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**Support to Actors Organisations**

**SUPPORT FROM DEVELOPED COUNTRIES TO PRODUCERS' ORGANIZATIONS IN DEVELOPING COUNTRIES: POLICY AND PRACTICE**

*Contribution to the Seminar "Building Producers' Capacity".  
Washington DC (World Bank) (8-30 Nov 1999)*

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## Support from Developed Countries to Producers' Organizations in Developing Countries: Policy and Practice

Contribution to the Seminar "Building Rural Capacity"

The World Bank  
Washington DC, 28-30 June 1999

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## INTRODUCTION

This paper is based on a rapid consultation of the material put out by development cooperation agencies on their support for farmers' movements (policy statements, project descriptions, evaluations) and the Club du Sahel Secretariat's own experience, which is mainly with West Africa. It will successively:

- recapitulate and compare the major indicators of the main developing regions, to identify the main problems facing farmers' organizations (POs);
- describe current practice, its record and observed changes;
- deduct from this a series of lessons for future action by development cooperation agencies.

The paper makes no claim to exhaustiveness, and discussion at the meeting will certainly reveal other practices and new issues. It merely seeks to identify the major trends in development cooperation agencies, in terms of understanding the issues related to POs, the way development cooperation can help address them, and the changes that are emerging in this area, or which we ought to be provoking.

## 1. A FEW ELEMENTS ON WORLD AGRICULTURE

### *1.1. Main features of world agriculture and developing regions*

Before entering in our very subject, the assistance provided to producers groups in the developing countries by developed countries, it might be useful to give a few information which will be useful to keep in mind, about the role of agriculture in the various developing regions, and the characteristics of developing regions agriculture confronted the agriculture of OECD countries.

First of all, as far as the people concerned, one can see that 76 % of world population live in developing countries, the majority of whom is engaged in agricultural production. This means that more than 40% of the total world population live off agriculture in a developing country. On the other hand, developed countries account for 24% of world population but only 6% of their population is engaged in agriculture. It means that agriculture in the developed countries provides a direct living for about 1.5% of total world population. Say it another way, 96% of world population depending on agriculture for their living lives in developing countries while 4% of them live in developed countries. The vast majority of these people live in Asia (table 1).

Table 1. World population and share of agricultural population

	Total population 1990	Agricultural population %	Projected pop. 2010	Proj agric. Pop. by 2010
<b>All developing countries</b>	<b>3900 (76%)</b>	<b>60%</b>	<b>5750 (81%)</b>	<b>47%</b>
Subsaharan Africa	470	71%	910	60%
North Africa and Near-East	300	37%	490	23%
East Asia	1600	63%	2060	47%
South Asia	1100	65%	1670	57%
Latin America	430	26%	620	17%
<b>All developed countries</b>	<b>1200 (24%)</b>	<b>8%</b>	<b>1370 (19%)</b>	<b>4%</b>
North America	270	2%	310	1%
Western Europe	400	7%	410	3%
Eastern Europe and former USSR	350	15%	440	6%
Other developed countries	180	7%	210	3%
<b>Total</b>	<b>5100</b>	<b>47%</b>	<b>7120</b>	<b>38%</b>

Source: FAO

If developing countries account for 96% of world population active in agriculture, they grow just over half of total cultivated area: 53% (see table 2).

Table 2. Total cultivated area and population engaged in agriculture in the main regions of the World

	Cultivated area in millions ha	% of world total	Population depending on agriculture	% of world total
<b>All developing countries</b>	<b>767</b>	<b>53%</b>	<b>2340</b>	<b>96%</b>
Subsaharan Africa	140	10%	330	14%
North Africa and Near-East	93	6%	110	5%
East Asia	178	12%	1000	41%
South Asia	205	14%	710	30%
Latin America	151	11%	110	5%
<b>All developed countries</b>	<b>668</b>	<b>47%</b>	<b>96</b>	<b>4%</b>
North America	234	16%	5	0.2%
Western Europe	98	7%	30	1.3%
Eastern Europe and former USSR	269	19%	53	2.2%
Other developed countries	67	5%	13	0.5%
<b>Total</b>	<b>1435</b>	<b>100%</b>	<b>2440</b>	<b>100%</b>

Source: FAO, average for 89-91

The developing regions produce less than half of world cereals and are all net importers to various degrees (from 3% to half of the regional production) with an average of 10% (see table 3). Even more worrying, the trade surplus of the agro-food sector of developing countries as a whole has steadily diminished and is forecast to become a deficit by 2010 (FAO).

Table 3. World cereals production and trade by regions

	Production (million M Tons)	Trade balance (million M Tons)	As a % of production
<b>All developing countries</b>	<b>844</b>		
Subsaharan Africa	54	-8	-15%
North Africa and Near-East	73	-38	-52%
East Asia	418	-19	-5%
South Asia	200	-5	-3%
Latin America	99	-10	-10%
<b>All developed countries</b>	<b>848</b>		
North America	313	119	38%
Western Europe	206	24	12%
Eastern Europe and former USSR	284	-36	-13%
Other developed countries	45	-14	-31%
<b>Total</b>	<b>1692</b>		

Source: FAO, average of the 88-90 period

The use of fertilizers in developing countries remains limited, particularly in Africa (see table n°4), whereas OECD countries are trying to contain pollution due to excess of fertilizers (with a 280 kg of Natrium per harvested hectare record in the Netherlands).

Table 4. Fertilizer consumption per harvested hectare in the developing regions

	average 88-90
Subsaharan Africa	11
North Africa and Near-East	89
East Asia	79
South Asia	69
Latin America	71

Source: FAO

Finally, developing countries producers generally receive a rather unfavorable treatment from their States: local products are systematically discouraged by tariffs and other regulations, agricultural exports are heavily taxed, while agro-food imports are more favored, specially in Africa (see table 5). Part of this situation can be explained by the fact that agriculture remains one of the main sources of wealth in developing countries, and that international trade is easier to tax than national assets. But part of this situation comes from the fact that farmers organizations are still ill represented in the policy design and implementation.

Table 5. Direct and indirect nominal protection by region between 1960 and 1984

Region	Indirect protection	Direct protection	Total	Direct protection of imported goods	Direct protection of exported goods
Asia	-23 %	-3 %	-25 %	22 %	-15 %
Latin America	-21 %	-6 %	-28 %	13 %	-6 %
Mediterranean	-19 %	-6 %	-25 %	3 %	-12 %
Subsaharan Africa	-29 %	-23 %	-52 %	18 %	-20 %

Source: World Bank, 1991 quoted by FAO

At the other extreme, situation in the OECD zone is much different, since most member countries give a massive support to their agriculture: the producer subsidy equivalent for the whole zone is estimated to reach a total of US\$ 360 billion in 1998, or 1.4% of the GDP of the zone and constitutes an average of 37 % of producers income (with very various situations within the zone from less than 10% - New-Zealand, Australia - to over 60% - Japan, Switzerland and Norway). The most subsidized products (for which subsidies account for more than half of producers income) are, by decreasing importance rice, dairy products, coarse grain, sheep meat. The subsidy is also equivalent to US\$ 11,000 per full time worker or US\$ 210 per hectare harvested in 1998.

Compared to these impressive figures, ODA, which originates mostly from the same countries, barely reaches US\$ 50 billion in 1997, which means around 0.2 % of OECD countries GDP, going down regularly for several years. It is thus no wonder that ODA constitutes only a small part of developing countries economies: Africa is the only region where ODA plays a significant macro-economic role with more than 5% of regional GDP (table 7). However, each developing region presents countries where aid plays a very significant role (over 20% of GDP: Bhutan, Nicaragua, Guyana...).

**Table 6. ODA as a share of GDP in the developing regions of the worlds, 1996**

	APD/PIB (% pour 1996)
<b>All developing countries</b>	<b>1%</b>
Subsaharan Africa	1.3%
North Africa and near-east	5.6%
East Asia	0.3%
South Asia	1.2%
Latin America	0.5%

Source: OECD-DAC, 1998

Finally, as far as our subject is concerned, i.e. rural development and its institutions, we've looked for the sectoral distribution of aid to agriculture and to institutional support. Table 7 shows that less than 10% of total ODA goes to agriculture. International assistance to developing countries agriculture thus totals about US\$5 billion, to be compared with the US\$ 360 million spent by OECD countries for their own agriculture.

Assistance to governance and social services (except health, education and water sanitation) also accounts for roughly 10% of total ODA.

**Table 7. Share of total ODA going to the agricultural sector and institutional capacity building, 1996**

	All DAC members	World Bank	Reg. dev. Banks	Total
Agriculture	9.5	7.5	11.8	9.0
Government and civil society	2.9	4.5	9.7	6.4
Other social infrastructure or services (except health, education and water)	3.7	9.4	3.4	7.3

Source: OECD-DAC, 1998

### *1.2. Very different regional situations*

The preceding tables show that there are huge differences not only between developed economies agriculture (intensive and highly subsidized) and developing countries agriculture (extensive and heavily taxed), but also amongst the latter. The main problems, and thus the main reasons for farmers to group, differs from one region to another:



- In Asia, the main problem is technological: this area enjoys a large and dynamic regional market along with rapid economic diversification. But it is confronted with land scarcity which is more and more difficult to overcome through increased agricultural intensity. A better control of new technology and a better regulation of the regional market are probably the two main priorities for this area.
- Latin America is the most urbanized developing area; the economy is already diversified and land is still relatively abundant. In this area, the main problem is socio-political: it is land use and ownership. Secondly, Latin American agriculture is much export oriented and very sensible to the world trade evolution.
- In the countries of Eastern Europe and the former USSR, the main stake is the transition from a socialist to a market economy. The main question for the POs is to identify their role in the emerging market oriented system, somewhere between State and the private sector new regulation systems.
- Finally, Africa remains the most rural region of the world: production is limited, barely intensified (average consumption of fertilizer is 11 kg per harvested hectare, or 1/5 of developing countries average; home consumption is still very important; land is still abundant in most countries. This region, which is the last one to undergo the transition to a rural society to a more complex economy at a era of globalization, is confronted with specific stakes: in particular, it has to find the right equilibrium between the necessary emergence of a group of dynamic agricultural producers, and the safeguard of the traditional social functions of the rural society (starting with survival) which concerns a much wider group of people.

This very sketchy summary doesn't take into account the many differences, which can be observed in each of these regions. But it is sufficient to show that agriculture in the different developing region is in a different situation and confronted with different technical, social and economic issues.

### ***1.3. The growing importance of non-agricultural issues***

Finally, it is necessary to remind that developed countries position in face of developing countries agriculture is also influenced by other factors than agriculture and agro-food trade: we will at least consider two of them:

- The strategic issues: developing countries agriculture presents two strategic interest for developed countries: firstly, it is the main source of employment in the developing countries and thus a domain influencing migration patterns, which are a growing concern in the OECD zone; Secondly, the profitability of legal crops is important to consider because it gives an indication of the incentive to grow illegal crops to prepare drugs.
- The environmental issues: biodiversity, greenhouse effect, etc. This worldwide concern is particularly important for the equatorial areas where important forest are still available, sometimes on good agricultural land. On-going discussions about licensing of natural plants, or about green-house-effect gas emission rights might prove very important for developing countries in the future.

### ***1.4. Conclusion***

One can see that developing world agriculture is complex and very different from one region to another, and that donor countries have, in the different regions and in the on going transformation various and contradictory interests. It would be naive to think that support for POs is provided neutrally in various parts of the world, with no influence from the technical and political context on the nature of the organizations and the reasons the development cooperation agencies have for helping them.

## 2. MAIN APPROACHES TO FARMERS' ORGANIZATIONS

Because of the diversity in regional circumstances, there is no real policy at global level in development cooperation agencies' support for farmers' organizations. Moreover, support to POs is generally included in projects that cover broader objectives. There are principles of good governance which apply to "civil society" in general and to POs as far as rural development is concerned. The DAC principles reflect the broad agreement on these principles<sup>1</sup>. There are also more specific principles, but they are relevant for continents at most, and more often for subregions or individual countries. What follows is therefore the difficult exercise of interpreting the main practices of development cooperation agencies as they appear in the descriptions they make of their own fields.

### 2.1. *Agriculture, rural areas and the peasants*

A major ambiguity will be present during all this document: it is the multiple reference of the POs. POs refer at the same time to an economic activity (agriculture, livestock...); to a spatial concept: the rural areas and a social status (peasant). Most of the time, at the local level these three references coexist naturally without problem. But as time passes, during the development process, as rural population undergo social differentiation, as POs become more professional and better known, as they take on more and more responsibility, they are obliged to choose one principal reference: the land, the economy and or the social status of peasants. They in turn lead to three major evolution: the decentralization process, as the natural evolution of local management with the implementation of the local collectives; agricultural "professionalisation", with the development of new technical and economical organizations more favorable to the farmers; finally, farmers unions are the logical evolution of the groups that refer primarily to the defense of the peasants status.

### 2.2. *Support for grassroots farmers' organizations*

Environment, increased income, poverty reduction, economic and social functions: all the development issues that justify ODA<sup>2</sup> are played out at the grassroots. In this field, producers' organizations are an indispensable relay for external intervention, whether by the authorities or the development cooperation system.

States and development cooperation agencies have often joined forces to encourage the creation of grassroots organizations as a way of gearing up to reach a large number of individual farmers. Many attempts have been made to set up representative systems to act as a link between local structures and national authorities (from the "state cooperatives" to the more recent "chambers of agriculture"). These local structures, organized in a pyramidal system, have often served first as instruments of control and supervision of the farming world but have sometimes broken free from their creator and become genuine instruments for promoting rural population. When they are able to get their autonomy, their pyramidal organization can make them very powerful.

On the other hand, some organizations have arisen outside public action. Often oppositional, or at least unconnected to dominant political forces, they have often found it hard to obtain direct support from development cooperation agencies, and have tended rather to develop their relations with NGOs in the North. These organizations, which often started out by addressing both economic and social matters, have been highly successful because they are much more endogenous, and thus close to their members preoccupation. They have contributed to part of the current enthusiasm for decentralization. On the other

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1. For example see DAC final report of the ad hoc working group on good governance and participatory development.
  2. ODA: Official Development Assistance (US\$50 billion annually at the world level).

hand, the very same local character which made them successful becomes a problem when they grow in experience and have to deal with broader subjects. They thus have to federate with other groups to reach a critical size with which they can influence decision-makers.

In general, however, increasing numbers of traditional donors are moving away from operations that are too exclusively local in scope, for reasons both of principle (not to intervene too directly in local life) and of cost-effectiveness: the agencies can hardly hope to have a significant impact on their stated objectives (poverty reduction, preservation of the environment, socio-economic progress) if they only intervene locally, because the cost and complexity of these operations make it impossible to scale up. Most development cooperation agencies and the most experienced operators are thus looking for a way of moving to a wider scale:

- either by entering political spaces: this involves decentralization and the creation of rural *communes*; it also involves, at regional and national level, supporting the development of farmers' movements able to advocate their members' interests to the political authorities in charge of the various levels of government,
- or by adopting a primarily economic approach, finding sectors that cover a large number of farmers: crop marketing circuits, financial services, downstream services, etc.

### **2.3. Support for entering economic systems**

Support for POs in developing their technical and economic competencies is the most common strategy among development cooperation agencies. The farmers' organization is seen as a structure that can capture part of the upstream or downstream value added, organize on a number of services more adapted to the needs of its members, and negotiate with external partners the price and quality of the services they provide.

The reasoning behind this approach is that the legitimacy of POs is based on their ability to provide their members with a technical and economic service, that progress in the technical area in practice emancipates their farmer members, and that economic success naturally leads to a stronger position for farmers and their participation in policymaking, and finally an improvement in governance. But these agencies think that aid should not directly interfere in politics.

The limitation of this approach is that until the farmers' movements reach "political maturity", it allows other players free room to take key decisions that will in the long term influence the future of country-dwellers. It also limits the learning process in political issues of farmers leaders, which is very different than technical management

This approach is encouraged by aid agencies which are working in close cooperation with States: United Nations, The World Bank, The EU as well as by several bilateral agencies: US and Canada, insisting on economic issues, the French, etc. The professionalization approach of French development cooperation, the approach proposed by UPA in Canada, and the World Bank approach of associating POs, research bodies and farm consultancy, are all clear examples of this thinking.

### **2.4. Support for entering political systems**

For other agencies, support for POs is primarily support for a social group which often represent the majority but which interests are not sufficiently taken into account, as it seeks full political recognition. Under this approach, the political precedes other action, and should control the economic. The interests of the farming communities around the world should be defended in all their complexity — economic, social, environmental — and not merely in a "productivist" fashion. This movement is promoted by many NGOs

and several development cooperation agencies traditionally more concerned with social and political innovation than larger agencies, like the Swiss or the Nordic countries.

This approach isn't without risk: it may disconnect PO leadership from the grassroots, because the leadership is face with major macro issues that have little to do with members' day-to-day problems; there is another risk of a high dependency on external funding if the PO doesn't live out of a particular technical activity: this financial dependency might end limiting the autonomy of the PO; finally, there is a real risk of such movements being taken over for political purposes. More broadly, this approach raises the question of the political content of cooperation, which obviously exists but is hardly discussed between agencies and their partners.

### ***2.5. Cooperation between farmers' movements in North and South***

The national farmers' movements in the OECD countries have developed specific approach to POs in developing countries:

- on the one hand, they provide assistance like other NGOs, working with funds of development cooperation agencies. Several unions from developed countries have developed and "international branch" like the « Corporation de développement international » (CDI) pour l'Union des producteurs agricoles (UPA) du Québec; agriculteurs français pour le développement international (AFDI) for the French FNSEA (Fédération nationale des syndicats d'exploitants agricoles), Agriterra for the Netherlands. One can however wonder to what extent the systematic use of public resources does affect the ability of these organizations to develop really original approaches;
- on the other hand, they are looking for alliances between national farmers' organizations to defend their common interests, and bring pressure to bear on their respective governments with respect to major international issues: this is the main objective of international farmers organizations (IFAP, Via Campesina...). In this perspective, with respect to the heterogeneity of situations presented in the first part, one can wonder to what extent solidarity between developed and developing farmers are viable in a context where markets are more and more unified while their growth is limited.

In all case these, these two approaches are very different and one can wonder if they will not be obliged, in the future, to choose between one of these two functions.

### ***2.6. Conclusion***

Starting from a grass-root approach of assistance to POs, interesting but too costly, and difficult to justify in terms of macroscopic impact, cooperation interventions now tend to happen at a more aggregated level, and this raises with more acuity the question of the POs identity, and their technical or rather political role. It is most desirable that cooperation agency avoid deciding which is the good equilibrium between these two functions. They should rather, through their practices, help POs and their local partners find the good equilibrium for them.

## **3. IMPLICATIONS FOR DEVELOPMENT COOPERATION AGENCIES**

From this heterogeneous facts, it is difficult to draw practical conclusions. However, we suggest below a few basic principles which we believe reflect a rather large consensus (but it doesn't mean that these principles are always applied):

### ***3.1. The tricky question of the emergence of POs***

Most of the remarks and recommendations that follow concern cooperation with POs that already have a genuine existence, real leadership and at least the beginnings of a constituency to control that leadership. Although most agencies are convinced of the value of working with POs large and small, they are very embarrassed when there are no POs, because it is very hard to set up POs from scratch. In geographical areas (or at levels) where the organizational fabric is still too weak to act as a partner in dialogue, the agencies are particularly poorly equipped to intervene, whereas these are quite often the regions where the needs are the greatest.

*Question: how can donor agencies contribute to the emergence of POs without them becoming dependent in terms of finance, management or priorities, from this donor?*

### ***3.2. Increase and change information flows***

The beginning of an answer of the previous question lies in a more active information, covering a wider range of subjects. Information is at the same time a source of inspiration for POs to engage in new activities and a necessity if they want to succeed in these new activities. The entry of POs in the discussion of the political and economic stakes that go beyond the reach of local level means that the POs leaders have to become familiar with a whole new range of information. In this respect, it is important to increase the level of information of the POs and their leaders, but also their capacity to manage this information. It should be feasible, for example, to organize research funds at the disposal of some research institution, which would be managed by POs to answer their own questions.

A lot of information is being circulated in the cooperation circles but it generally makes little sense. Information is mostly directed at justifying aid for donor countries public opinion, based on very broad concepts (environment, poverty, etc.). Also, since aid money is organized in technical envelopes, information often has to fit in one of these envelopes. When one wants to discuss the choices and priorities of cooperation, he realizes that useful information is limited and barely in circulation.

For example, it is very rare to find a good review of aid portfolio in a given sector: each donor agency will publish detail accounts of its activity, but national public or private decision makers can hardly have a systemic vision of assistance to their sector. Impact assessment, follow-up studies are more often discussed with the payers than with the so-called "beneficiaries". Finally, unit costs and quality, efficiency cost ratios are almost never publicly discussed whereas there is a strong demand for such a discussion in this domain. (particularly as far as technical assistance is concerned). Donor agencies which generally ask for a high level of transparency amongst their partners should make a major effort to produce, disseminate and discuss information about their activities and methods.

*Question: how can POs have access to information they need to play more efficiently their role in the political, economic and cooperation fields?*

### ***3.3. Providing tools and the opportunities for using them***

The identity of POs is basically formed by practical action, by their successes and failures on the ground in serving their members. Frequent opportunities must therefore be found for rural organizations to take varying degrees of responsibility, and the resources provided to prepare for this practice of responsibility and learn from it for their internal operation. In that sense, the development of POs is not only a matter of specific support projects but an overall change in approach for all operations in rural areas, from local to international level, to leave more space and incentives for farmers initiatives.

It is thus important to achieve changes in the operation of projects supporting rural development in general, by providing, whenever possible and desired by POs (not rushing things):

- ✓ Access for POs at different levels to responsibility for making choices and managing their implementation;
- ✓ The chance to choose the type of aid received, its timing and procedures on the basis of flexible funds;
- ✓ Rigorous monitoring-evaluation, widely circulated, enabling officials and ordinary members to evaluate their results and the progress achieved;
- ✓ Encouragement and financing to open some discussions to unaffiliated POs, so as to increase their knowledge of each other and compare experience, a crucial source of critical faculties and progress.

*Question: How can POs be encouraged to take responsibility? Donor common funds, aid menus from which POs can choose the type of support, open-ended technical assistance budget lines, so that POs can apply for and receive temporary help as required, etc. How can farmers' movements be allowed the room for initiative to organize their own discussion forums to which they could invite other development players?*

### **3.4. *Helping to set up a fluid market for services to rural areas, including representation***

The term "farmers' organization" is at present ambiguous. It covers:

- ✓ "Functional" organizations providing services for members, which is the case with most local POs;
- ✓ "Union" organizations defending the collective interests of a socio-professional group, with voluntary membership;
- ✓ "Democratic representation" organizations, like chambers of agriculture, which claim to represent all farmers;
- ✓ "Social" organizations, particularly in those countries where there are no village organizations, or only unsatisfactory ones.

Furthermore, POs overlap with NGOs, which fulfill some of these functions, and others besides.

States and development cooperation partners can either attempt to clarify these various roles, or maintain the confusion between them. In order to gradually filter out the various tasks performed by POs and obtain optimal effectiveness in development terms, we believe it is necessary to work towards a market in services for rural areas. This would be a system in which service-providers of various sorts were freely chosen according to the cost-effectiveness of their services in the widest sense. The process probably requires the following actions, among others:

- ✓ Provide a relatively explicit regulatory framework, specifying the mission and capacities of the various types of group (economic interest grouping, village group, union, chamber of agriculture, federation of groups, etc.), identifying the fields in which they have exclusive competence, and those where they are in competition.
- ✓ Circulate information about the activities and management of POs, putting more time and effort into information and the leadership's reporting back to members than into a too exclusive leadership-donor dialogue.
- ✓ Gradually harmonize the financial conditions for aid to POs by means of a common set of specifications, so that people do not "shop around" for the most generous donor rather than look for

cost-effectiveness; eventually, cap external financing as a proportion of investment and apply a time-limit.

- ✓ encourage pluralism and reasonable competition between POs and other service providers, to avoid making the mistake of "POs only", on the lines of "State only" or "private sector only".
- ✓ Encourage NGOs to define themselves positively by the type of service provided (training, research, technical or financial intermediation, militant action, etc.), so as to restrict their tendency to speak on behalf of movements directly representative of the players, such as POs.

*Question: how can the notion of cost-effectiveness be introduced into the development of POs (necessary for trust among partners and greater delegation of management), while recognizing that it is often difficult to quantify their institutional and political function?*

### **3.5. *Helping POs to find their place in the wider context of agricultural transformation in the developing countries***

Farmers' organizations are emerging and developing in a context that is itself shifting, economically (liberalization, urbanization, decline of farming as share of GDP, parallel rise of the food processing sector), institutionally (redefinition of the role of the State under structural adjustment, development of regional blocks, introduction of decentralization in many countries) and even in purely agricultural terms (greater pressure on natural resources, new practices and land tenure regimes, farming techniques, biotechnology, development of salaried farm labor, increasing social differentiation, emerging environmental conditionality). If it is accepted that POs and the farmers' movement are to structure themselves in the long term, it is important to help POs identify more clearly the issues and major players for the medium term, so that they can adopt a position towards them, and not merely cope with emergencies. The issues and players involved include, in particular:

- ✓ On the ground, integrating the implications of decentralization: many grassroots POs were formed as relays to remedy the inadequacies of the State in public, economic and social services. These are the very inadequacies that fed the movement towards decentralization, supported by international aid. What influence will new local authorities, now legitimately responsible for basic public services, have on the objectives of the POs and the way of supporting them?
- ✓ At all levels, integrating the growing diversity in the farming world: poor farmers, wealthy farmers, new farmers, farmers with other jobs, farmers working in production circuits that cut across former divisions (between ethnic groups, between crop and livestock farmers); a better understanding is needed of the effect of given economic or technical measures on these various groups; to what extent do these different sorts of farmers have common interests, and how are their conflicting interests to be managed?
- ✓ At national level, helping States and senior civil servants express their own vision of current transformations: paradoxically, it is harder for farmers to express a vision of development when there is no public vision supported by a strategically thinking State, a vision that the farmers' movement could react upon in constructing its own position. Without wishing to return to planning, one may consider that the structural adjustment period tended to obscure the role of the State as depository of a long-term purpose for society and as arbitrator, in this context, between the priorities and interests of socio-professional groups.
- ✓ Helping farmers' movements become aware of international issues, both bilateral and multilateral. Development cooperation services tend to work with farmers' movements on issues that are close to the farmers, generally technical matters; they rarely discuss international trade relations in the agro-food sector, which have a major impact on farmers in the medium term, but which farmers have little knowledge of and no power of decision over.

*Question: How can research help POs (and other stakeholders in the rural development debate) to identify the main challenges to be faced in the future in a profoundly changing environment, and to define the options to be chosen? In particular, how can POs be helped to develop a macro-economic vision linking their grassroots knowledge and the dominant economic discourse?*

### **3.6. Not applying Western models of farmers' organizations**

Aid to farmers' organizations must not apply the Western model of aid to agriculture. In 1998, the OECD countries spent some \$360 billion subsidizing their farmers, while aid to developing countries amounted in the same year to roughly \$50 billion, of which only 10% went to agriculture. These massive subsidies (nearly 50% of farmer income) are possible because farmers are remarkably well organized to bring pressure to bear on their respective national policymakers, and also because they account for only a tiny proportion of OECD countries' population and economies.

This is not the place to express an opinion on the justification for these subsidies, which is the subject of extensive debate elsewhere. But the economic and financial circumstances of most developing countries, where agriculture still employs a large proportion of the population and is a source of revenue for the State, do not make it possible to move towards a Western model. The State can at most tax particular producers or farming regions and redistribute some of the wealth to other producers or regions, but in most developing countries it is unable to make any net transfer to agriculture from the rest of the economy, which is far too fragile; indeed the reverse is what usually happens (see part 1).

Because of their institutional culture, some agencies and development cooperation players are tempted by direct public intervention in society, and, in this case, rural development. In the least advanced countries, where the State has only a small control over the economy and most public investment is financed by aid, any encouragement of a strong relationship between POs and State amounts largely to moving POs into the business of implementing aid. But even when aid is generous, it can only play a minor role in the economy, and POs must be sure to be well connected with other socio-economic players who create and circulate wealth: traders, exporters, and processors. Donors should try to encourage original cooperation practices, involving several socio-professional groups, which are not enough developed for the moment. One can cite as example credit guarantees, which allow POs to experiment in relation with banking networks while limiting the risks of the innovation for the two players; another example is the guarantee of sales contracts between POs and traders. Broadly speaking, it seems necessary to develop interventions where aid only plays a subsidiary role, and not a central one.

*Question: How can aid indirectly encourage relations between POs and economic agents who complement their activities, rather than directing POs towards the State and the implementation of aid? Guarantee funds, meetings linking socio-professional networks.*

Finally, developed countries could encourage a more proactive role of developing countries, and specially their POs, in the negotiation dealing with world market regulation, since they affect the developing countries capacity to supply their own market as well as their capacity to conquer new export markets, an issue which involves much more money than aid flows. More broadly, developing countries and their POs should question the consistency of donor countries agreements on development co-operation with their position in international trade discussions.

*Question: what are the limits of donors aid to developing countries agriculture and POs insofar as they are also competing with their own farmers. How can common interests be maximized without ignoring the existence of competing objectives between developed and developing countries.*



### ***3.7. Being neither idealistic nor cynical***

External partners often seem to want an unrealistic degree of perfection from farmers' organizations. The members, and even more the officials, of POs are expected to be motivated solely by abstract ideals, and to have no material interests, and the organizations are expected to represent all their members completely fairly. But POs are technical and political organizations run by men and women who have their own mix of principles, vocations and personal ambitions, as people do in the rest of the world, and every day they have to juggle between the interests of their different members and between them and their partners outside. To manage this balancing trick, FO leaders are often exceptional characters, whose skills could be of potentially high value in the development market. Insisting on some sort of puritanical rigor from these organizations leads to issues of power being concealed, issues to do with the material continuation of the FO and its leadership, issues that all organizations face around the world. In this respect, donors often appear to be less demanding of NGOs, seen as intermediaries, than of POs, whose role of representing the people should apparently condemn them to poverty. It would be desirable to find some happy mean to be applied more uniformly to the local partners of the aid system.

*Question: How are PO officials' competencies at various levels to be rewarded, and their organizational expenses covered? Should aid intervene in this domain? Should aid agencies define a collective regulation in this domain.*

At the other extreme from the "perfection" often required of POs, there is a major risk of POs being instrumentalized by the aid system and States, especially at a time when the idea seems to become "flavor of the month". In particular, given the persistent discredit attached to States, especially their rural development administrations, POs may end up providing a new legitimacy for aid.

Increasingly, POs are invited to meetings in various capacities, adding a sort of farmers' "veneer" to processes that remain ultimately initiated and directed by technicians. How many of these meetings exhibit any real concern to help the farmers' movement acquire information, prepare collective positions, construct their own identity, and acquire the means to prepare proposals and how many just use them as pretexts? Should not POs invited to meetings be invited (and given the means) to make high-quality contributions, which would force both sides (organizers and POs) to select their commitments more carefully?

*Question: How are to POs to participate in forums and conferences in ways that go beyond providing a token source of legitimacy for external processes and enable them to make real progress by their attendance?*

### ***3.8. As a conclusion: using restraint and patience, and seeking opportunities***

So there is no miracle recipe for developing POs, only the need to bear this aim continually in mind in the daily work of development cooperation players. Unfortunately, this unfocused daily effort is probably the hardest of all to achieve in the cooperation community. If a collective discipline aiming at encouraging direct management by POs had been systematic over the last ten or twenty years, in a context of partnership insisting on quality and reporting back, the impact on the institutional fabric of the rural areas in developing countries would probably have been much more important than it is. But regret at having been slow to adopt this approach should not mean rushing to catch up.

Once again, what is needed is restraint and patience, providing POs with as many opportunities as possible to exercise responsibility at every level and to learn lessons for their action and organization, and not cornering them into taking on responsibility at all costs. The various people who run POs must also be allowed time to find their own way forward, make mistakes, get to know each other, and find a shared path, as has already happened in a number of regions.

It would be a disservice to the farmers' movement to turn it into yet another fashion, train the spotlights on it, and risk disappointment and premature fatigue in individuals and organizations. Rather than publicizing POs and dragging them into an international agenda, which is so often short-lived, the aid system ought to encourage relations between POs and other players in their countries' economic and social development, thereby grounding their position in the institutional set-up. But can the aid system show that sort of restraint?

*Question: How can the pressure be taken off the most publicized leaders? How can POs be supported without being drawn into the aid system's own priorities and methods? How can policymakers and public opinion in the North be made aware of the growing importance of POs without distracting FO officials excessively from their grassroots functions?*