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SUMMARY

A REVIEW OF THE CONSUMPTION EFFECTS OF AGRICULTURAL POLICIES: INSTITUTIONALIZATION OF RESULTS

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Background

I was asked to "set the scene" for the final session of the November 8-10 CEAP symposium during which the main focus was upon the question of what to "leave behind" once a study is concluded in a particular country. This question has been with us from the beginning, because, aside from providing specific answers to specific policy-related issues, the results of CEAP studies are supposed to be produced by methods which are as simple and cheap as possible; often such methods fall within the feasible capabilities of host country institutions. The logical next step is to inquire to what extent should installation of host country capability to conduct CEAP and other consumption oriented studies form part of the original CEAP study. The issue is especially pressing where, as in Honduras, studies have been underway for a long time and have involved more than one host country institution.

My symposium paper,"CEAP Studies and the Host Countries: What Next? Institutionalization and Other Matters," was not intended to suggest answers to any particular question but to raise questions in a way as to stimulate discussion among symposium participants. In the next two sections I have briefly summarized my original paper and indicated what I feel to have been areas of consensus. In the final section I have added my own "2¢ worth" by way of conclusion.

Summary of Resource Paper

The questions for consideration raised in the paper are in no particular order of importance; I hoped such an order might emerge during the symposium discussion. In brief, questions and issues are arranged as follows:

1. Who should undertake CEAP and related studies in the future?
2. What are basic trade-offs in Planning for consumption/ nutrition goals?
3. What kinds of data management and analysis capabilities are needed for consumption-related studies?
4. How can the attention of decision makers be directed to the need for consumption-related work in policy formation?
5. How can AID and other donors help? What have the relevant experiences of host country symposium participants been?

The first question assumes that a host country has decided that some use should be made of the CEAP study undertaken there. In the short run, the study presumably has generated information about the original policy issue(s) which decision makers can use to further immediate ends. This in itself may ultimately lead to institutional changes within both public and private sectors. In the longer run, the host country may decide that it would like more information of the same kind on a continuing basis. It can get it either by technical assistance as before or by installing its own ability to do CEAP-type analyses. Thus, decisions have to be made about which entities in the public/ private sectors should do the job and whether or not they need augmentation to do it.

The second question (trade-offs) needs to be addressed before any final decision is made to institutionalize any kind of planning capability at all, including consumption planning. Host country governments tend to be very general in outlining their long-term development goals, mainly because they wish to avoid unduly antagonizing vested interests likely to be adversely affected and partly because of muddled thinking about what development and human welfare are all about. This is understandable, but some goals do need to be clarified from the outset, at least implicitely, if effective development programs are to be undertaken at all. For example, the question "large, specialized farm units or small, diversified family farms?" involves two very different development tracks almost from the beginning if either goal is ultimately to be attainable. "Cheap food for urban consumers or high farm-gate prices for producers?" is another question which plagues many countries, especially those containing urban areas bulging with marginally productive (but politically volatile) consumers.

At least provisional answers to these questions should be of concern to decision makers and analysts alike and will react back upon the decision making process itself, once acted upon.

The third question (data management) is especially pressing in view of the complexity of information needed to analyze food demand adequately. In many developing countries, data management and direction are separate from data analysis, in different units within ministries or in different ministries altogether. Health and nutrition related information usually is obtained less-

often, on a smaller scale, and separately from other kinds of rural sector information such as agricultural production. For these reasons, attention seems necessary to the organization of overall rural (as opposed to simply agricultural) data gathering. At the same time, information is expensive, and resources are limited; resources for food demand information may have to be subtracted from resources for food supply information: another important trade-off.

The fourth question (attracting attention) would seem to be obvious, from a logical point of view, but it evidently is not, from a practical point of view: many planning and analysis units in developing countries, like Rodney Dangerfield, get little respect at home. Developing country academics tend to be somewhat impractical, and if they are assigned to planning units, the latter tend to be impractical, too. Worse, decision makers see planning and planners as irrelevant to their immediate problems, and since decision makers rarely stay around for long (the few that do tend to be tyrants), issues requiring analytic activities spanning more than two or three years receive little more than official lip-service. Given these circumstances, can we hope to see longer-term institutionalization of consumption-related concerns in developing countries?

Finally, what role should foreign assistance institutions play? It's natural and appropriate to focus on AID, since the CEAP studies have been funded through the Office of Nutrition. Do countries really need an analytic focus on consumption via, say, an AID-sponsored planning/training program, or might food problems better be addressed via continued emphasis on production technology and rationalized trade in food commodities?

Symposium Consensus

In view of the complexity of some of the questions we have mentioned, there was surprising unanimity among participants, both US and host-country. Due to lack of time (one-half day), it proved impossible to cover all issues of interest nor was it possible to explore any one issue in great depth. Nevertheless, several important points were made which should guide us in Phase II of the CEAP studies. These are summarized as follows:

++Institutionalization of some kind is implicit in every CEAP study undertaken, regardless of scope. This follows from several sub-points stressed in the small working groups:

* Even short-term studies have some kind of impact, either upon the local USAID, the host country, or both. Unless the results are totally ignored by both parties, something will be changed as a result of the studies. The impact may be upon people, institutions, and/or policies. It would be wise, therefore, to take this into consideration when designing studies.

* Longer term studies, especially those involving host country participation, will have a "training effect" upon both host country and USAID personnel, whether or not training per se is an explicit part of the exercize.

++Host countries should be given every opportunity to participate at all stages of CEAP studies: design, implementation, evaluation. Aside from the inherent logic of this position, host country participants to the symposium were unanimous in stressing the need for closer collaboration. Beyond providing

useful on-the-job training, such collaboration would insure that the objectives of the study were in accord with the desires and priorities of the host country leadership (or at least not in direct conflict). Equally obvious was the view that USAIDs should be encouraged to follow the studies more closely from start to finish, and for the same reasons.

++Major structural change within the analytic and decision making apparatus of developing country governments cannot and should not be among the objectives of individual CEAP studies. All agreed that the longest likely time span for a CEAP study would probably never exceed three years. On the scale of major developmental changes, this is a very short time. Moreover, most developing country governments are volatile and exist in a constantly turbulent bureaucratic sea. Planning and analysis units may be vessels bouncing on that sea, or they may be monolighic rocks resisting its pushes and pulls. But rarely are they capable of directing its currents for very long. All that planners can realistically expect to do in the short run is to create a few of the many elements needed for more retional decision making in the future. In this sense, CEAP study results can make a contribution--but only that--to eventual structural change.

++Perhaps the most important contribution CEAP activities in particular and AID in general can make is through training. There is one resource most developing countries have in abundance: people. In the last analysis, even the most formidable government and private sector institutions consist of people. If, following

participation in a CEAP study or in an AID-sponsored training program, people who have acquired useful skills are dispersed throughout the host country's systems, one can hope that wherever they individually wind up, they will be better able to do their jobs, better able to evaluate events, better able to make rational decisions in the future. In this way, for example, greater consciousness of the importance of consumption will be "injected" into the economy's decision making process than existed before. There was thus agreement in the importance of greater emphasis upon training in the methodological component of CEAP activities and in the desireability of greater AID direct involvement in programs to train local people to the skills needed for data gathering, processing, and analysis.

++Bibliographies and Handbooks highlighting methods and results of past consumption-oriented studies would be very useful for fledgeling host country institutions. Bibliographies per se would be of little use in countries lacking personnel able to understand the publications contained in them. For such countries, training programs coupled with handbooks stressing basic analytic techniques of consumption analysis would be prerequisites. In other cases, however, already-trained host country analysts should be able to "access" state-of-the-art techniques, especially in rapidly changing areas such as data processing.

++Before any decisions are made about CEAP studies in general and institutionalization issues in particular, it is important to have an understanding of the decision-making system in each country to be studied. The point here is that, if policies

comprise the prime focus of a CEAP study, then issues surrounding policy formation, implementation, and change should be considered by CEAP researchers together with the direct effects of measures generated by the specific policies under review. This is particularly important in those (few) cases in which institutionalization is a component of the project (e.g., Honduras).

++Care should be taken not to overlook private sector resources and institutions. Universities are logical sources of expertise of use to planners in general and to CEAP studies in particular. Especially in the case of short term studies (i.e., less than a year) universities are a valuable repository of already-trained economists and other social scientists, nutritionists, and statisticians which can be drawn upon for information and analytical assistance. Universities can also form the nucleus of longer-term "think-tank" type units which could advise decision makers periodically. Larger business and professional organizations also comprise a potential source of expertise in particular areas, especially in production, marketing, and processing of food and food-related commodities in some countries. From a political point of view, incorporating these institutions into technical decision making for, say, small farmers could give the former a greater stake in the welfare of the latter, thereby promoting longer term development strategies of mutual benefit to poor and wealthy alike.

++More symposia of this kind, especially oriented towards other than theoretical issues, would be useful. All seemed to agree on the usefulness of this symposium. Some regretted the

heavy emphasis upon technical modelling during the first two days, but this led to a constructive, rather than a corrosive, dialog between proponents of "high tech" analysis and data processing versus proponents of "appropriate-tech" methods utilizing those resources countries are likely to be stuck with in the forseeable future. It was understood, that if institutionalization is to have any chance for success in the near term, methods will have to be relatively simple and policy issues relatively clear cut.

++In Summary: Institutionalization is an important issue, but efforts in that direction must, by circumstance, be limited to contributing to institutional infrastructure: training, reading materials, local participation in ongoing activities related to consumption analysis.

Some Final Observations.

I must admit to a bias towards institutionalization. Developing countries, especially the poorest ones, are groping in a conceptual fog surrounding development. There are so many things to do and so few resources to do it with, that governments dispair of trying to prioritize. The confusion is aggravated by political instability and forms of elitism which virtually immobilizes a country's best talents. Consumption issues are indeed very important. Until recently, development assistance strategies have focused upon food supply measures without taking into account the fact that supply per se is meaningless unless it is "crossed" with demand in order to give definition to market prices. Our CEAP studies have given some useful answers to

particular questions in selected countries. But as was stressed during the symposium, those for whom such answers are important may not be around very long, or if they are, they will be asking very different questions next year.

If we are really interested in "raising the awareness" of people to the importance of consumption, we must mean raising it permanently. Consumption will always be a relevant issue for national leaders, although its relative importance may vary. Therefore, we'd like to see some kind of permanent result coming out of the Nutrition Economics RSSA.

I agree that fundamental institutional change is very unlikely following a one-year study, no matter how interested in it participants may be. Longer term studies such as Sierra Leone and Honduras can achieve a bit more in the sense that they involve more people, they exist long enough to supply significant in-depth training, say, in data processing and some kinds of analysis and more than one government and/or private institution may become involved. Such studies, while also unlikely to produce major institutional change, can certainly contribute to it by highlighting desireable changes for the future, should the host country in fact desire them. Hence, I advocate our paying attention to these possibilities during the life of longer term projects.

I fully agree with the need for bibliographies, handbooks, and state-of-the-art libraries where appropriate and with the usefulness of involving universities in the planning system. I can speak from direct experience that these things, coupled with long-term (minimum 3-4 years) resident consultancies, can

have a lasting impact on host country institutions. I see AID sponsored planning programs as useful vehicles, provided that AID takes them seriously. It is through such projects that consumption issues can most usefully be melded with agricultural and health issues within the broad spectrum of rural development.

As for the Nutrition Economics Group, Phase II projects will necessarily be much like those of Phase I. We simply don't have enough resources to be overly experimental. Nevertheless, even if future studies turn out to be like past ones, we will have that many more examples upon which to make limited generalizations two or three years down the road.

Finally, as a soon-to-be-outsider, I'd like to make what should be an obvious point: the Nutrition Economics Group has done the lion's share of the work in midwifing pioneering research into a very important realm of development. The participation and laudatory comments of some of the nation's highest ranking experts in the field of consumption analysis should lay to rest any doubts about the quality of the work being done in places where conditions are difficult. I'd personally like to see a few more kind judgements made explicitely by the AID Office of Nutrition, if not about the work done by the professional employees, then at least about our program leader, Roberta van Haeften. I also speak from direct personal experience when I assert that morale is a very important part of organized activity where creativity is demanded, and that the Nutrition Economics Group is such an organization.