative Alliance, an independent NGO which claims to unite, represent and serve cooperatives worldwide (ICA 2007). It encourages cooperatives to operate according to seven basic principles:

1. Voluntary, Open Membership: Open to all without gender, social, racial, political, or religious discrimination;
2. Democratic Member Control: One member, one vote;
3. Member Economic Participation: Members

- contribute equitably to, and democratically control, the capital of the cooperative. The economic benefits of a cooperative operation are returned to the members, reinvested in the co-op, or used to provide member services;
4. Autonomy and Independence: Cooperatives are autonomous, self-help organisations controlled by their members;
5. Education, Training and Information: Cooperatives provide education and training for members so they can contribute effectively to the development of their cooperatives. They inform the general public about the nature and benefits of cooperation;
6. Cooperation among Cooperatives: Cooperatives serve their members most effectively and strengthen the cooperative movement by working together

Table 1. The Seven Habits of Highly Effective Farmers’ Organisations

'Habit'	Critical Elements
1. Clarity of mission	<ul style="list-style-type: none"> • The strategic objectives of the farmers’ organisation will be clear and unambiguous. • Its mission will be determined by its legal status and the needs and priorities of its members: <ul style="list-style-type: none"> A multi-purpose FO will respond to the diverse economic and social needs of its members, often in the absence of local government or effective public services A commodity-specific organisation will focus on economic services and defending their members’ interests in a particular commodity sector, such as coffee, dairy or cotton An advocacy-focused FO, such as national farmers’ unions or federation, will represent its members interests in key policy and programming arenas at different levels
2. Sound governance	<ul style="list-style-type: none"> • To assure democratic control of the organisation, there will be one member, one vote. • The FO will have coherent and consistent rules to establish norms of behaviour by officials and members, with systems for monitoring and applying sanctions. These clear • Clear rules will allocate costs and benefits to each member on the basis of her or his farming performance and market conditions; enforce agreements between the FO and the individual; and reduce the transaction costs of negotiating, monitoring and enforcing agreements between the organisation and its members.¹ • Governance structures determining the relationship between voting rights or control, equity investment and use of FO services will match the critical resource and market opportunities and constraints facing the organisation. • These will change over time as the FO matures and responds to new service demands and opportunities, but they are likely to have a strong business service focus and motivation for members, and solid structures to separate the FO from private business service operations.
3. Strong, responsive and accountable leadership	<ul style="list-style-type: none"> • The FO will have strong leadership from professional staff, trustees and donors, which is responsive and effective, but not overbearing. • The FO leadership will be encouraged within clear rules and leaders will have significant capacity in terms of business and governance skills and culture. FO is serving, which means women and minority groups will be included in positions of authority, not just as token representatives. • Leaders will be representative of the FO’s heterogeneous membership and therefore will include women, as well as men and smaller farmers, as well as larger ones • There will be strong accountability of leaders to members for effective services and representation, with professional financial audit systems to monitor income and expenditure.

<p>4. Social inclusion and raising 'voice'</p>	<ul style="list-style-type: none"> • Exercising 'voice' is not merely to speak out, but to be heard and to make a real difference. The FO will create an enabling culture that encourages previously marginal groups and individuals – e.g. women, smallholders and young producers – to influence the strategic priorities and programmes of the organisation. • Through these measures, the FO will ensure that the interests of its diverse membership are fairly represented and their needs adequately served.
<p>5. Demand-driven and focused service delivery</p>	<ul style="list-style-type: none"> • Fundamentally, the FO will provide services that deliver clear, continuing and valued benefits to its members. • These services will not be accessible to members from other sources on similar terms, nor will the FO offer them to non-members on the same terms as to members. • The FO will not try to provide too many services, nor services that are very demanding of technical, managerial or financial resources, otherwise there is a danger that it becomes over-extended and unable to sustain effective and timely services in a cost-effective manner. • Services offered by the FO will, in some cases, increase over time, to reflect changing demands from members, changing capacity of the FO, and changing services offered by other organisations, but any expansion will be carefully phased, and will match existing capacity. • Advocacy and policy engagement, which often does not provide direct benefits to members over non-members, will generally be a later and higher tier activity (probably limited to larger farmers' federations, cooperatives and unions).
<p>6. High technical and managerial capacity</p>	<ul style="list-style-type: none"> • The FO leaders and programme staff will have the technical knowledge and managerial capacity to deal with sophisticated challenges and opportunities as they arise. • If their technical competence is limited, these staff will be able to identify appropriate government, NGO or private sector actors with the wherewithal to strengthen the capacity of their members on a variety of fronts, such as: technical aspects of production; input procurement and distribution; meeting phyto-sanitary standards; and engaging in policy analysis, dialogue and negotiations.
<p>7. Effective engagement with external actors</p>	<ul style="list-style-type: none"> • The farmers' organisation will have clear and enforceable rules separating political interests and external pressures from its leadership. • Management will be strongly independent from government and donors, but maintain close cooperation with government and donors services and programmes at an operational level.

through local, regional, national and international structures; and

7. Concern for the Community: While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

Although the IAC focus is specifically on cooperatives, we think these principles offer important insights for all forms of membership organisations, including farmers' organisations.

The second point of reference is a more unlikely source – The Seven Habits of Highly Effective People, a self-help book written by Stephen R. Covey, which has sold over 15 million copies in 38 languages since first published in 1989 (Covey 1999). In his book, Covey lists seven principles which he claims, if established as 'habits' will help a person achieve true effectiveness. Covey argues this

is achieved by aligning oneself to what he calls 'true north' principles of a character ethic that he believes to be universal and timeless.

Given these insights, we asked ourselves, "What would the 'seven habits' of a highly effective farmers' organisation look like?" Based on our analysis of FOs in Ethiopia, Kenya and Malawi, the table below outlines what we see as those essential 'habits' and the critical components of each of them. It is by no means comprehensive, but does provide some insights into what could be described as the 'critical elements of success'.

External support to strengthen the seven habits

However effective and well governed a farmers' organisation may be internally in terms of adopting and applying these 'Seven Habits', it cannot successfully promote the interests of its members without an enabling



Photograph: David Hughes



legal, regulatory and policy environment that guarantees its autonomy. This requires changing the mindset of policy makers and staff in government departments, private companies and donor agencies about the role of FOs. Farmers' organisations must neither be seen as 'instruments' of either state policies designed and implemented without consulting them, nor as channels for implementing donors' or companies' agendas, rather they should be recognised as fully fledged actors and embraced as equal partners in the agricultural development process.

Public services must therefore also be made more demand-driven, with mechanisms that allow equitable negotiations between the farmer organisations and other actors, as appears to be developing in Malawi and Kenya. Governments' interference in cooperatives management must be removed, as is slowly happening in Ethiopia, a difficult process that requires confronting powerful, vested individual and political interests. Hence, an effective use of farmers' organisations as part of a broader programme of agricultural modernisation and transformation requires a strong, proactive state setting the conditions for this to happen successfully and a supportive donor community willing to work with the state and the farmers.

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