

# Politics and the Future of Ministries of Agriculture: Rethinking Roles and Transforming Agendas

## Rethinking public and private roles

**W**hat form should a contemporary Ministry of Agriculture take, and how should it function? The answers to these questions depend on three major issues set within the context of agriculture. The first and foremost is the role assigned to agriculture. Is it an economic activity like any other, or is it expected to fulfil roles in, for example, food security, regional equity or providing a buffer against destitution for the rural poor?

A second major issue is that of defining the border between public and private roles for agricultural and rural development, which is a difficult task. Under the influence of the 'Washington Consensus' that stressed both the leading role of private enterprise working within markets and the dangers of government failure, ideas about the public role shifted to the point where it would be limited to providing public goods and services. More recently, however, awareness has grown of the extent to which

rural markets, and above all those for factors, fail in many developing countries. Hence, in addition to providing pure public goods, future ministries of agriculture should try and remedy failures in markets that affect farmers.

But market failures come in varying shapes and sizes, and there is always the danger that a public sector response may create government failures that are more costly than the original market failure. Moreover, while market failures are relatively easy to describe, establishing the degree of failure in specific cases and recommending an effective remedy are serious challenges. The simplest reaction – to supply credit, inputs or market output through state agency – is recognised to be a last resort for cases of severe market failure and when institutional innovations by private actors seem unlikely. This, however, is a situation often found in Sub-Saharan Africa, as a recent Future Agricultures Consortium policy process case study<sup>1</sup> of the politics of fertiliser subsidies in Malawi demonstrates. Drawing the public-

private border is thus often a matter of judgment in which political preferences for private or public action are prominent. Consideration of these two issues defines the scope of the ministry of agriculture and the number of functions it may be expected to carry out.

The other major, long-standing concern affects all public administration: how should the various tasks of government be divided by spheres of technical competence, and how should such sectoral responsibilities be co-ordinated? These questions highlight both issues of horizontal organisation – and the level at which policy decisions should be taken and implemented – and vertical organisation – and the way activities at the various levels from central to local government are co-ordinated.

All manner of responses to these questions can be seen. Horizontally, they range from setting up 'super-ministries' with wide-ranging responsibilities to separating functions amongst line ministries and state agencies with specialised remits. Vertically, they include any number of configurations from extreme centralisation to equally comprehensive decentralisation.

## The politics of agricultural administration

While there are some general principles – for example, subsidiarity in matters of decentralisation – to guide thinking, many of the choices reflect political preferences, the distribution of power within the political system, administrative capacity and competence, the preferences of (senior) bureaucrats concerned with their status and power, and pressures on the political system from civil society and voters. The most powerful politicians and bureaucrats are likely to favour centralised models with a few ministries endowed with extensive remits. Less powerful politicians, regional and local political leaders,

and the electorate may favour more decentralised government with smaller agencies that have remits responding to particular interests and that provide posts in government for a broad spectrum of politicians.

These issues are set within the broader context of a sector where the majority of production, processing and marketing will be carried out by private entities be they farm households, farmer co-operatives or multinational corporations, and where most activity has to be tailored to spatial variations and temporal shocks. The former implies that that defining the public-private frontier is more important for ministries of agriculture compared to, say, ministries of education. The latter implies that effective actions may need considerable differentiation by geography and possibly by season as well. Answering the two original questions of the form and functioning of ministries of agriculture will not be simple, and answers should differ according to specific geo-historical and political economic contexts.

That said, there are strong arguments that a future ministry of agriculture should only provide those goods and services that are public – usually agricultural research, perhaps extension, regulation of bio-safety and perhaps also food safety – and otherwise should seek to facilitate private actions where market failures are considered serious, and in some circumstances regulate markets.

It is the facilitating and coordination role that is most difficult to fulfil. This can be seen as consisting of three activities. One is the provision of information to private parties to help them make decisions that are not only financially rewarding but also socially valuable (optimal would be asking too much). A second is to provide fora in which private interests and government can meet to discuss ways to



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improve the functioning of supply chains. This could be particularly valuable where the private parties differ by scale, resources and culture impeding communication – think of peasant farmers who speak only local languages meeting the expatriate managers of trans-national corporations who speak only English. In cases where some parties are not organised, as may be the case of poor smallholders, the future ministry may need to represent them in such meetings. The third activity is promoting institutional innovation by, for example, providing seed capital or financial guarantees to underwrite innovative arrangements in supply chains, in cases where venture capital and insurance markets do not exist.

Where facilitation does not work, future ministries of agriculture may need to regulate

activity through licensing of traders or setting prices. But given the scope for regulation to produce distortions and encourage rent seeking, it should be seen as second best to facilitating private activity. Prescribing ideal functions is easy enough, but deciding what can be done in reality is altogether more challenging. Many publicly-managed market information systems have produced meagre results. Getting such initiatives to be productive engagements that lead to useful action is an art. Equally challenging is to use seed capital to support the development of potentially commercial opportunities, rather than bankrolling politically favoured activities: the dangers of misuse of public funds that would necessarily be assigned with a broad remit are clear.

## Fostering innovation and transforming agendas

To conclude by widening the focus, here are five things a future ministry of agriculture should seek to do:

1. Establish priorities within the wider national policy frame. This will mean balancing different priorities, but not confusing them. Alongside such priorities as maintaining national food security, reducing rural poverty and increasing production, a focus on the competitiveness of the sector will be critical. This will mean looking to raise productivity not just on farmers' fields but also across entire supply chains, and judging agriculture's performance not by tons of cereals produced, but by its efficiency – seen most starkly in its ability to export or to compete with imports.
2. Facilitate the development of supply chains with the same priority and energy that has gone into producing technical innovations in agricultural research.
3. Understand rural livelihoods and how they are changing. There is no point, for example, in promoting labour-intensive technical innovations when half the village work force commutes to an assembly plant in a nearby city.
4. Re-assess the supply of agricultural innovations. Few developing countries can expect to carry out primary research relevant to all the crops and livestock produced in the country. But equally, innovations developed in other countries are likely to need screening for local applicability and many will need adaptation to local circumstances as well. There are some tricky challenges in setting priorities in this area.

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