

Information Markets

'Information Markets' can be formal or informal, real or virtual markets where the principal commodity being traded is 'information'. However, unlike traditional commodity markets, there are limited numbers of 'sellers' of saleable information and there are a host of potential 'buyers' whose needs for information are very varied. These needs vary from real-time commodity and input prices to less time dependent information requirements for new technologies, practices and policies. Despite the huge demand for information by potential users, it is poorly ventriloquised and the incentives for adoption poor. Furthermore, the 'market' concept differs in that currently, information is perceived to be a 'free' product emanating from public sector research or a global databank rather than a 'valuable' product which users 'purchase'. In reality, information needs to be considered on an equal footing with other valuable commodities such as seeds or pesticides. Clearly without information on 'how to sow or apply', the value of a new seed or pesticide is not realised. There is currently a major disconnect between the suppliers and users of information – see Fig 1. In particular, the broad needs for information of the practitioner community is largely neglected and so the value of investments in farmer or commodity centred research are not being realised as much as foreseen.

Definition - from the Information Market Think Tank meeting (Feb 2008):

"Information (and Knowledge Service) Markets are financially (and otherwise) sustainable arrangements to enable many-to-many exchanges of information and knowledge to facilitate innovation. They are likely to be based on public/private market making collaboration, dynamic private sector business and ICT service models."

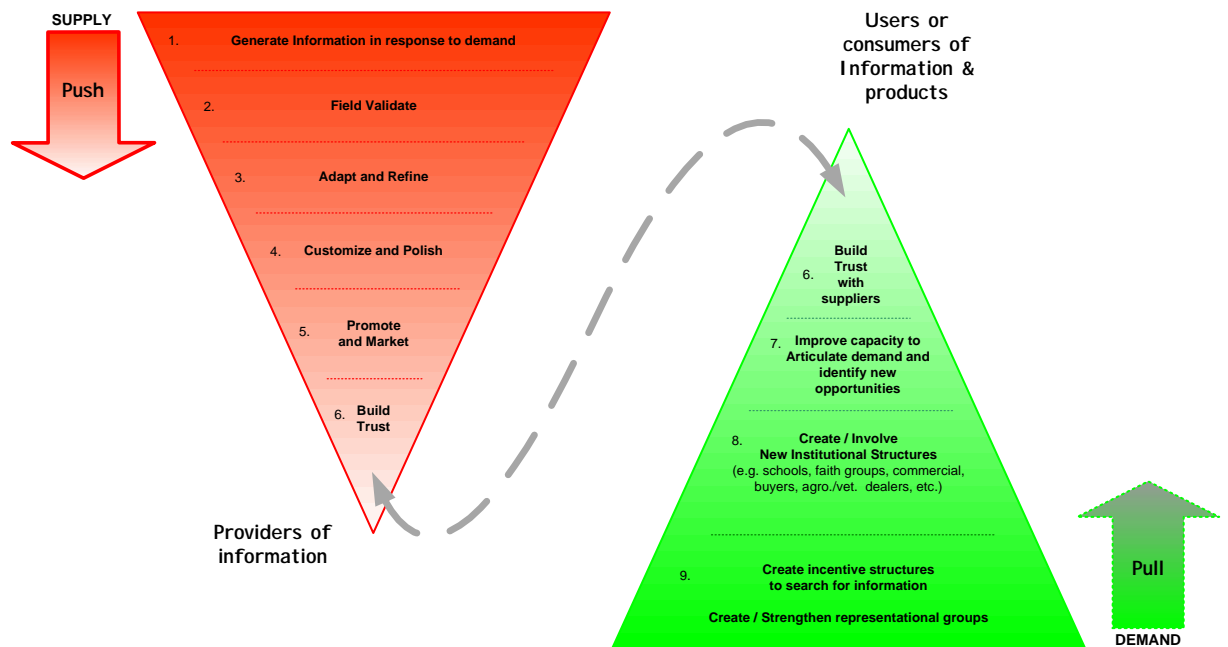
Context – It is widely acknowledged that new research findings are reluctantly adopted by in-country practitioners and policy makers. The reasons for this are many-fold – but they are largely related to: inadequacy of resources and skills in promoting research findings; weaknesses in incentives and capacity to adopt; poor audience definition in communications strategy; non-risk taking attitude of users; inappropriateness of the research product; lack of trust in the generator or relayer of the information etc . The Information Markets approach is not a solution to all these issues; rather, it proposes a new inclusive approach to information sharing which integrates well with an Innovation Systems approach and consequently seems appropriate to test within the RIU programme.

Strategic approach – The IM approach utilises some ideological 'givens':

- i) i) That the current 'linear' and 'top-down' system of information sharing is not 'fit for purpose' for the vast majority of users - particularly the poorest of the poor. Typical national extension services are poorly resourced public-sector organisations disseminating narrow sector/topic specific information to a small fraction of farmers. The system has issues of accountability, of being unresponsive to demand, of poor follow-up , of being too-commodity focused and of being unsustainable etc . In general, this approach to dissemination of information was transferred piecemeal from the north during the colonial period and has been largely maintained 'asis' since. It foresees the farmer as the sole, or at least the major, recipient of information. The information 'database' utilised is based largely

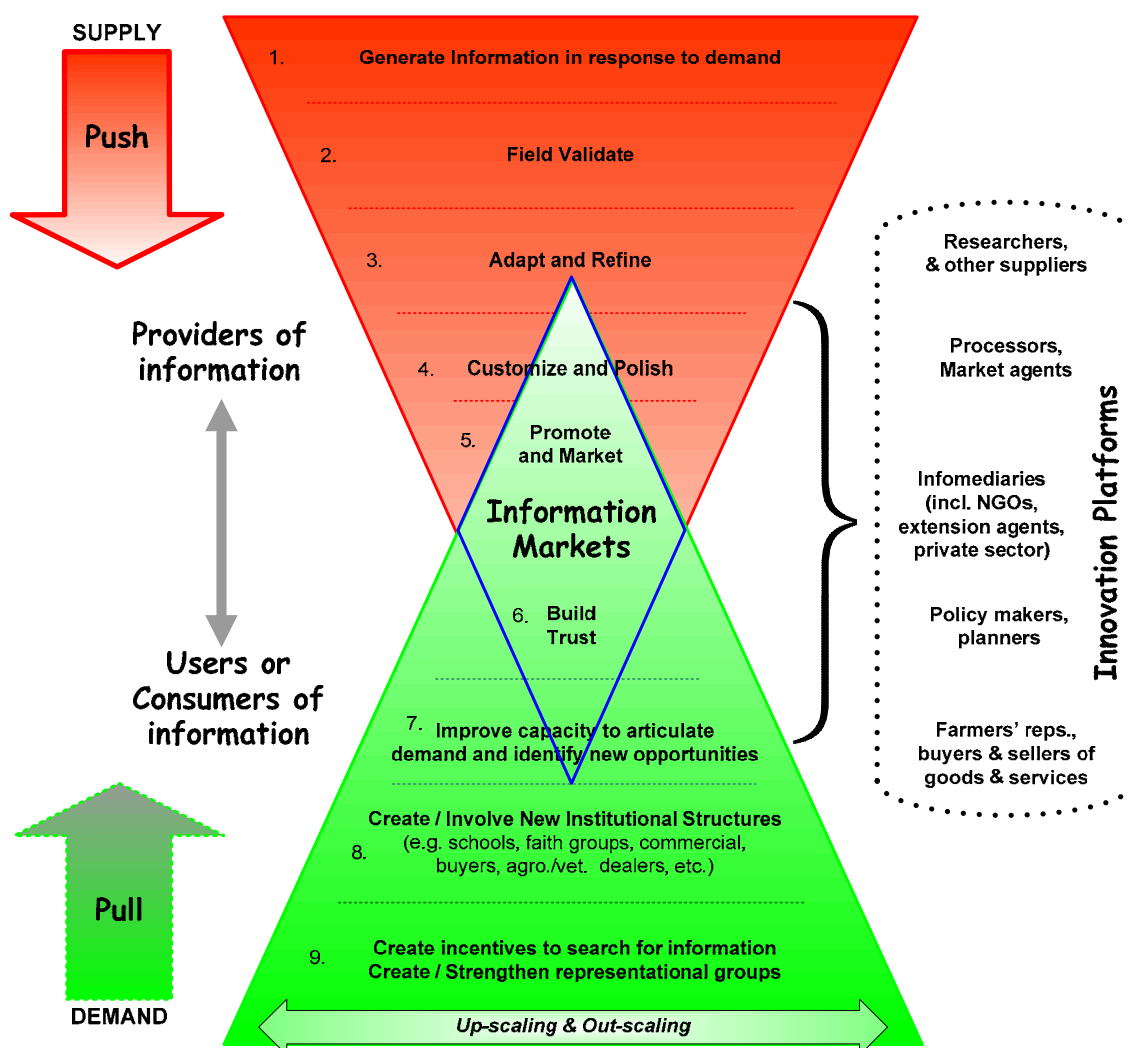
on the experience and knowledge of extension officers; much of the information is derived from national research organisations and very little is sourced from global databases.

Figure 1 depicting 'supply' and 'demand' of information.



In summary, there is currently a major disconnect between the suppliers and users of information. In particular, the practitioner community* is largely neglected and so the value of investments in research are not being realised as much as foreseen.

Fig 2 – Depiction of an Information Market

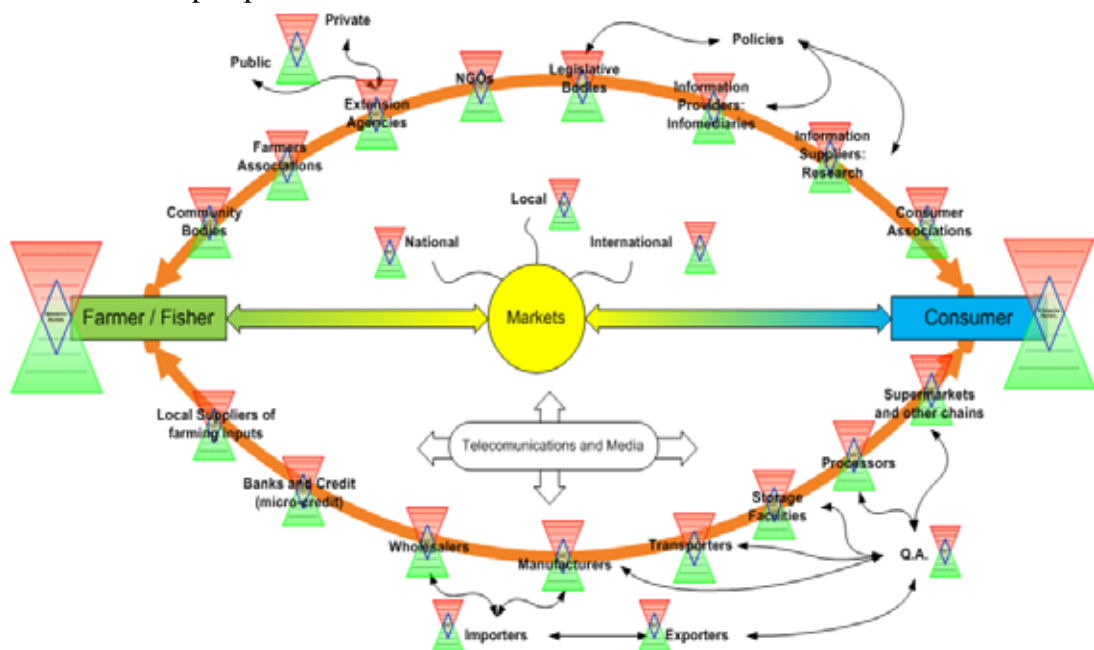


ii) That agricultural information is a valuable commodity and not necessarily 'free'; the concept of value need not necessarily be seen to be a monetary one as different public-private schemes (such as the voucher system employed by MPAIS in Uganda) have already shown. In the west, a more business oriented model has been introduced in recent years to both the exchange of information and the inclusiveness and inter-relatedness of different on-farm enterprises. For instance in the UK, the public-funded Agricultural

Development Advisory Service (ADAS) was privatised in the mid-1980's much to the dismay of British farmers. Yet today, in its private sector guise, ADAS provides a much more comprehensive and higher quality advisory service to a wider farming community than previously.

iii) That incentives need to be put in place to entice potential users to demand information on a variety of topics which impact on their businesses/livelihoods. Users often demand information but are not heard – the real trick is to organise the users so that they have a 'voice' and diversify the listeners and suppliers of information.

iv) That the IM approach is a component of the Innovations Systems approach adopted by the RIU. In other words, it utilises the 'many to many' strategy implicit within IS, and that to be effective, information needs to be multi-dimensional and multi- sectoral in content to address the needs of all users along the farm-to-fork value chain - not just commodities from the farmers perspective.



v) Finally, it assumes that effective communication is at the heart of Information Markets – and that these are inseparable components. When information is a tradeable commodity, the value chain principles can be applied to it. Value is added or lost along the chain and the IM approach embraces interventions to remove bottlenecks in the chain.

Implementation of Information Markets principles in the field

Whilst the concept of IM is relatively simple, its implementation in the field is more complex:

- i) There is an understandable reluctance by in-country partners to engage in a new system which is at variance with the common practice used to extend information over the last half century or more. This mind-set issue takes time to address and will be overcome when local champions or case-studies illustrate the value of a different approach. RIU propose to pilot different IM approaches in-country through a mentoring and capacity strengthening approach. It will strengthen the information and knowledge base of institutional partners (eg within commodity value chains) and address the incentives for farmers and other partners to adopt new technologies and practices.
- ii) Because of its inclusiveness, the IM approach is seen by some extension personnel to be too expansive and the cost of extension too expensive; the argument being mooted is that it is difficult enough to find the resources to relay information to farmers let alone others along a value chain. However, if the system is seen as one which is responsive to demand, that elements of good marketing practice are adopted (clear recognition of the needs of different audiences, understanding and utilising lessons on user incentives) and investments are made centrally in capturing current information resources (local, national, global databases etc) and in transforming the information into modalities which are meaningful to discreet audiences, then real progress (both in the quality of information and the number of people addressed) can be made in development terms. Clearly, the utilisation of ITC and other modern communications tools will make the approach more implementable.
- iii) As indicated above, RIU is beginning to implement IM approaches in some of its target countries eg, in Rwanda and Sierra Leone, it is utilising the lessons learned from the MPAIS experience gained in Uganda. In other countries it is considering the use of intelligent use of the mobile phone, soap operas/SMS, Farmer Field Schools, Spoken Web etc.

For clarification/comment on the above text, the reader is welcome to contact the RIU Director of Communications and Information Markets at w.richards@nrnt.co.uk. The reader is also encouraged to read more in-depth articles on Information Markets - again see some of these on the RIU website.

****The Practitioner Community.** Practitioners are seen as the principal practical users of information. They include Infomediaries (those whose responsibility it is to transmit information -*

extension agents ,public and private), commodity associations, farmers (associations), providers of goods and services (micro-credit providers, retail and wholesale providers of seeds, fertilizers, pesticides, feed, semen, etc), added-value groups(processors, marketing associations), consumer associations, policy makers and shapers, export/import associations. Researchers are generally seen as generators of information but can also be interpreted as users so the above definition of practitioners is not water- tight.