Future Agricultures

Narratives of Agricultural Policy in Africa: What Role for Ministries of Agriculture?

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by

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Abstract

The political and institutional dimensions of policy formulation and implementation are key determinants of the feasibility of technical policy prescriptions. This paper explores how policy narratives on the role of the state in agriculture have influenced and defined the role of ministries of agriculture in Africa. Three current narratives are identified within academic and donor circles – ‘free-market’, ‘coordinated-market’ and ‘embedded-market’. Each has distinct implications for what ministries of agriculture are expected to do. Realities on the ground are, however, less amenable to neat conceptual categorisations. Although often buying into the free-market narrative at a rhetorical level, substantial resistance has been offered to fundamental reform of the institutional structures and working practices of ministries of agriculture. The net result is often a situation where ministries of agriculture are neither capable of delivering on conventional roles, nor have the agility or responsiveness to act as a new-style regulator and facilitator. There is, however, scope for ministries of agriculture to reinvent themselves as a relevant developmental player, and particularly to respond to development coordination failures in a setting increasingly populated by divergent interests which are not necessarily supportive of the poor.

Contents

Acronyms

AU	African Union
CSO	Civil society organisation
DAC	Development Assistance Committee
DFID	UK Department for International Development
GBS	General budget support
GDP	Gross domestic product
HIPC	Highly Indebted Poor Country
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organization for Economic Cooperation and Development
PRSP	Poverty Reduction Strategy Paper
SSA	Sub-Saharan Africa
SWAP	Sector wide approach
USAID	United States Agency for International Development

1. Introduction

Much policy research on African agriculture has focused more on 'what policy' type of questions, rather than on the processes by which policy is made and implemented (Omamo, 2004). The focus has been on 'policy fixes', based often on idealised models of the ways things should be, rather than the way they are, or are likely to be. Researchers, consultants, donor agencies and decision-makers at government offices therefore concentrate on devising solutions for problems and overlook the complexities of the process of translating such elaborate, technical policy prescriptions into practice. Much of this translation role is left to ministries of agriculture. But what role should they play given the policy debates raging about the future of agriculture in Africa? This paper provides a preliminary contribution to the debate on agricultural policy processes by focusing on the current roles and capacity of ministries of agriculture in devising and delivering agricultural policies. By unpacking the different 'narratives' – or storylines – about agricultural policies being pushed by different actors in the policy process, the paper asks what kind of ministry of agriculture is envisaged, either implicitly or explicitly? Three different versions are elaborated. One sees the return of the hey-day of the sectoral ministry with capacity and policy clout – to address the major constraints of agriculture, it is argued, what is required is a strong, well-funded line ministry, and the challenge today is to rebuild such an organisation. A second – at the other extreme – sees such sectoral ministries taking on a minimal role, focused on oversight and regulation, as the private sector takes on a more substantive role in a 'free-market' environment. A third, perhaps less stridently articulated than the other narratives, sees an important role for the state – and the ministry of agriculture, together with other state agencies – in addressing the coordination and intermediation roles of getting markets to work effectively, while ensuring at the same time public efforts are targeted to poverty reduction.

Which of these models – or hybrids and variants of them – make sense today? The analysis in this paper is conducted around two hypotheses. The first is that, in the twenty-first century, ministries of agriculture are no longer the key architect and driver of agricultural policies and policy reform. Other public sector agencies and non-state actors play, increasingly, a more central role in the reform and development of the agriculture sector. Indeed, over the years, the position of the state in the agriculture sector seems to have been continuously eroded by a series of interconnected factors, which include *inter alia*: (i) the demise of the socialist model of state intervention; (ii) the widespread adoption of the orthodox liberalization/privatisation approach to economic growth; (iii) the structural transformation of the global economy (both at political, economic, social and cultural levels) driven to a large extent by the dramatic fall in transportation and communication costs; (iv) the pervasive discourse on government failure, particularly in Africa; and (v) the expansion of the third (non-governmental and not-for-profit) sector beyond emergency relief, responding to both state and market failures, and now emerging as an important actor in the development process. These have contributed to the reshaping of agricultural governance structures, as well as of functions and structures of ministries of agriculture – including withdrawal from direct involvement production and marketing activities, privatization of public-sector enterprises, allegedly greater emphasis of the public sector on regulatory and enabling functions and provision of classic public goods (rural infrastructures and research) and development of new partnerships and outsourcing arrangements with the private and NGO sectors. Concomitantly, and to some extent in consistency with the above, there has been, over the last two decades, a persistent reduction in the amount of financial resources (domestic and external) allocated to the agriculture sector and to ministries of agriculture in particular.[1]

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[1] It is important for the sake of clarity to distinguish between spending in the agriculture sector and spending by ministries of agriculture. The notion of agricultural spending is potentially wider that what is spent by ministries of agriculture. Rural infrastructural development, for example, is an important spending area which is often covered by ministry of civil works' budget lines.

The second hypothesis is that this loss of leverage of ministries of agriculture, driven by the prevailing narratives on roles of the state and reduction in funding, is inconsistent with the coordinated investment effort required to address current challenges to pro-poor agriculture growth in poor underdeveloped rural areas, particularly in contexts where the private sector has not developed, as shown by the decline in private investment in agriculture.

The analytical framework used for discussing the narratives and practices on state intervention in agriculture draws substantially from the work produced by Keeley and Scoones (1999, 2003) which highlights the dynamic interaction between narratives/discourses, actors/networks and politics/interests. Discourses and narratives – or the way policies are talked about, and the associated values, power relations and politics – frame policies in particular ways, suggesting, in the form of a storyline, a beginning, middle and end, or, in much policy speak, a problem and a solution. Actors coalesce around different policy narratives, forming networks across organisations and between groups of people – academics, think-tanks, donors, government agencies and others. Different groups of actors therefore promote a particular policy framing, and in doing so link different groups together in networks. Such networks may represent particular interests, and be associated with particular political positions. Policies are thus inevitably political and the policy process is less of a linear, technical sequence, but more a political process, driven by particular actors and networks associated with different interests. The trio of factors – narratives/discourse, actors/networks and politics/interests – therefore interact to create (or decrease) 'policy space' (Grindle and Thomas, 1991) or 'room for manoeuvre' (Clay and Schaffer, 1984), and so the options for policy change. Policy outcomes, including for example the way ministries of agriculture are seen, can thus be explained in terms of the interaction of these parameters in the policy process.

This paper is concerned with the roles of ministries of agriculture in the agricultural policy process and hence three questions arise:

- What are the narratives on the role of the state in agriculture?
- How are these narratives formed, by whom and whose interests do they represent?
- How and in what context are these narratives deployed and what impact does this have on the way ministries of agriculture are envisaged?

The paper is structured into five chapters. After this introduction, chapter 2 provides an overview of the theoretical debate on roles of the state in agriculture. Chapter 3 discusses the positions of development aid agencies in the debate and identifies three different positions or narratives on the type of role the state should play with regards to other agriculture markets operators. Chapter 4 discusses the actual roles and positions of ministries of agriculture in the current agriculture policy context, with reference to the aid framework, public sector institutional reforms and technical capacity, and the politics of reform processes. Chapter 5 concludes with critical reflections on the challenges and opportunities for ministries of agriculture in the twenty-first century.

2. States and markets in agriculture: the persistent dichotomy

In order to examine the role of a ministry of agriculture in the contemporary setting, we must ask some basic questions about the role of states and markets in agriculture. This has been a long-running debate in development, and one that has been given particular relevance in the analysis of agricultural policy from very different angles (cf. Mkandawire and Bournenane, 1987; Mkandawire, 1989; van de Walle *et al*., 2003). This chapter provides an overview of the narratives on state intervention in agriculture. It reviews some of the theoretical perspectives on the state-market dichotomy and how this debate has unfolded through the course of agricultural policy reform experiences in sub-Saharan Africa (SSA).

2.1 Theoretical debate on state intervention: market *versus* government failure

There are two classical justifications for state intervention in the economy: (i) the existence of market failures which prevent the private sector from organising the production or allocation of goods and services with economic efficiency, and (ii) the existence and persistence of distributional inequalities. The first is widely accepted within the economic orthodoxy. The second finds stronger acceptance within the social policy community, although the economic argument is often brought up to justify income redistribution.[2]

According to orthodox economic theory, markets fail when the characteristics of the production or resource allocation process lead to an inadequate expression of costs or benefits in prices of good and services – and thus into inadequate microeconomic decision-making of economic agents – or in the presence of sub-optimal market structures (i.e. forms of imperfect competition). Typical examples of market failures include:

- public goods: these goods have two defining attributes that constrain the operation of markets price mechanisms. They are 'non-rival' in that the consumption by one person does not reduce the quantity of the good available to another person. They are also 'non-exclusive' because the private sector cannot prevent people from consuming them and hence change for their consumption.
- externalities: when the production and consumption of some types of goods and services produces spill-over (positive or negative) effects which are cannot be reflected in the market price – a classical example is the negative spill-over effects of environment pollution by a firm.
- asymmetric information: information asymmetries between parties often leading to sub-optimal market solutions. Common resulting phenomena are adverse selection (the bad products or customers are more likely to be selected as result of imperfect information), moral hazard (when perverse incentives makes a person benefit from a problem) and coordination failure (when uncertainty regarding other people decisions generates a sub-optimal decision).
- undefined or uncertain property rights: which lead to under-use or under-investment.
- infant industry/entry barriers: high entry barriers (such as high initial cost of investment – i.e. high economies of scale) might prevent markets from developing.
- monopoly/oligopoly/monopsony: when lack of competition amongst market operators allows the dominant players to extract rents from other market participants.

According to economic theory, in any of these situations state intervention is required to ensure economic efficiency and the correct functioning of markets. State intervention might take the form of service provision (supply of public goods or investments to kick-start markets), regulation (establish and enforce property rights and support market competition), or taxation (discourage investments producing negative externalities and generate revenue to compensate bearers).
But, despite the wide use of the notion of market failure to justify state intervention, the concept is far from being uncontroversial, both in theory and in practice. The debate between different schools of economic thought has always been very vigorous. The more liberal scholars deny the existence of market failures altogether, or see them as temporary and irrelevant or as an effect of subversion of free markets. Taking a more moderate line, Public Choice theorists[3] argue that the issue is not the existence of market failures *per se,* but the fact that costs resulting from government intervention are

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[2] Income inequality is likely to produce detrimental economic consequences (through social unrest or public health, for example) and some see it as a result from market failure.
[3] Public choice, also known as the economics of politics, is a branch of economics which emphasises the political nature of economic behaviour. It seeks to understand political phenomena by using analytical techniques of economics, in particular orthodox neoclassical economics.

likely to be higher that those associated with the market failure they attempt to correct. The latter stress the significance of the political setting under which government policies are designed and implemented and claim that good government policies in a democracy are an underprovided public good because of, *inter alia*, the rational ignorance of voters, the short-termism of policymakers (policies being determined by the political cycle) and the presence of interest groups in society lobbying for sub-optimal policies that benefit them. Therefore, it is argued, the costs of 'government failure' might be higher than those of market failure. Important contributions to the government failure argument include George Stigler's on the influence of private interests in regulation, Mancur Olson's free-riding behaviour in collective action[4], and Ann Krueger's on rent-seeking behaviour of the bureaucrat.[5] These and other scholars' work has illustrated how government action serves private interests and not the public interest, and hence generates costs for society as a whole.

In practice, amongst many economists, government intervention in markets is seen as a second-best alternative. Furthermore, new forms of overcoming market failures have been emerging, which lessen the nature of state intervention by resorting to public-private partnerships. There has been significant evolution of state-market relations, with new solutions being devised such as the private provision of traditionally labelled public goods (such as roads construction) and increasingly diverse outsourcing arrangements through the private and NGO sectors.

2.2 Market failures in agriculture: creating a 'low level equilibrium trap'

However, the material conditions of agricultural production often give rise to pervasive and difficult-to-ignore market failures. This is particularly true in contexts where agriculture production systems are fragmented and under-resourced and the monetary economy is poorly developed, with low levels of income, consumption and exchange: in other words in most of Africa. Agricultural production in developing countries takes place largely in small farms, with land holding size declining and becoming more fragmented (Lipton, 2005). In SSA, 90 percent of farms are smaller than five hectares (two thirds of which having less than 1.5 hectares) and account for 80 percent of agricultural production (Molua and Rajab, 2002). Smallholder households are typically food-insecure, farming low productivity lands, with weak access to input and output markets and high exposure to production and price fluctuations. Land holdings are commonly not formalised and tenure arrangements are often determined by customary rules and practices.

The small scale of production and the high levels of risk exposure, together with low-input agricultural production and market underdevelopment, produce very high costs of transaction which constrain the expansion of agricultural supply chains. Financial markets fail to develop because of demand scarcity (small scale, high risk exposure and lack of collateral constrain farmers' access to financial services) and farmers' productive investment in land is inhibited by lack of financial capital to purchase agricultural inputs. Investment coordination along the supply chain in poor rural areas is therefore particularly difficult to strike. The investment decision of an agricultural input supplier is likely to be constrained by the availability of financial services which allow farmers to access financial capital to purchase agricultural inputs. Also, the investment in marketing systems is determined by the existence of input markets supporting the production activity.

When transaction risks and costs are high, markets are unable to produce an efficient allocation of resources, and agricultural activity can get caught in a 'low level equilibrium trap' (Poulton *et al.*, 2004) – high costs lead to under-investment which depresses the level of economic activity, increasing further the risks and costs of transaction and generating a vicious circle of underdevelopment. This 'low level equilibrium' is argued to be particularly significant in food crop

[4] Olson defends, however, a strong government although with the necessary provisions to ensure that the public interest is served.

[5] Seminal work by these authors includes: Ann Krueger (1974) 'The Political Economy of Rent-Seeking Society', *American Economic Review*, 64, pp. 291-303; George Stigler (1979) 'Director's Law of Public Income Redistribution', *Journal of Law and Economics*, 13, pp- 1-10; Mancur Olson (1965) *The Logic of Collective Action: Public Goods and the Theory of Groups*, Cambridge: Harvard University Press.

production – given the marketing characteristics of food crops there are no incentives for the private sector to provide the required coordination of investment, making it very difficult to break out of the trap.

It is under these circumstances that markets (i.e. private sector operators) fail to provide an efficient outcome and therefore an exogenous push is required to set market mechanisms in motion. But the recognition of a market failure and the identification of correcting measures are far from straightforward. Wiggins (2005) notes that, beyond the provision of public goods and regulation of externalities, we know too little of how much failure there is and how to go about correcting it. Are these 'failures' a justification for direct state provision of inputs to small farmers, for example? Or would this further undermine the development of a market for agricultural inputs, while carrying the costs of an ineffective and inefficient government intervention? As Petit (1995) noted 'defining what policies we should recommend is very often a matter of judgement between the conflicting pressures arising from the existence of market failures and government failures' (p.449). In the context of debates about agriculture in Africa, such 'judgements' most likely emerge from deep-seated ideological and political commitments dominating particular policy positions by different groups. With the apparent demise of the 'Washington consensus' of the 1980s and 90s, even more circumspection and confusion have arise. Today there is something of an impasse – with different positions vying for policy space.

2.3 State-market relations in agricultural policy reforms

How will such an impasse be resolved? And what will this mean for the way ministries of agriculture are thought about? Paarlberg and Grindle (1991) argue that how a particular 'crisis' is defined determines both the process and the substance of reform. This section illustrates how agricultural policy reforms – and the roles of ministries of agriculture in those reform processes – have, in the last three decades, been shaped by perceptions of either market or state failures in the sector. Three distinctive periods are typically identified in post-independence SSA countries, with regards to the extent of state intervention in the agriculture sector[6]:

- 1970s and early 80s: strong state intervention (integrated rural development);
- mid-1980s to mid 90s: market liberalisation and privatisation (usually referred to as structural adjustment policy reforms);
- late 1990s to present: 'post-adjustment' – a milder version of structural adjustment, softened in the light of the poor record of achievements in the previous decade and stressing the importance of 'getting the institutions right' and seeing a role for the state in creating the base conditions for market development.

This paper concentrates mainly on the intellectual debate and agricultural policy reform unfolding during the course of this third open-ended period. It is worth, however, before proceeding, reviewing briefly the narratives and experiences that characterised the other two periods to better appreciate the current impasse.

State-led agriculture

The 1970s and early 80s in Africa were characterised by strong state interventionism in the agriculture sector, and indeed in overall economic affairs. This was the period of strong socialist influence in many African economies which produced large, powerful, hierarchical and well-staffed ministries of agriculture holding on to multiple functions (from direct agricultural production and marketing to public investment and regulation), and having significant financial autonomy (though parastatals) and hence considerable clout in national politics, through patronage and other political relations. The private sector, strongly associated with colonial exploitation, was not trusted by nationalist leaders (Dorward *et al*., 2005).

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[6] Cf. Ellis and Biggs (2001) and Eicher (2003) for a historical perspective.

But the nature and extent of state intervention in agriculture cannot be solely explained by the influence of ideological and nationalistic motivations. It was also, as Paarlberg and Grindle (1991) note, a short-term response to the world food crisis of 1971-75 and a longer-term response to the perceived bias towards urban-oriented industrial and infrastructural development. Both developing-country governments, donor agencies and policy analysts at the time perceived agriculture policy reform in production-oriented and sector-specific terms, and this led to the prescription of heavy public investment programmes in the sector to boost food production (*ibid*).

Agricultural policies typically included significant public spending on agriculture inputs, technology and research (often provided to the farmer at subsidised rates), trade coordination and protection (pricing, marketing, tariffs and restrictions on quantities), and creation of agricultural organisations (parastatals, state-sponsored enterprises) to administer the system of state intervention. The successful Asian model of the state-led Green Revolution was often seen as a reference, witness to the potential impact of a well-coordinated and well-funded centrally-run, state effort.

Yet, unlike for Asia, the dominant assessment today of state-centred reform experience in Africa is one of failure. Agricultural and overall economic policies implemented at that time are argued to have, contrary to their objectives, discriminated against agriculture (Birner and Resnick, 2005) and against the interests of the peasant economy and the rural poor (Lipton, 1982), with well-organised urban constituencies influencing the government towards policies with 'urban bias' (cf. Bates, 1981; Lipton, 1982). Traditional export crops were particularly discriminated against through overvalued exchange rates which ensured a cheap input for domestic manufacturing urban industries. Subsidised inputs and grain marketing boards guaranteed high food production at low prices for urban consumers, at the expense of increasing fiscal deficits. As a result, overall agricultural production declined, agricultural exports stagnated and dependence on food imports increased, while the fiscal burden of inefficient parastatals became unsustainable.

Krueger (1990) distinguishes failures of commission and omission. Failures of commission originated from costly and ineffective public sector enterprises, inefficient and wasteful public investment programmes and pervasive controls over private sector activity, which led to high public sector deficits, high levels of inflation and significant market distortions. Failures of omission resulted from the lack of maintenance and development of transport and communication infrastructures and maintenance of fixed (overvalued) nominal exchange rates and low interest rates in spite of rising inflation. Krueger also highlights large scale corruption and pervasiveness of vested interests in public sector interventions in the economy.

The narrative of government failure in Africa was reinforced by the international financial crises in the late 1970s and early 1980s, of which fiscally unsustainable intervention in agriculture was one symptom. This opened the ground for the proponents of macroeconomic stabilisation and structural adjustment to make the case for market liberalisation and privatisation, in exchange for the required capital to overcome the financial crises.

Market liberalisation

Liberalisation and privatisation policies enforced the withdrawal of state from agriculture through substantial downsizing and streamlining of ministries of agriculture, which, so the policy narrative went, should no longer have direct interference in agricultural production and marketing activities but play a more regulatory and private sector enabling role. The locus of power (and patronage) thus shifted to new locations, with ministries of finance and central banks being now at the centre of the reform process and financial resources being directed to new spending priorities in line with the structural adjustment process.

Following the landmark 1981 Berg report (World Bank, 1981), a reform package was widely promoted across Africa by the World Bank and the IMF in exchange for concessional lending. With regards to agricultural the reform package included the following features: (i) elimination of price controls, (ii) development of competitive local markets for agricultural inputs and outputs, (iii) reduction of state intervention in international trade, (iv) improvement of the regulatory system, and (v) privatisation of inefficient parastatals and public enterprises (World Bank/OED, 1997). Over much of the following two decades, a whole army of consultant academics, supported by the international bilateral and multilateral donor community, provided the advice and designed the policies, very often as part of a fairly uniform reform recipe.

These reforms did not produce, however, the expected results – namely the substantial agricultural growth needed to drive rural poverty reduction and increase food security (Dorward *et al*., 2005). For example, *per capita* agricultural production declined, along with fertiliser use in much of eastern and southern Africa (Jayne *et al*., 2002). Smallholder food crop producers were particularly penalised – 'the food crop sector tends disproportionately to include the poorest and most remote smallholders who have lost access to crucial inputs during the process of market liberalization' (Birner and Resnick, 2005: 24). The private sector did not move in to the spaces vacated by the state, and agricultural markets did not blossom as was expected from the macroeconomic stabilisation and structural adjustment measures introduced.

Explanations for failure abound. Some contest the appropriateness of the technical prescriptions, others point to the lack of capacity or willingness of the political apparatus (or indeed private interests around it) to implement the proposed reforms. Two views dominate current debates. One explains failure in structural adjustment policies by partial implementation of reforms or implementation failure (Kherallah *et al*., 2000; van de Walle, 2001; Jayne *et al*., 2002). According to this view, failure is explained not by the inappropriateness of the reform package but by the incapacity or unwillingness of the political system to put it into practice. Jayne *et al*. (2002) discuss implementation failure in the context of food and input market reform in eastern and southern Africa and argue that, typically, fundamental elements of reform remained unimplemented, were reversed within few years or were implemented in a way as to discourage private sector investment[7]. This school of thought – and associated actor-network, centred on US-based organisations, notably (parts of) Michigan State University, IFPRI and the World Bank – remains largely supportive of the market liberalisation agenda, while recognising the importance of government intervention in the provision of public goods and 'getting the institutions right' – focused strictly on regulation (or de-regulation) and investment in research and infrastructure development.
However, another view – articulated most consistently by the 'Wye school' and associates – notes that, in some cases, the lack of government commitment to liberalisation policies was legitimate, since it resulted from the recognition that pervasive market failures (including persistently high transaction risks and costs) prevent the private sector from providing the necessary services (Dorward *et al*., 2004). This view maintains that the structural adjustment recipe is an inappropriate response to the constraints faced in poor rural areas where smallholder food crop production dominates the agro-ecological landscape. Under these conditions, the extent and depth of market failure requires state intervention beyond the classical provision of public goods. Infrastructure and technology research are necessary, but are not sufficient responses to get markets functioning. The state instead, so this narrative runs, should play a more active role in 'establishing the basics' and 'kick-starting' markets through targeted, coordinated and sequenced provision of a range of investments and services to food crop producers in poor rural areas (*ibid*). According to this view, the state should not only provide infrastructure, research and regulation but also seasonal finance, extension services, input supply and subsidies (to cover transaction costs), as well as invest in necessary structural changes including land reform. Many of these areas of intervention are not conventionally under the ministry of agriculture mandate, but need to be tackled by the state in a

[7] Three different types of experience with reform implementation are identified: (i) countries with governments committed to the market reform; (ii) countries with governments openly resisting reform or reintroducing controls after some experimentation with reform and (iii) countries with governments professing reform implementation but in fact maintaining strong state controls.

coordinated manner. Such interventions are however not for all time in this view. The trick is for involved government agencies to withdraw from these interventions and let the private sector take over 'when farmers are used to the new technologies and when credit, insurance, inputs and produce volumes have built up' and transaction costs per unit begin to fall (*ibid*, p. 615). The proponents rightly warn about the challenge of managing these coordinated entry/exit actions effectively and efficiently and resisting political pressures to prolong interventions and subsidies when they are no longer required.

Post-Washington Consensus: impasse or compromise?
Today's 'post-Washington Consensus' narrative on agriculture policy, and the role of the state in agriculture, has been shaped (and blurred) by the concurrent influence of the two narratives on structural adjustment reform in agriculture discussed above. One insists on the completion of market liberalisation reforms, the other suggests some degree of 'selectivity' in the market liberalisation process to allow for space to adapt policy interventions to country and commodity-specific conditions. This other contends that a tailored and sequenced state intervention might be required under certain conditions – for food crop production in poor rural areas, for example – to support private sector development, but notes, however, that intervention is to be temporary and 'accompanied by a clear exit strategy that accounts for the political environment and competing interest group pressures' (Birner and Resnick, 2005: 24).

What do these views imply in terms of mandate and reform of ministries of agriculture? In current international debates – and in much donor policy positioning (see below) – both are accepted in different ways. Confusion abounds. But if pared down to core assumptions and implications, these two visions are quite different. One leaves very little for ministries of agriculture to do – under the conventional liberalisation package ministries of agriculture are mainly regulatory agencies with some role in research and development of agricultural technology, although with increasing reliance on private sector and NGO operators through partnership or outsourcing arrangements. The other, by contrast, suggests a substantially more extensive mandate for ministries of agriculture as providers of insurance, credit, extension, input subsidies and intermediation and coordination between market parties (such as private businesses and farmers organisations), as well as implementers and back-stoppers of structural reforms, including of land and land tenure.

Futures are quite different therefore. The first vision requires a ministry of agriculture which is willing to fade away, with the adjustment reforms – so unevenly and ineffectively implemented to date – being completed in full. The second implies a major restructuring of the under-funded remnants of a bureaucratic, top-down ministry of agriculture. It implicitly demands a professionalized, autonomous (apolitical), effective and well-trained apparatus, which is able to target, sequence and coordinate interventions, resist political pressures and neutralise vested interests.

Yet, in part as a direct result of the failed reform efforts of the 1980s and 1990s, state capacity is still a major constraint to the reform of the agriculture sector, particularly in SSA. In the meantime, while the private sector fails to emerge and the public sector lacks the capacity to play a meaningful coordinating role, it is the 'third sector' that is increasingly tacking up the slack. International and local NGOs and civil society organisations – such as farmer organisations and cooperatives – are in some countries already providing for coordination and risk reduction in investments for financial, input and output market services (cf. Poulton *et al*., 2005; Chirwa *et al*., 2005). Hybrid organisations, with 'state-like' welfarist and 'private-sector like' market-oriented roles, are emerging where the roles and functions classically defined in terms of public/private or state/market are being blurred.

There remain though formidable challenges of reforming agricultural administrations in Africa, particularly given their current parlous state. How such reforms will unfold will depend in large part on the sorting out and resolution of the wider debates on the ways forward for agricultural development. For the time being, 'post-Washington Consensus' narratives offer different solutions. Two very different organisations labelled 'ministry of agriculture', for example, are envisaged by the policy narratives highlighted above, each with distinct implications for how external support should be directed. What eventually emerges will of course depend on a complex mix of institutional and political factors defining the likelihood and 'political feasibility of policies' (Birner and Resnick, 2005).

3. Development policy narratives: towards a compromise?

How do international agencies concerned with agricultural development see this market-state debate? What vision for ministries of agriculture do they – explicitly or implicitly – have and support? This chapter explores the narratives of four major aid agencies, each of which have recently put out policy statements and strategies on agriculture. It analyses agency positions, how these relate to the wider debates discussed in the previous chapter, and examines the actor-networks that have coalesced around these positions.

Agriculture it seems is back on the development aid agenda, seen as a key to both spurring growth and getting large numbers of people out of poverty, and as a key route to meeting the Millennium Development Goals (MDGs). Indeed, in developing countries, agriculture contributes to the bulk of employment and remains an important part of GDP and export earning. In SSA, agriculture accounts for 20 percent of GDP and employs 67 percent of total labour force (OECD, 2005). The agricultural growth linkages to the rest of the economy are also assumed to be significant in early stages of development (World Bank and DFID, 2005). Furthermore, 75 percent of the world's poor (defined by the dollar-a-day measure) work and live in rural areas and, according to estimate, 60 percent will continue to do so by 2025 (IFAD, 2001). Improved agricultural productivity and production reduce poverty through direct impacts on farm income and employment opportunities for the rural poor and through indirect impact on growth linkages (to the rest of the economy) as well on food availability and reduced food prices for the urban poor.

But, despite this striking evidence, aid spending on agriculture and rural development has, over the past two decades, declined significantly (Fan and Rao, 2003; DFID, 2004b). Part of the reason for the agricultural and rural development neglect in development policies has been the lack of consistency between development agencies' policy narratives (Eicher, 2003; Maxwell, 2003). Drawing on agriculture policy statements produced recently by a selection of bilateral and multilateral donors, this chapter looks at the thinking and positions of aid agencies with regards to the role of the state in agriculture. The selection was made mainly on the basis of the significance of aid provided to the agricultural sector in SSA (see table 1 in annex) and the availability of a recent (post-structural adjustment) policy statements on agriculture policy. The selected agencies and corresponding policy documents are:

- DFID, 2005: 'Growth and Poverty Reduction: the Role of Agriculture'
- OECD, 2005: 'Enabling Pro-poor Growth Through Agriculture'
- USAID, 2004: 'USAID Agriculture Strategy: Linking Producers to Markets'
- World Bank, 2005: 'Agricultural Growth for the Poor'
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How do these different documents frame the state-market debate? What role is envisaged – explicitly or implicitly for the state? And what vision is implied for a ministry of agriculture? Different issues and themes are examined in the documents, including: infrastructure development, agricultural technology and research, regulation and property rights, financial services, input and output markets, social protection, governance structures and public spending in agriculture.[8]

[8] Table 2 in annex provides a detailed account of agency positions with regards to each of these issues.

3.1 Agency narratives

DFID's most recent agriculture policy strategy places agriculture 'at the heart' of poverty reduction efforts and in achieving the MDGs. The stated six guiding principles[9] highlight growth and market opportunities in the agriculture sector while the seven priority areas show significant concern with the framework for public policy in the sector: (i) create policies that support agriculture; (ii) target public spending more effectively; (iii) tackle market failure; (iv) fill the agricultural finance gap; (v) spread the benefits of new technology; (vi) improve access to land and secure property rights; and (vii) reduce distortions in international agricultural markets.

While endorsing some of the general principles of the prevailing market-led approach to agricultural development – 'a stable economy' (p.27), '[public] spending on public goods [mainly roads, irrigation and agricultural research] that support private investment' (p.28), 'introduce the regulations necessary to make markets function properly' (p.30), '[reduce] subsidies, tariffs and non-tariffs barriers [that] can distort patterns of international agricultural trade' (p.35) – DFID's agricultural strategy also makes a strong case for an active state involvement in building and supporting agricultural production and market development, in particular in the earliest stages of development, and draws explicitly on the 'Wye school' analysis (see above) while still arguing the case for more adjustment-style reforms. Thus for example:

- 'government may need to act to protect farmers from the damaging impact of volatile prices in thin markets' (p.21),
- 'provision of guarantees or subsidies by the state', which must be seen however as 'temporary measures focused on removing the barriers to private sector's participation in markets' (p.30);
- 'effective system of publicly funded agricultural research at the national and international level, and systems in place to make technology and information available to the people who need it' (p.32);
- 'strengthen and, if appropriate, reform public sector institutions so they can deliver important functions which support agricultural development'(p.38);
- 'in Africa, specially, find practical ways to overcome market failure in key input and output markets, including through the use of guarantees or targeted subsidies' (p.39);
-

Priorities for DFID include a range of interventions both to support public sector capacity to support agricultural development (spending in infrastructures and research, overcome market failures in input and output markets through targeted subsidies and guarantees, provide financial services, improve and secure access to resources, provide social protection), but also to ensure removal of state-created market distortions (remove trade barriers and regulations which discourage private sector investment).

The **OECD** paper focuses on the agricultural potential for poverty reduction in the context of the MDGs and Poverty Reduction Strategy processes. It sets three objectives for a pro-poor agricultural growth agenda: (i) enhancing agricultural productivity, (ii) addressing risk and vulnerability, and (iii) facilitating diversification out of agriculture. Policies to address these three objectives are to be tailored to the specific livelihood needs and constraints faced by the different categories of rural households – the paper distinguishes between five 'rural worlds'[10] – with a special focus on

[9] The six principles are: tailor policy to stage of a country's development, give priority to areas where potential productivity gains are linkages with wider economy are strongest, remove obstacles to increased productivity and employment, focus on demand and market opportunities, complement agricultural growth with social protection, and ensure sustainable use of main productive resources. (DFID, 2005: 2-3)

[10] The 'rural worlds' framing draws on work by the London-based International Institute of Environment and Development, drawing on a long tradition of work that takes a broader livelihoods approach to agricultural issues. Thus Rural world 1 is made up of commercial large-scale farmers; rural world 2 is made up of competitive, large or small-scale

improving the livelihoods of smallholders and landless farmers, beyond the very (crop) agriculture focus of the DFID paper.

One of the main constraints to achieving pro-poor growth is said to be the nature of the relationship between the public and private institutions and the rural poor with regards to service provision (in extension, research, marketing and finance): 'institutional support by the state has been widely discredited' (p.66) but 'the introduction of private sector institutions to more central roles in agriculture has only been partially successful and many poorer producers have been left without any form of support or access to markets' (p.67). To overcome these constraints it is recommended a 'realignment' of the institutions providing these services and the establishment of new and innovative institutional arrangements based of 'public-private' and 'public-NGO' partnerships. This applies not only to marketing and financial services provision but also to areas typically under of the public sector exclusive domain such as investments in rural infrastructures and agricultural research – '[e]ven though government must pay for many goods and services, it does not have to deliver them. Recent years have seen considerable success in using NGOs and CSOs to deliver targeted assistance to the poor and private firms can be contracted to build and maintain schools, health centres, roads and the like' (p.28).

The paper concludes with a comprehensive list of public actions for addressing each of the three pro-poor agriculture objectives. They all stress the need for reframing public sector intervention (with emphasis on trade liberalisation, removal of subsidies, trade barriers and punitive taxes, and decentralisation of governance structures), exploring synergies between public, private and NGO sectors (in developing and disseminating agricultural technologies and in providing financial and agricultural marketing services) and ensuring greater intervention of the poor in policy design and implementation.

USAID's policy statement is mainly about the agency's role in promoting the agriculture sector's contribution to economic growth and trade expansion. Although 'good governance' is identified right at the opening as an essential element of the required enabling environment for 'science-based, market-led, sustainable agriculture', the strategy concentrates on the agency's contribution to strengthening (smallholder) producers agricultural productivity and participation in global and domestic markets.

The strategy's four strategic areas of intervention are: (i) expansion of trade opportunities and capacities; (ii) improvement of social, economic and environment sustainability of agriculture; (iii) mobilisation of science and technology and fostering innovation capacity; and (iv) strengthening of agricultural training and education, outreach and adaptive research. These are linked to the MDGs and reduction of poverty and hunger objectives.

The strategy is said to build on the comparative advantages offered by the U.S. in agribusiness and trade, community-based natural resource management and sustainable environment protection, agricultural research and development, and training, education, information and communication technologies. Identified partners in implementing the strategy include: the U.S. business and cooperative sector, international science and technology organisations, other U.S. government agencies, U.S. colleges and universities, and NGOs.

With regard to SSA, two major initiatives are linked to this strategy: the Presidential Initiative to End Hunger in Africa (IEHA) and the Trade for African Development and Enterprise Initiative (TRADE). The former puts significant emphasis on the role of smallholder agriculture in trade

farmers; rural world 3 is made up of traditional small-scale farmers; rural world 4 is made up of landless labourers; and rural world 5 made of people with depleted assets, many no longer economically active. (OECD, 2005: 17-20) development. The latter focuses on building capacity for long-term sustainable trade (namely with the U.S.) and creating an enabling environment for private investment.

The strategy puts a strong emphasis on agricultural education and training in 'transformational development' through links with U.S. university partners and strengthening of professional capabilities to design and implement agricultural programmes through continued rebuilding of foreign service staff, drawing on the U.S. Department of Agriculture expertise.

It closes with a pungent pro-growth statement: 'increasing agricultural growth and productivity not only reduces hunger and adds to rural incomes but can save billions of dollars now being spend on emergency food assistance' (p.23). The inspiration for the USAID strategy – in contrast to the two discussed above – seems to be centred firmly on a business and market reform led approach. It is not a surprise, therefore, that its supporters include large US-based agribusiness firms.

The **World Bank**'s agenda for agriculture reiterates the importance of agricultural growth for poverty reduction and in meeting the MDGs. Priorities for supporting agriculture include: (i) fostering the provision of global public goods and services[11]; (ii) accelerating policy reforms; (iii) developing institutions to support the private sector; (iv) fostering decentralisation and empowerment of the poor; and (v) investing in core public goods that strengthen physical, human, natural and social capital. As with many World Bank documents, all bases are covered.

But amongst the more generic suggestions, key policy reforms remain firmly in line with a strong economic reform narrative, and include trade liberalisation, market reforms for the development of competitive markets (although noting that these need to be sequential to ensure that the right institutional framework is in place – for this support services might be temporarily required as well as complementary investment to enable private sector development) and changing public and private sector roles, notably shifts towards private sector involvement in the sector.

With regards to the changing roles of agricultural stakeholders, governments should act as facilitators and not as direct players in production, processing and trade. A call for stronger civil society intervention is made to address imbalances between poorly organised farmers and public and private operators. Civil society organisations are seen as key service providers and important agents in increasing rural producers' voices in public sector decision making and market activities. The state must work in close partnership with other stakeholders, through, for example, contracting out to private firms and NGOs in areas such as policy analysis, food safety regulation, and provision of infrastructures.

For the World Bank, the public sector is no longer seen as the main driver of development, and its specific tasks include, *inter alia* (p.38): (i) implementation of unfinished reforms (restructuring public bureaucracies and devolution of programmes to lower levels of government); (ii) financing core public goods and services – agricultural research, food safety, infrastructure development, sustainable natural resource management; and (iii) carrying out regulatory, information, policy and negotiation functions to promote efficient markets and respond to international agreements and standards.

Yet, the strategy makes the case for strengthening the capacity of ministries of agriculture to enable a better interaction with other ministries of relevance to agriculture policy making, such as trade and finance ministries.

[11] The notion of 'global public goods and services' is used in the paper to refer to regulation and research and development in global markets (see page xviii).

3.2 Spot the difference

While the state-market dichotomy is one of the most contested themes in agricultural policy, detecting the differences between agency perspectives on the roles of state and markets is not a straightforward task. Policy statements are usually the product of a compromise between potentially conflicting views and interests within an organisation or network, and as such they often deliver somewhat hazy policy messages. These examples are no exception. In addition, policy documents are only one element in the policy process and may not reflect what actually happens at the implementation level – in reality 'policy is … what policy does' (Maxwell, 2003: 8).

Notwithstanding these caveats, some broad features of agency thinking and positions can be captured in the policy papers described above. Any differences between agencies' thinking and policy positioning are to some extent toned down by the undisputed acceptance of: (i) the central role of agriculture to economic growth and poverty reduction (these are agriculture policies after all); (ii) the importance of agricultural markets for consolidating farm production and productivity gains; and (iii) the role of the state in creating conditions for market (private sector) development, through an effective legal and regulatory framework, provision of basic rural infrastructures and agricultural research and a sound and stable macroeconomic environment.

Areas of dissent concern details to these consensual – and rather vague and broad – propositions.[12] Despite general agreement on the regulatory and enabling role of the state, there are more nuanced positions with regards to the nature and extent of this enabling function, for example. The World Bank, long devoted to a liberalisation narrative, argues for implementation of unfinished market reforms and emphasises the role of the private and NGO sectors. The capacity of ministries of agriculture, no longer seen as the key player in agricultural policy, should be improved to enable fruitful cooperation with other line ministries and more important stakeholders in the sector, rather than taking on substantial roles themselves. While accepting the broad regulatory and enabling role of the state, DFID's policy leaves a wider scope for state direct intervention in 'kick starting' rural markets, especially in poorly resourced remote rural areas where high transaction costs and coordination failures constrains private sector development. Targeted subsidies and guarantees are mentioned as possible temporary measures to remove barriers for private sector participation in markets. While public-private sector partnerships are mentioned, a strong emphasis is put on public investment in technology and infrastructure development. The OECD document perhaps presents a middle-of-the-road view which highlights the need for innovative public-private partnerships and the potential of NGOs and other civil society organisations (such as farmer associations) in service provision and market coordination. A strong emphasis is put on targeted policy which differentiates according to rural household livelihoods and prioritises smallholder and landless farmers. USAID, by contrast, is virtually silent about the role of the state and its strategy is defined by its direct interventions in the sector. Its major stakeholder seems to be the smallholder farmer treated as a homogeneous private sector operator.

3.3 Three narratives on state and markets in agriculture

Reflecting back on the discussion from the wider literature introduced earlier, the donor agency positions appear to cluster around one end of the state-market spectrum. They emphasise the unfinished business of liberalisation (with withdrawal of the state from service provision and direct investments and emphasis on regulatory and enabling function), but with some concessions to

[12] While not the immediate concern of the present paper it is noting that with regards to the role of agriculture to growth and poverty reduction there are substantial differences in approach. For example, while the USAID strategy treats the smallholder sector as one homogeneous group, the OECD calls for policy targeting to five different rural household groupings, in which smallholder agriculture is split between two (the commercially viable and traditional or subsistence smallholders).

government interventions around a) market coordination/institutions (DFID) and b) livelihood support/social protection (OECD). Any hint of the old-style, state-led agricultural approach seems to have been erased, and with it the role of a sectoral ministry as a 'transformer of the economy', a 'midwife' in a 'developmental state' (Evans, 1995). While smoothed at the edges, the Washington Consensus cannot, at least according to these documents, be seen to be dead and buried, just reborn in a more acceptable version.

Therefore three policy narratives on the role of the state in agriculture seem now to be in use, and the earlier developmental state narrative apparently remaining off the radar. Differences are defined at the margins by the position of the state with regards to other players in agricultural markets development:

- *A free-market narrative*: complete structural adjustment reforms and rely on private sector development; little role for ministries of agriculture, more important functions located at other line ministries such as ministries of trade and finance.
- *A coordinated-market narrative*: targeted and sequenced state intervention justified to kick-start markets; ministries of agriculture have potentially strong coordination role and provision of input and financial services.
- *An embedded-market narrative*: NGOs, CSOs and farmer associations provide and alternative to market and state failures; ministries of agriculture should support the development of these institutions.

The question emerging is to what extent these three narratives, appearing under various guises in different donor agency policy statements, have any currency in real organisations and policy processes in Africa? Are any of the narratives actually reflected in local realities; or is there another parallel policy process going on where other views and practices prevail? How does the 'virtual' world of donor (and academic) debate relate to the day-to-day world of life in ministries of agriculture in Africa? The chapter that follows attempts to provide answers to these questions by looking at the experiences of policy reform in different settings in Africa, asking what does all this somewhat rarefied debate about states and markets and the ideological wrangling around liberalisation and reform actually mean in practice. While such policy narratives help frame and shape the debate, it is the bureaucratic and political machinations on the ground that actually create (or close down) 'policy space' and 'room for manoeuvre'.

4. Ministries of agriculture in the real world: what is the policy space?

As discussed above, under existing policy frameworks emphasising liberalisation and structural adjustment, the important areas of state intervention and spending in agriculture are no longer within the mandate of ministries of agriculture. With the state removed from agricultural production and marketing, the key areas of public sector intervention are now rural infrastructure development (construction and maintenance of roads, transports, communications and irrigation), stabilising the economy (managing the exchange rate and maintaining fiscal discipline and low inflation), contract enforcement, and negotiating trade conditions with commercial partners (tariffs, bio-safety standards, etc.). Hence, at the beginning of the twenty-first century, the role of ministries of agriculture seems to be no longer that of 'transforming' the sector, or indeed the whole economy, as they had been expected to be before, but one of 'regulation' and 'facilitation', in a context where they act merely as 'part players' (Wiggins, 2005).

The previous chapter identified three narratives – all market-centred – on the role of the state in agriculture emerging from debates within academic and aid agency realms – 'free-market', 'coordinated-market' and 'embedded-market' narratives. While they all buy into the liberalisation model – strictly regulatory and enabling role to facilitate the functioning of markets – one concedes deviations from this ideal through state intervention in initiating markets and overcoming market coordination failures, while another points to the promising alternative offered by NGOs and civil society organisations, both as service providers, as well as market coordinators.

This chapter looks at what happens inside real ministries of agriculture in Africa, and questions the extent to which these narratives find currency in day-to-day realities. What policy space – both constraints and opportunities – do ministries of agriculture face, and how does this determine the way they take on or resist the different versions of their future on offer?

Four types of factors are considered below as important in determining the constraints and opportunities ministries of agriculture encounter in the real world. These are: (i) the level of financial resources they are able to mobilise; (ii) the aid policy framework (related to, but also beyond, the agriculture policy agenda) which determines not only resource availability, but also the nature and extent of public sector intervention in the sector; (iii) the institutional setting of agricultural administration and technical capacity available; and (iv) the political dimensions of policy reform and change processes. This chapter proceeds by addressing each of these and discussing how they are shaping the twenty-first century ministry of agriculture in Africa.

4.1 Aid and public spending in agriculture

Despite the importance of agriculture to economic growth and poverty reduction, development aid to the sector has suffered a major decline since the 1980s. The global volume of official development assistance (ODA) to agriculture[13] decreased by nearly two-thirds between 1980 and 2002 (from US$ 6.2 billion to US$ 2.3 billion, in 2002 prices), despite the increase by 65 percent of total ODA (DFID, 2004b). The share of ODA to agriculture fell from a peak of 17 percent in 1982 to 3.7 percent in 2002.[14] In SSA, the reduction in agricultural aid was less dramatic but still sizeable – from 1,450 to 713 million dollars, over the same period and in 2002 prices (*ibid*).
With regards to areas of assistance within the agriculture sector, some interesting trends have been captured, including: the reduction in support to agricultural inputs, services (including finance), agricultural education and research, with very few agencies providing inputs such as fertilisers, chemicals, seeds and machinery; the decline of area-based or crop-based projects; and the increase in agricultural policy and administration support (Fan and Rao, 2003).

Figures on public spending also illustrate the decline, not only in aggregate terms, but also in areas where public investment is argued to be of incontestable significance, such as economic infrastructure (*ibid*) and agricultural research (OPM, 2002). The share of total government expenditure in agriculture dropped from 12 percent in 1980 to 9 percent in 1998, in a sample of 43 developing countries (Fan and Rao, 2003).[15] The decline was, however, less significant in Africa, from 6 to 5 percent during the same period (*ibid*). This decrease in public support to agriculture contrasts with a substantial increase in aid to social infrastructure and services, both in relative and absolute terms. Public agricultural research expenditure in SSA fell from 21 percent in 1976 to 11 percent in 1995 (OPM, 2002).

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[13] The Development Assistance Cooperation (DAC) statistical definition of aid to agriculture includes agricultural sector policy, planning and programmes, agricultural land and water resources, agricultural development and supply of inputs, crops and livestock production, agricultural services, agricultural education, training and research and institution capacity building and advice. Forestry and fishing are usually identified as separate sectors. (OECD, 2001)
[14] This reduction in aid has occurred for both bilateral and multilateral aid agencies. Traditionally strong bilateral donors in the sector, such as Germany, the Netherlands, Japan and the United States, have reduced significantly their contributions to the sector between 1980 and 2000. The World Bank, historically the most important provider of aid to the sector (currently at one-third of total ODA to the sector), has reduced his share from 31.6 to 10.3 percent, over the same period (DFID, 2004b).
[15] In this study, the agriculture sector includes agriculture, forestry, fishing and hunting.

When compared to developed countries levels, agricultural spending as a percentage of agricultural GDP is extremely low in developing countries – on average, more than 20 percent in the former and less than 10 percent in the latter (*ibid*). In SSA, country variation in relative spending in agriculture seems to have been particularly significant. In 1998 public spending in agriculture as a percentage of agricultural GDP ranged from 45 percent in Botswana to 0.19 percent in Mali (DFID, 2004c). Explanations for these trends and patterns abound:

– Changes in the dominant developmental paradigm, in particular with regards to state intervention in the economy – i.e. the 'free-market' narrative. The economic reforms associated with structural adjustment demanded the reduction in size or total dismantling of state institutions (such as parastatals) which absorbed a significant share of resources in the sector (Dorward and Kydd, 2001).
– Change in priorities in development assistance away from agriculture and other productive sectors. PRSPs and the MDGs are argued to have moved attention strongly towards the social sectors, discriminating against agriculture and other productive sectors (Killick, 2003; Eicher, 2003).
– Change in the modalities for providing aid, with a trend towards programme aid and general budget support (*ibid*).
– High transaction cost for development agencies which resulted from an increased institutional complexity in agricultural governance – with important roles spread across other line ministries (DFID, 2004b).
– Perception that many of the current agricultural problems can be addressed outside the agricultural sector, such as transport and communication infrastructures, international trade regulations, etc.
– Loss of confidence in the sector, due to poor performance of investments in agriculture, particularly in Africa. Several evaluations of aid programmes and projects in the sector produced unfavourable evaluations with regards to impact, sustainability and cost effectiveness (DFID, 2004b; DFID, 2004c).
– Weaker country demand for assistance to agriculture (DFID, 2004b) which might be associated with the tight fiscal constraints and increasing prominence of ministries of finance at the negotiation table (amplified by the growing importance of general budget support as a preferred aid modality).

Amongst agricultural professionals (researchers and practitioners) there is often a tendency – except for those with stronger free-market leanings – to see this decline in resources as the manifestation of a paradoxical neglect of agriculture in the light of the importance of the sector to growth and poverty reduction (Bezemer and Headey, 2006). Fewer aggregate resources are generally interpreted to be damaging to the sector, limiting capacity for policy design and implementation. Yet, little is known or said about the actual composition and effectiveness of spending and how this might or might not have changed with the decline in overall available resources. In order to comprehend the extent of the 'agricultural paradox' one would have to analyse what happened to public spending management over the years. However, poor recording and analysis of public expenditure and its impact makes it very difficult to assess accurately the scale, nature, efficiency and effectiveness of spending in agriculture (DFID 2004c), and hence make an informed judgement of the extent to which reduced funding has damaged the capacity of ministries of agriculture to deliver services and investments.

A number of tools have been developed over the years to add transparency and analytical sense to public financial reporting and evaluation systems. The World Bank-devised Public Expenditure Reviews (PER) and Public Expenditure Tracking Surveys (PETS) are examples of these. PERs have generally been quite critical of the efficiency and effectiveness of public spending in agriculture – only to reinforce the general loss of confidence in the sector. Problems commonly found (though not unfamiliar to other sectors) include: weak articulation between policy objectives and resource allocation, unbalances between donor and government funding and between recurrent and capital expenditure, and lack of reporting on parastatal revenue and spending. Box 1 provides an illustration of this.

Box 1. Public expenditure in Kenya – trends, composition, effectiveness and transparency

The 2004 Kenya Public Expenditure Review provides a brief assessment of public spending by the three government agencies responsible for agricultural and rural development – the Ministry of Agriculture (MoA), the Ministry of Livestock and Fisheries Development (MoLFD) and the Ministry of Cooperative Development and Marketing (MoCDM). Some of the review main findings include:

- Sharp decline in overall public expenditure in agriculture as percentage of total government spending: 10 % after Independence, an average of 7.5 % in 1980-89, 3 % in 1990-2000 and 3.1 percent in 2002/03;
- Recurrent expenditure dominated by salary payments – 70-90 % of total expenditure in the three ministries;
- Transfers to parastatals constitute a large proportion of the MoA budget – the 26 parastatals under MoA received 37 % of the ministry's recurrent budget and 65 % of the development budget in 2002/03, with little transparency and accountability over the use of funds;
- Lack of technical capacity (staff numbers and skills) at all ministry levels, inadequate budgetary allocations, lack of transparency and accountability, particularly in MoLFD and MoCDM, all affecting effectiveness in resource allocation and management;
- Absorptive capacity constrained by inadequate technical personnel, equipment and complementary services;
- Leakage and misallocation of resources, particularly in MoLFD, with efforts to capture these constrained by the lack of monitoring and evaluation systems.

Hence, in order to make a convincing case for increased funding to the sector, ministries of agriculture will need to demonstrate improvements in transparency, efficiency and effectiveness in the use of public resources.

4.2 The aid policy framework: PRSPs, MDGs and aid effectiveness

To what extent is the wider aid framework conditioning assistance to the agriculture sector and the policy space of ministries of agriculture? Eicher (2003) has noted that 'after fifty years of experience, most donors remain confused about how to package, coordinate and deliver aid to accelerate agricultural and rural development in Africa' (p. 1). He argues that agriculture virtually disappeared in the transition from project to programme aid in the new aid framework, despite the fact that two-thirds of the developing countries' population depend on agriculture for their livelihoods. But what exactly is this 'new aid framework'? Three general features stand out[16]:

- A policy package driven by the attainment of the MDGs through the implementation of universally framed Poverty Reduction Strategy Papers (PRSPs);
- A set of principles on aid effectiveness – ownership, harmonisation, alignment, results and mutual accountability – as reflected in the 2005 Paris Declaration; and
- A selection of aid modalities and instruments in consistency with the MDG/PRSP focus and the aid effectiveness principles, pointing towards the increasing adoption of programme aid and general budget support.

How has this aid framework impinged upon the agriculture sector and ministries of agriculture in particular? Various studies have suggested that PRSPs, or at least the first generation of them, have neglected the potential contribution of the productive sectors – and most noticeably agriculture, the sector providing the source of livelihoods for 75 percent of the world's poor – to poverty reduction and growth (Proctor, 2002; World Bank, 2004; Cromwell *et al.*, 2005). PRSPs have, from their inception, been strongly biased towards public spending in the social sectors. This is not surprising given the tight link between the PRSP process and the debt relief (HIPC) initiative – indeed PRSPs were introduced by the IMF and World Bank as a framework for channelling public resources

[16] Christiansen and Rogerson (2005) argue that the concept of 'aid architecture' is a misnomer in that 'the current aid system is not a coherent, functional structure based on a single design, or even commonly held principles' (p.1). However, although the aid system is made of a diversity of agencies with different structures and agendas, some fundamental patterns and trends can be identified, especially amongst the 'big' players in international development.

released from debt service payments.[17] The social spending focus was amplified by the centrality of ministries of finance in the coordination of the PRSP process and by the focus on the attainment of the International Development Targets, later known as the MDGs. Delivery of aid to meet targets has become a global obsession, and, unlike health or education, many argue (though not all[18]) that agriculture is less amenable to a target-oriented delivery approach, given the interconnected complexity of agricultural problems.

In addition to these, the dominance of the 'trickle-down' approach to economic development – which focuses on accelerated growth and assumes that the benefits will eventually produce positive spill-over effects to the poor – and the associated 'free-market' minimalist model for public sector intervention in the economy, may explain the limited engagement of ministries of agriculture – and the productive sectors more generally – with the PRSP process.

Some have questioned, however, the centrality of the PRSP process in driving the policy and determining resource allocation. Country studies have shown that PRSPs are one amongst several policy processes, rather than necessarily the overarching policy framework (Fall and Niang, 2005; Cromwell *et al.*, 2005). Their significance has often been undermined by changes in governments or by the creation of additional (sometimes conflicting) policy strategies and programmes. Also, in some cases, PRSPs have attempted to bring together different perspectives and recipes and produce a compromise vision with no obvious sense of direction (Amdissa Teshome, 2006). The recently produced second Ethiopian PRSP (PASDEP) is an example of this – it embraces both a 'massive-push to accelerate growth' by focusing on promoting large-scale high-value commercial agriculture, as well as promising extensive support to the smallholder resource-scarce sector, while being silent about the potential trade-offs between the two approaches (see Box 2).
On the whole, PRSPs seem to have so far been a missed opportunity for ministries of agriculture to advance an agenda which places the potential contribution of agriculture to poverty reduction (and their role in delivering that agenda) at the centre of the development framework. Donors too have done little to engender the required policy space. Indeed, the last few years have witnessed some degree of withdrawal of the main donor agencies from a sectoral level debate. With more funds being disbursed through General Budget Support (GBS), and linked to the overall national policy agenda, the sectoral technical capacity within many donor agencies has diminished both at headquarters and country office levels in many aid agencies. Both critical policy analysis and day-to-day engagement with ministry staff on the ground has been out-sourced to short-term consultants and others, with longer-term technical assistance being a thing of the past (Eicher, 2003).

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[17] A close association has been found between the increase in social services expenditure and the decline in spending on production services in HIPC countries (Eicher, 2003).
[18] Jeffrey Sachs and Pedro Sanchez for example argue for a major investment in fertilizer use as an investment focus to meet the MDG goal 1. Given long running debates about such approaches, the advisability of such a recommendation has been widely contested (see www.future-agricultures.org, hot topic 1).

Box 2. The Ethiopian PRSP – what vision for agriculture?

The Plan for Accelerated and Sustained Development to End Poverty (PASDEP), Ethiopia's second PRSP, places agriculture at the centre of its growth strategy, with a major leading role for the private sector. A 'massive push to accelerate growth' is proposed to be driven by large-scale agricultural commercialisation, with a strong export focus (with diversification beyond coffee production) and by the exploration of high-value niche markets in high potential areas – floriculture is currently of great appeal within Addis circles and other areas of interest include tourism, spice production, horticulture, and mining. The government is expected to withdraw progressively from intervention in agriculture, although some public investments and service delivery are believed to be required to kick-start private sector development. This storyline is consistent with the results of the World Bank's *Country Economic Memorandum*, produced in collaboration with several national stakeholders, including the Prime Minister's Office. But, in parallel with this growth-driven strategy, the PASDEP also renews the government's commitment to supporting smallholder agriculture in line with previous agricultural strategies and policy statements which prompted a significant government effort through the provision of inputs, extension and financial services.

Hence, PASDEP offers a multifaceted response to agriculture – one which, as the narrative goes, tailors agriculture policy to the specific economic and agro-ecological conditions of very diverse geographical locations – 'Three Ethiopias' facing diverse development constraints are identified. Yet, the overall balance between large-scale and small-scale farming and between commercial and subsistence agriculture is not explicitly addressed in PASDEP, nor are the possible trade-offs and contradictions between these two scenarios. This all-encompassing policy approach represents the compromise between two very different visions (of different networks of actors) of the development path for agriculture and economic growth in Ethiopia. But which of these is most likely to succeed?

While a geographically-differentiated and tailored agriculture policy response has been widely welcomed, it raises some important operational questions, especially in a country with highly decentralised government structures. Should public resource allocation prioritise investments in areas with the greatest growth potential and if so what does this imply in terms of inter-regional allocation of resources? Or should support to smallholder agriculture be the priority? And what are the implications of these options to the way the Ministry of Agriculture and Rural Development and the regional state Bureaux of Agriculture conduct their businesses and relate to each other and to other (state and non-state) actors?

Sources: Federal Democratic Republic of Ethiopia (2005); Amdissa Teshome (2006); World Bank (2003).

Furthermore, attempts to coordinate donor and government policies and resources in the agriculture sector seem to have produced limited success, as illustrated by the Sector Wide Approach (SWAP) experiment (Foster *et al*., 2000). SWAPs have run into a series of difficulties in a sector where the degree of policy contestation is high, where important government roles are less about public expenditure (as in the social sectors), and where some of the most important services are provided by other government agencies – roads, transports, communications – over which ministries of agriculture have little influence. Yet, and despite the original intention, agricultural SWAPs ended up concentrating exclusively on the way resources are channelled to the ministry of agriculture and doing very little about the linkages with other sectoral ministries and agriculture stakeholders – 'the agriculture sector is still equated to an organisational structure…that is the ministry of agriculture' (Bazeley, Future Agricultures seminar, 2005).[19]

Both PRSP and SWAP processes thus ended up treating sectors in a fragmented way, not creating enough space for exploring linkages between different sectoral areas and the interlocking of local, national and international features in agriculture. The same is happening with institutional reform processes, as discussed in the next section.

What are the implications for ministries of agriculture? So far, they seem to be losing out in the PRSP game, although second-generation PRSPs, with their seemingly renewed interest for growth and the productive sectors, can be an opportunity for ministries of agriculture to make their case. SWAPs can be instrumental to achieve such objectives, in particular to secure donor allegiance in a context of global GBS mood. Ministries of agriculture have to, however, be prepared for compromise and to interact more visibly with the other emerging players. For that institutional and capacity bottlenecks will have to be realistically tackled.

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[19] Peter Bazeley seminar on 'Politics, policies and agriculture: the art of the possible in agricultural development', Future Agricultures Seminar Series hosted by the Overseas Development Institute, 25 November 2005.

4.3 Institutional reforms and capacity constraints

Post-Independence development in Africa generated large, top-down, (relatively) well-resourced and staffed ministries of agriculture – they were seen as agents of development and a key requirement was for technically trained staff to support the transformation process through research, extension, etc.[20] They were key players in an envisaged development state, modelled on their Asian counterparts. As discussed before, fiscal constraint and privatisation of parastatals under structural adjustment have reduced significantly the size of ministries of agriculture, but, despite this, the overall hierarchical bureaucratic structure very often remained fairly intact – ministry of agriculture staff have a cultural and professional commitment to interventionist (some would say paternalistic) approaches and are often uncomfortable with new functions.[21]

The 'good governance' agenda adopted in the 1990s called for a restructuring of the public sector apparatus. Having reduced substantially the sources of funding, the idea was now to create an effective, efficient and very much apolitical public service, one capable of playing the regulatory and enabling role required to encourage and interact with private sector operators. Throughout the continent, ministries of agriculture, as well as other sectoral ministries, embarked on 'core function' analyses as part of a wider public sector restructuring process, in line with 'new public management' ideals. Having stated in the World Development Report of 1997 – *The State in the Changing World* – the required features for the new state bureaucracy, the World Bank has been funding many of these public sector reform initiatives in Africa (deGrassi, 2005). Other elements in this agenda include decentralisation, building partnerships with private and NGO sector and reforming public financial management systems.

Despite the initial impetus and the amount of resources allocated to these public sector reform processes, progress has been modest at best. Ministries of agriculture have often managed to freeze the attempts to downsize their bureaucratic structures – Box 3 provides an illustration of the resistance offered by the Mozambican Ministry of Agriculture and Rural Development to the restructuring process.

Box 3. Functional analysis and reform of the Mozambican Ministry of Agriculture

In 2003 the Mozambican Ministry of Agriculture and Rural Development (MADER) published a report on its functional analysis and restructuring strategy. This was part of the wider government public sector reform process coordinated by an inter-ministerial committee and funded by the World Bank and bilateral agencies.

The functional analysis concluded that the ministry was difficult to manage due to a highly fragmented and hierarchical organisational structure, with top-down decision making, which prevented inter-departmental coordination and information exchange. It also noted lack of clarity concerning distribution of core functions, with inconsistencies and duplication of mandates and activities at different directorates and departments, at central and provincial levels. It recommended a significant 'rationalisation' of the bureaucratic structure through a considerable reduction in the number of its existing units (autonomous institutes, national directorates and provincial departments) – the ministry had at the time a total of 24 national directorates, each of which with a national and, in most instances, also a deputy director.

Despite the initial impetus of the reform process, the implementation of the restructuring strategy has yet to materialise. A subsequent proposal, later elaborated by MADER and sent to the Council of Ministers, ignored the technical recommendation of the functional analysis report, leaving the MADER structure virtually untouched.

The functional analysis report had indeed noted that the reform would generate 'winners' and 'losers' and that the latter would instinctively resist change. And therefore, it stressed, institutional change would not take place in a meaningful way without a strong leadership.

Sources: KPMG (2003) and Weimer *et al*. (2004).

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[20] John Howell's comment, brainstorming meeting on 'Policy Process in African Agriculture', Overseas Development Institute, 1 July 2005.

[21] As above.

Hence, while the guiding policy narrative may change, the supporting institutional structure can remain more or less the same. Van de Walle (2001) notes, for example, the stability in cabinet sizes over time – 'as if most countries had a fixed cabinet size through a political tradition respected by successive regimes' (p.265).

But, while protecting its professional and institutional allegiances, ministries of agriculture, as discussed above, seem to be losing out in the overall economy of governance. Together with the PRSP process, the public sector reform initiatives and the trend towards GBS have placed ministries of finance at the centre of the new bureaucratic politics. Ministries of agriculture will have to reposition themselves in this new setting to avoid losing further ground. The SWAP process could still be a window of opportunity, but one which requires closer collaboration with other line ministries and the ministry of finance, something that many ministries, already severely constrained in terms of capacity, are unlikely to be able to do. If ministries of agriculture fail to assume the leading role in the politics of agricultural policy processes, others may fill the gap – either from inside or outside the state bureaucracy. The Ugandan Plan for the Modernisation of Agriculture was at its inception an attempt by the Ministry of Finance to take on the development coordination of the agriculture sector – albeit a failed one (Box 4).

Box 4. Agriculture multi-sectoral reconfiguration – the Ugandan PMA attempt

The Ugandan Plan for the Modernisation of Agriculture (PMA) was created as an attempt to bring about the required cross-sectoral reconfiguration in the agriculture sector to address inter-sectoral coordination challenges.

The original idea behind the PMA, led at its inception by the Minister of Finance, Planning and Economic Development (MFPED) – and not by the Ministry of Agriculture – was to address agriculture growth and poverty reduction through a restructured agricultural governance framework. The reform envisaged through the PMA sees the agriculture reform as a matter to be tackled by a range of different policy actors, beyond the Ministry of Agriculture alone, filling the gaps between sectoral interventions. This multi-sectoral approach puts strong emphasis on deepening decentralisation and empowering local communities and encouraging private sector provision of goods and services.

A PMA Steering Committee (SC) was originally design as an executive committee for multi-sectoral planning and financing, responsible for resource allocation from an anticipated basket fund.

Practice proved, however, very different. The PMA document ended up being absorbed into the Ministry of Agriculture – which strongly resisted reform through any other vehicles which were not the ministry itself. Attempts to constitute a cross-sectoral policy and investment forum, which would receive basket funding from the donors, as well as attempts to constitute funding channels into the district level, ended up being watered down. The failure to create a basket fund and the absence of a legal mandate means that in fact the SC has no real power over resource mobilisation and allocation.

Sources: Peter Bazeley (Future Agricultures Seminar Series, November 2005) and OPM (2005).

Adding to these institutional difficulties, another key constraint in the sector, particularly following the structural adjustment era, is technical capacity. Together with cuts in the source of revenue and reduced influence in the policy process, ministries of agriculture have witnessed a progressive drainage of their technical expertise and status, fuelled by fewer training and career development opportunities and by the declining importance of ministry of agriculture staff roles and influence in the policy process. Smith *et al*. (2004), for example, provide an account of the marginalisation of agricultural sector economists in Kenya in relation to those associated with the ministry of finance. At the same time, the growth of the development industry – with donor agencies and international NGOs expanding their businesses throughout the continent – constitutes a source of attraction for demoralised and underpaid ministry civil servants. In Ethiopia, for example, the lack of technical capacity is reported to be one of the main bottlenecks to an effective decentralisation process, where regional bureaux and *woreda* (district) departments of agriculture lack technical capacity to engage effectively with policy processes.

Capacity constraints in many parts of the continent have been exacerbated further by the devastating consequences of the HIV/AIDS epidemic. With impacts felt particularly among well-educated professionals of working age, the consequences for public bodies' staffing (Moran, 2004; Patterson, 2005), as well as broader governance issues (Boone and Batsell, 2001; de Waal, 2003; de Waal and Tumushabe, 2003) have been disastrous.

4.4 The politics of policy change[22]

There are a range of different explanations for how politics affects policy choice. Two stand out. First, Robert Bates (1981) has argued that forms of 'urban bias' have influenced the way agriculture is seen in African politics, often down-grading its status below concerns pushed by urban constituencies. This rational choice, interest group explanation has had much purchase in policy circles, with attempts to redress such biases and put forward an agricultural agenda being pushed by donors and others. Such arguments, for example, have often underlain the rationale for donors' investments in ministries of agriculture, and supporting their efforts to raise the agricultural agenda in policy.

Others, however, take issue with this rationalist explanation of African state behaviour, and point to other social and political processes at play (Stein and Wilson, 1993; Peters, 1993). Sara Berry, for example, argues for the need to 'understand agricultural policy formulation and its consequences in Africa in terms of interests and institutions which are dynamic, contested and ambiguous' (Berry, 1993: 1060). Rational choice theory, she argues, is not good at explaining settings where options remain unclarified and ambiguous and options are left open, reflecting obligations and affiliations with diverse social, economic and political connections. Such an approach explains better why ministries of agriculture – and other policymaking organisations – often pursue multiple, sometimes contradictory, courses of action. Given the way networks of power lie, it is no surprise therefore that a ministry may ally itself on one hand with a free market narrative in order to keep connections with the World Bank or the ministry of finance in good order, while at the same time pursuing a technocratic and centrist approach to maintain good favour with internal constituencies. Policy documents emerging out of such contested political milieu are, not surprisingly, often unclear and lacking in direction.

A strong strand of political science analysis of the functioning of the state in Africa has pointed to what has been termed 'politics of the belly' (Bayart, 1993) or, more extremely, the 'criminalisation of the state' (Bayart *et al*., 1999). This analysis, often based on a selected number of cases studies, points to the importance of clientelistic relationships underpinning political power and state authority (Chabal and Daloz, 1999). Neo-patrimonialism – a hybrid regime consisting on the one hand of a modern, bureaucratic rational-legal state, and on the other hand a clientelistic network in which a highly centralized administration which obtains political support by distributing jobs, rent-seeking opportunities, and resources – has been forwarded as an explanation for partial reform of the economy, with particular interest groups holding back reform processes for their own interests (Médard, 1982; Bratton and van de Walle, 1994; Bratton and van de Walle, 1997; van de Walle, 2001). As Box 5 illustrates, some go as far as to suggest that neo-patrimonial politics are in large part the explanatory factor in major food and agricultural crises, such as those that struck southern African in 2001-02 (cf. also Bird *et al*., 2003).

Neo-patrimonial politics is seen by some as a reason why economic reforms have not been effective. As Nicolas van de Walle (2001: 21) observes:

> '…African rulers have whole-heartedly resisted implementing the adjustment reforms that would have undermined them, and have instead sought to delay, shape and redesign reform policies in such a way to make them less threatening and, in some cases at least, even profitable'.

Viewed from this perspective, ministries of agriculture have often operated in foot-dragging mode, resisting change and any potential assault on economic and political privilege. Supported by certain elements of the political elite, such approaches can be quite successful. From the adjustment era,

[22] This section draws substantially on deGrassi (2005).

however, such networks may have had less influence, as new economic-political elites have emerged which have benefited from the (partial) liberalisation reforms.

Box 5. 'The politics of hunger' – neo-patrimonialism in food policy in Malawi

Over the past few years, Malawi has been continuously facing severe food insecurity. Thirty three percent of the population is below the recommended daily calorie intake and twenty five percent of children are reportedly malnourished. Adverse agro-ecological conditions – droughts, floods, soil erosion – partly explain this persistent food crisis. But another important explanation – and one which is too often ignored by policymakers, development workers and analysts – is poor governance and state failure.

An example of this the way the country's Strategic Grain Reserve (SGR) has been managed. Despite the creation, as a result of donor pressure, of the National Food Reserve Agency (NFRA) to control the SGR, the reserve has been repeatedly used for profiteering by the Malawi political elite and friends. Patronage opportunities have become a major driver of politics in Malawi, as illustrated by the sale of Malawi's SGR in 2002 involving senior political figures, which directly contributed to national food shortages in 2002-03. Another example was the distribution of 30,000 tonnes of maize from the replenished SGR in early 2004. The release was made by Ministry of Agriculture officials without the knowledge of the NFRA multi-stakeholder managing committee, leading to accusations that it was politically motivated to ensure food supplies in key constituencies in advance of the upcoming national elections. Such a dynamic, it is argued, is reinforced by neo-patrimonial politics and donor complicity, something which makes seeking more transparent and accountable policy processes very difficult.

Sources: Cromwell and Chintedza (2005); Cromwell *et al*. (2005); Cammack (2006).

The emergence of a dualistic agriculture (or its reinforcement) has created opportunities for some. New agricultural entrepreneurs, hooked into new modes of commercial agricultural production, often have had close affiliations (or be the same people) as new political elites (Olukushi, 2005; Amanor, 2005). Such groupings – particularly when given backing by external donors and others – may be in a position to overturn what they see as the 'backward looking', 'old fashioned', statist approaches of others wedded to older forms of patronage network. Such actors tend to be more linked to the now increasingly influential policy networks centred on the ministry of finance, the PRSP process and the donor consortia working on GBS, rather than sectoral ministries of agriculture. Such government and donor-led processes may, in some settings, be less of an issue when these are overshadowed in both political and financial terms by external investment flows into agriculture. Where large western multinationals or Asian governmental/business interests have an interest in an agricultural commodity, for example, local political and commercial interests may ally themselves strongly with such new investment flows, reconfiguring the politics of the policy process dramatically. The political contests over appropriate policy are therefore never straightforward, with different narratives of what is an appropriate future for agriculture being backed by different actor-networks in the context of a highly volatile and shifting political setting. Assuming that a technically rational vision of policy will win out is certainly naïve. Box 6 provides an illustration of the tensions arising in Kenya within the agricultural technocracy around what is an appropriate new vision for agricultural policy.

Box 6. The politics of the policy process in Kenyan agriculture – the case of the SRA

Historical legacies, structural features of policy initiation and formulation and the changing roles of policy actors have been identified as key factors shaping the policy environment in Kenyan agriculture.
According to some commentators, the policy process in Kenya still maintains features from the past, most noticeably: the concentration of decision-making powers with the President, linkages between ethnicity and agriculture production systems, the quest for rent extraction and patronage to favoured groups or individuals, an anti-poor bias, and neglect of evidence in policy formulation and implementation. Policy initiation and formulation is very centralised and a diminishing role of the bureaucracy in decision-making and the increasing trend towards executive directives has been noted. The policy process in agriculture is also characterised by the marginalisation of agricultural sector specialists (relative to economists in planning and finance ministries) and varying degrees of penetration and influence of foreign technical assistance.

Despite some improvements in political competition and an increasing engagement of non-government actors (e.g. parliament, private sector, NGOs and research institutes) in the agriculture policy debate, the policy process in Kenya is argued to be weakened by personality-driven processes, the pervasiveness of large-player vested interests, capacity constraints for policy analysis and, as a result of these, the generation of unclear and conflicting paradigms and policy narratives.

The Strategy for the Revitalisation of Agriculture (SRA), the government's most recent strategy for the agriculture sector, is said to portray a paradigm shift in terms of the nature of the state's intervention in the sector, leaving arguably less space for patronage and rent extraction. The strategy sets two roles for the government in agriculture: provision of limited range of goods and services and reduced range of regulatory functions that cannot be enforced through private self-regulation. However, given the lack of stakeholder consultation and coordination with other ministries in the formulation of the SRA, its implementation faces considerable resistance – particularly from those who benefit directly from patronage and rents through the current government intervention in regulation of production and marketing activities. Furthermore, there are inconsistencies between the SRA approach and other contemporary policy statements - such as the ruling party election manifesto pledge that organisations with strong connections with the government (such as the Kenyan Meat Committee and Agricultural Finance Corporation) should be retained, along with the Tea Act which has a strong regulatory role for the public sector and substantial discretionary powers for the Minister.
Source: Smith *et al.* (2004).

With weakened capacity and political leverage, ministries of agriculture may not be able to resist the push towards policy agendas which further undermine their influence. This has become more acute due to two parallel processes which have influenced the politics of policy over the last few decades. First, decentralisation has been a common element of structural reform of the state in many African countries. Seen as part of a good government/new public management agenda, decentralisation has, in many instances, resulted in practice in a deconcentration of power, capacity and resources. A diffuse network of competing regional/district departments of agriculture, with weakened central ministry, is often not in a good position to articulate a strong view on policy. Decentralisation, while aimed at creating a more 'bottom-up' version of the state bureaucracy has very often not achieved its aims, and instead has dissipated capacity and influence to the detriment of the sector as a whole (cf. Manor, 1999; Ribot, 2004, among many others).

A second trend, often emerging as a result of decreased state capacity, has been the emergence of the 'third sector' – NGOs, farmers' organisations and others. Often enthusiastically supported by donors, such groups were seen by some as filling the gap left by the retreating state, but in a more effective, efficient and participatory way. As Clapham (1996: 259) observed: 'Western NGOs sought counterparts in the recipient societies, creating parallel governments with often vastly greater resources at their disposal than the state itself'. As discussed above, the attractions of the NGO sector for agriculture ministry professionals on fast declining wage rates were inevitably substantial. Farmers' organisations – operating as independent, representative and accountable membership organisations – are relatively few and far between in Africa. Those which have had most success have tended to operate in settings where lobbying around conditions of pricing and marketing of a single commodity have created the political and organisational conditions for successful collective action (Bebbington *et al*., 1994; Bratton and Bingen, 1994; Collion and Rondot, 1998, 2001). Yet such organisations are often premised on there being a ministry of agriculture with some influence to lobby over policy decisions. Increasingly, however, NGOs and farmers' organisations are emerging as private actors in a market, notionally representing producers, and facilitating the social, political and institutional dimensions involved in market transactions (Stockbridge *et al*., 2003). This is a new role, involving new forms of politics. For, such intermediary organisations are not neutral and technical arbiters of transactions, but very much engaged in the way politics and policy are framed. Thus, for example, in Mozambique, USAID funding has created and funded new networks of non-government players in the market and outside the state, pushing a narrative of agricultural development that sees little role of the ministry of agriculture (Weimer *et al*., 2004).

Thus politics in African agriculture, as everywhere, certainly matter. At the regional level, new political configurations linked to a reformed African Union (AU), and a revitalised network of Regional Economic Commissions, have pushed an agriculture agenda as a continent-wide strategy. The New Economic Partnership for Africa (NEPAD) and the Comprehensive Africa Agriculture Development Programme (CAADP) in particular have been seen as a potential source of modernising influence, overturning past experiences and disappointments. Ministerial commitments to 10 percent of government funding for agriculture have been hailed as important, and attempts have been made to encourage the global donor community to buy into this vision. But is the AU-NEPAD axis really the beginnings of a new political agenda, with agriculture centre-stage? Is this a sign of the dawning of a new developmentalism in Africa, where public resources can be mobilised for state-facilitated developmental projects, along the lines of the Asian Green Revolution?

Drawing on older debates (Mars and White, 1986) some recent commentaries argue for the emergence of a vision of an African developmental state, with a committed – if not totally democratic – politics linked to it (Sibanda, 1993; Mkandawire, 1998, 2001; Lockwood, 2005), with the 'Green Revolution' Asian experience as a pointer to the way forward (Djurfeldt *et al*., 2005). These arguments (implicitly at least) suggest a renewed role for a strong ministry of agriculture to see through the developmental project. But in practice of course such grand rhetoric is easier on the podium of meetings at Gleneagles or in Washington than in the political contexts of individual countries (Kevane and Engelbert, 1998). Again the virtual politics of the international arena and the real politics of national settings sit uneasily side-by-side. On the ground other issues come into play – different agendas, different interests, and an often highly differentiated setting, where simple development models not easily transferred. In the same way, the generalised prognoses about politics and agriculture offered by political theorists must also be tempered by realities which are more complicated than the generalised series, often themselves derived and extrapolated from a few cases.

In the last decades, therefore, the combined processes of uneven economic reform, the emergence of enclave agriculture areas, the decentralisation (and deconcentration) of the state and its functions, and the emergence of 'third sector' organisations have created a highly variegated pattern of political authority, with quite distinct political characteristics. Generalisations about agricultural policy processes in Africa are therefore impossible. Such processes are very different, for example, in Sahelian West Africa, (e.g. Boone, 2003), Lusophone Mozambique (e.g. Harrison, 2000) and Anglophone Africa (e.g. Helle Valle, 2002), where different political cultures, traditions and histories condition what happens. In Ethiopia, a different dynamic emerges again, where ethnic federalism imposes yet another set of political configurations, with major implications for the policy process (Keeley and Scoones, 2003). The way political processes unfold is again influenced by religious influences in many parts of Africa, and associated flows of funding from faith-based groups. These differ, say, between Islamic networks in Senegal (Villalon, 1995) and evangelical Christian groups in Zimbabwe (Bornstein, 2003). And, of course, agriculture is not just arable crops and their inputs – different groups involved in rural production may have very particular identities and affiliations, with different levels of leverage on the policy process. So, for example, crop farmers may have very different takes on policy issues to say pastoralists in the lowlands or fisherfolk on the coast or by the lakes. Each may have distinct (ethnic) identities, creating a particular politics which may have an influence on the way issues are raised and heard. Thus, for example, in Ethiopia pastoralist issues have in the last few years had an increasing influence on national policy debates. This has emerged for a number of reasons, including the role of civil society and NGO lobby groups, the active group of parliamentarians in the Standing Group on Pastoral Affairs, and most recently the changed electoral calculus following the 2005 elections (Lister, 2004). Asking the very basic question – who is a farmer? – is one that increasingly needs to be asked. Assumptions abound in technical ministries of agriculture of the (male) crop farmer working on a single farm unit for a full complement of their time, supplying a (standardised) family, and marketing surplus. Contemporary African farmers of course are clearly more diverse than this, and diversifying all the time, as family structures change through demographic/disease change, as market systems evolve and as 'farmers' adopt diverse, part-time activities beyond the classic (perhaps mythical) 'family farm' (see contributions in Scoones *et al*., 2005).

Ministries of agriculture, therefore, must be able to respond to such diverse constituencies, claims and demands, operating in an increasingly democratic but also decentralised setting. As technical line ministries they are often poorly equipped to do this. The capacity and competence of ministry officials in dealing with the issues of policy process is very often extremely limited. Trained as agronomists, veterinarians, soil conservation specialists or entomologists, ministry staff is often unable to deal with the complexities of policymaking, and instead resort to top-down technical approaches in dealing with a diverse clientele. A big challenge for a revitalised, twenty-first century ministry of agriculture is to improve the capacity and competence in convening, managing and understanding policy processes. Recent experiences from working with state veterinarians involved in policy across different African countries has shown the real demand – and interest – in engaging with this agenda.[23]

5. Beyond the impasse: alternative visions for ministries of agriculture?

This paper has identified three contemporary narratives on the relation between the state and markets, each of which is centred on 'market-friendly' policies and each implying a different vision of a ministry of agriculture. The reality discussed in the previous chapter, however, does not easily map onto any of these views. In fact the actual framework under which ministries of agriculture operate is rather confusing. On one hand, there are signs that old-style, top-down, hierarchical ministries are still desperately clinging to their vision, making the case – often in nationalist terms – for state commitment to agriculture as a core sector (for growth, food security, etc.). On the other hand, there are also signs of concessions to elements of liberalisation and structural reform, although there has not been an entire buy-in to the 'free market' vision, where the state's role in agriculture would nearly disappear. From the limited cases studies explored, the result is, it appears, often a poor compromise. There is neither the capacity to deliver on conventional roles (extension, research etc.), nor the agility or responsiveness to be the new-style regulator, coordinator or facilitator. Also, ministries often become, at the admission of their own staff, unable to function effectively, and so fail to respond effectively to the many challenges and opportunities of the sector and beyond. This has been exacerbated by a range of other factors, including the impacts of structural adjustment, shifts in the aid framework, loss in resources and technical capacity and the on-going and devastating impacts of the HIV/AID epidemic on public services in Africa.

This confusion has not been clarified by the recent statements by aid donors on agricultural development directions. Take DFID's recent policy statement on agriculture – what does it *really*

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[23] Scoones, I. and W. Wolmer (2005) *Policy Processes for Veterinary Services in Africa*: a workshop report and training guide, Nairobi: AU-IBAR. Pastoralist Communication Initiative/UNOCHA (2005) *Policy Processes in Livestock Health and Marketing*. Addis Ababa: Ethiopian Ministry of Agriculture and Natural Resources, IDS, AU-IBAR, UNOCHA. Wolmer, W. and I. Scoones (2005) *Policy Processes in the Livestock Sector: Experiences from the African Union*, Nairobi: AU-IBAR. Wolmer, W. and I. Scoones (2005) 'Changing animal health policies', *LEISA magazine*, December: pp. 22-24.

imply for ministries of agriculture? While endorsing some of the general principles of the prevailing market-led approach, it also makes a strong case for an active state involvement in building and supporting agricultural production and market development. This lack of clarity and ambivalence is reflected elsewhere in other similar documents, and has also spread onto national policy processes. The latest Ethiopian PRSP, for example, emerges from a compromise between two potentially conflicting agriculture development futures – one supportive of accelerated growth through a dualistic system with export/growth potential centred on high-value agricultural niche markets (with little scope for state intervention), the other leaning towards smallholder production and concerns for food security, social protection and livelihoods (with a much stronger role for the state).

We seem to be at an impasse, fuelled by confusion and mixed messages. What are the next steps? The reform ministries of agriculture in Africa since the 1980s have mostly be premised on the 'free-market' narrative of agricultural development, and sought to down-size, restructure and change functions radically. While this was resisted and often very incompletely implemented, the result was often a dysfunctional organisation, ill-equipped for new challenges. What has not been tried – and is still not part-and-parcel of most reform initiatives funded by donors – is trying to maintain strong state capacity, but refocus attention on key roles – including investment in state-led reforms to help create the structural conditions for a kick-starting of the agricultural economy, and on-going investment in coordination and intermediation functions to ensure emergent agricultural markets function effectively, especially for the poor and in more marginal areas.

In our near obsession with the state-versus-market dichotomy, concerted experimentation with intermediate and hybrid forms of organisation – and so a different vision of a ministry of agriculture – has not been part of the experience of the last three decades of agricultural development in Africa. New challenges and opportunities have been identified which highlight the need for both state and market, but what should a ministry of agriculture for the twenty-first century look like? Issues raised in this paper include the need to seek alignments with the overall policy and financing framework, and, in particular, seek ways – practically and politically – for ministries to take advantage of the new aid framework, and particularly the emphasis on SWAPs and GBS. As the previous discussions have shown, the 'new public management' reforms of the adjustment era have not provided the organisational framework required to face contemporary challenges. Some major new organisational and capacity challenges are therefore evident, which would see a new look ministry taking over key functions of coordination and intermediation, as well as fostering structural changes that allow agricultural economies to grow.

This is not a small, down-sized state function as envisaged by the peddlers of much 'good governance' and 'public sector reform' interventions, but a substantial state function, requiring a professionalized, skilled, and well-paid staff base situated within the state. Many political challenges of course arise, as discussed above. With the shift of power and patronage towards ministries of finance, and often highly centralised and influential cabinet committees/prime ministers' offices, with their associated coterie of advisors and external consultants, shifting the locus back towards now financially, professionally and politically weakened sectoral ministries (even with a new look) will not be easy. There are plenty who benefit from the new status quo, and the actor-networks that have formed around the new aid modalities are strong and influential. With weak, often poorly articulated, agrarian political constituencies, the opportunities for advocates of agricultural development to emerge within the state remain limited.

Hence, the current agricultural governance setting – with a hierarchical, malfunctioning and disjointed state service, a hesitant and unevenly spread business sector, an increasingly fragmented, poorly organised and exposed smallholder sector, an expanding NGO sector (acting on the state-market interface) and an ambiguous, but intrusive, donor community – calls, we suggest, for a reinvigorated ministry of agriculture, one which is capable and willing to synchronize different interests, provide a sense of direction and ensure that policy choices on the ground are actually consistent with the collective rhetoric on poverty and inequality reduction. This is particularly critical in a sector which in Africa provides the source of livelihoods for more than two thirds of the poor and for the majority of the chronically poor.

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Annex

Table 1. ODA to agriculture in SSA by donor country/agency in 2001

Agency	USD million	% Donor total [a]	% all Donors [b]
Australia	5	23	0
Austria	3	1	0
Belgium	24	10	2
Canada	11	6	1
Denmark	24	12	2
Finland	17	17	2
France	68	6	6
Germany	32	5	3
Ireland	8	5	1
Italy	6	3	1
Japan	105	14	10
Netherlands	48	7	5
Norway	31	8	3
Portugal	4	3	0
Spain	12	10	1
Sweden	3	1	0
Switzerland	14	11	1
United Kingdom	11	1	1
United States	115	8	11
DAC countries – Total	**542**	**7**	**51**
African Development Fund (African Development Bank)	171	14	16
European Commission	62	4	6
International Development Association (World Bank)	183	5	17
International Fund for Agricultural Development	95	55	9
Multilateral – Total	**511**	**8**	**49**
Total	**1,053**	**7**	**100**

a. Aid from each donor to SSA agriculture as percent of donor's total aid to SSA.
b. Aid from each donor to SSA agriculture as percent of aid from all donors to SSA agriculture.
Source: Eicher (2003), using data from OECD sources.

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Table 2. Donor agency narratives with regards to the role of the state in agriculture

Issues	DFID *Growth and poverty reduction: the role of agriculture*	World Bank *Agricultural growth for the poor: an agenda for development*	OECD *Enabling pro-poor growth through agriculture*	USAID *USAID agriculture strategy: linking producers to markets*
1. State vs. market	'Proactive role' for the government in agriculture in the poorest countries in earliest stages of development (p.2). Government and markets are complements rather than substitutes (p.30). Role for the state in creating markets where they are missing (p.30). Targeted and coordinated (between ministries) public spending with priority to public goods that support private investment (p. 28).	Governments should act as facilitators of private sector development and not any more as active participants in production, processing and trade (p.38). The public sector is no longer the main driver of development (p.41). It must work in partnership with private sector, NGOs, civil society and international donor and finance organisations, otherwise agriculture will not lead to pro-poor growth (p.42).	Institutional support by the state has been discredited. But the introduction of private sector institutions to play more central roles in agriculture only partially successful. Need to develop solutions which exploit the best of the public and private sectors, including the NGO sector (pp. 67-68).	Don't address the debate directly although stressing the need to create enabling conditions for private sector development throughout.
2. Infrastructure development	Strong case for the state to invest heavily in infrastructures (p. 17), particularly roads and irrigation (p.3). Investment in infrastructures using combination of public and private funds (p.29).	Investments in agricultural research, education and rural infrastructures are often the most effective in promoting agricultural growth and reducing poverty. Even in less favourable areas, public investment can lead to high returns for the poor (p.88).	Need for public investment in roads and transport services and reverse declining trend in government and donor investment. (p.69)	
3. Agricultural technology and research	Need for an effective system of publicly funded agricultural research (p.32). Build on innovations that involve the public and the private sector (p.33). Important role for NGOs in making technology available to the poor (p.33).		Governments should reinvigorate agricultural research infrastructure, investing in research that addresses needs of the poorer and more vulnerable, focusing on risk reduction rather than yield maximisation (p.69). Involvement of private sector and civil society organisations in technology development and dissemination, with strong participation of farmers (p.69).	Expand public-private partnerships and networks (p.15). When supported by NGO partners, rural communities have shown remarkable ability to use innovative information technologies (p.16)

4. Regulation and property rights	Government should introduce the necessary regulations to make markets function properly (p.30). Governments need to match legal requirements with administrative capacity – with regards to land titling common property may be feasible where shared identity (common resource use) exists even if not recognised by law (p.34).	The development of private markets depends on public sector provision of an effective and streamlined regulatory environment which reduces risks and transaction costs (pp.84-85)	Establish stable and supportive regulatory framework (p.67). Improve functioning of land markets and establish more secure access to land (p. 68 and p.72).	
5. Financial services	Government subsidy and guarantees may be justified in circumstances (although not interest rate subsidies) where there is shortage of seasonal credit, in order to build the capacity of rural and agricultural finance providers (p.32).	The priority for public policy is to create the conditions for financial institutions and markets to develop, rather than provide credit directly for agriculture (pp.64-73).	Develop financial services for agricultural producers through both public and private sector resources (p.68)	
6. Input and output markets	In the immediate term, governments may need to act to protect farmers from price volatility in thin markets (p.21). Provision of targeted and time-bound guarantees or subsidies (p.3) by the state to traders and suppliers as temporary measures to remove barriers to private sector participation in markets (p.30). In Africa need overcome market failures in input and output markets including through use of guarantees and targeted subsidies (p.39). The provision of subsidies should be a temporary measure focusing on removing barriers to private sector participation in markets (p.30).	Policies to liberalise and privatise market functions must be carefully phased and must include institutional mechanisms designed to keep markets competitive, provide support services, facilitate private investment and the provision of private goods, and ensure that markets remain free of political interference (p.55). Other strategies are more effective than subsidies and price supports in ensuring small farmers can intensify production and adjust to market signals: efficient input distribution through publicly supported infrastructure, packaging standards, low-cost financial services, improved research and extension, new risk management mechanisms. Public expenditures for these critical public roles continue, in many countries, to be crowded out by input subsidies (pp.5-57).	Competitiveness and potential growth of agriculture has been constrained by inappropriate and inefficient interventions in input and output markets. Policies needed to liberalise trade, reform markets and exploit synergies of both public and private sectors. (p.67) Decentralised structures and more genuinely representative organisation needed to provide voice and better access to markets for poorer farmers (p.68).	Open markets and private sector development (p.12)

7. Social protection	Provision of free agricultural inputs is problematic – Malawi experience – distorts markets (p.22). Cash transfers as a promising solution (p.22).		Avoid food aid practices that disrupt local agricultural markets and incentives to invest in agriculture (p.68). Labour intensive technologies to increase assets of the poor and reduce their vulnerability (p.70). Introduction of new instruments such as weather-based crop insurance and price hedging, buffer stocks and technologies which strike a balance between growth promotion and risk reduction (p.71). Personal insurance, cash transfers, saving and investment schemes and promotion of non-farm employment opportunities (p.71).	
8. Governance structures	Institutional reforms, including decentralisation, make governments more receptive to poor people's voices (p.31). Need to strengthen public sector institutions so that they can deliver important function to support agricultural development (p.38).	Trends towards market liberalisation have changed the role of government in agriculture – no longer active participants but private sector facilitators (p.38). Agricultural issues now involve multiple ministries, from environment to trade and health. Need to provide support across these ministries and their counterpart departments in donor and development banks (p.152).	Decentralised governance structures and service delivery with greater involvement of the poor in policy design and implementation (p.72). Inter-ministerial coordination mechanisms to ensure that ministries of agriculture interact with finance, planning and other line ministries (p.75). Dialogue with private sector and creation of new public-private partnerships (p.76).	
9. Public spending in agriculture	Direct public spending where it will have the greatest impact on agricultural growth and poverty reduction – this may include spending ministries other than agriculture (p.38). Encourage resource allocation to rural infrastructures, involving private sector (p.38).	Reduction in the share of public spending in agriculture is consistent with agriculture structural transformation, in particular reduction in government intervention in agriculture markets (pp.93-94). Efficient use of available funds more important than level of spending (p.94).	Carefully targeted public expenditure in improving infrastructures and transport services (p.69). Invest in research that addresses the needs of the poorer and more vulnerable producers, focusing on risk reduction rather than yield maximisation (p.69). Public investment in decentralised structures to achieve appropriate infrastructure and service provision (p.73).	