

AGRICULTURAL POLICY IMPLEMENTATION: INTRODUCING REAL-LIFE COMPLEXITY

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Abstract

The paper deconstructs the commonly used terms “state” and “agriculture” at a provincial level and dwell on the concept of the rational civil servant. In the case of state the challenge of moving beyond institutionalised silos are discussed. It was shown that agriculture consists out a multitude of actors, that representation often overlap and that similarities with a “tragedy of the commons” can be observed in the way some of the actors maximise personal gains. To understand the system non-traditional schools of thought such as Social Economic Systems and Bounded Rationality may provide answers.

Keywords: agricultural policy, South Africa

1. Introduction

During policy development and in the policy debate terms such as “state” or “agriculture” are usually used without any attempt being made to understand the intricacies embedded in these terms. Yet, in the final instance it is usually people who have to take responsibility for implementation of policies or who are recipients of policy measures. For this reason this paper will, with the Western Cape Province¹ of South Africa as a case study, deconstruct the concepts of “state”, “civil servant” and “agriculture” before a new approach to cope with policy change is recommended.

2. Deconstructing the “State”

The South African Constitution (Act 108, 1996) establishes three distinct spheres of government, each with its own responsibilities and powers. However, the Constitution also indicates particular areas excluded from the mandates of particular spheres of government. The Public Finance Management Act (Act 1, 1999) further establishes an Accounting Officer in each organ of state (usually the Head of Department) who is responsible for all income and expenditure in the particular government entity. Although this is a very progressive public governance stance, in practice it leads to the situation represented in Figure 1.

National government consists of a number of departments and statutory bodies. These agents of state usually have offices or branches geographically located in the area of responsibility of provinces. At the same time some tertiary institutions, although established under national legislation, is also situated in one or more province with an associated provincial footprint. Provinces, being a distinctive sphere of government, have their own range of organs of state (departments and statutory bodies) accountable only to the Provincial Parliament. At local level, still within the geographical area of provinces, the three types of municipalities (local, district and metro/city) have their own set of functions, responsibilities and lines of accountability.

¹ The Western Cape is one of nine Provinces of South Africa. This Province, at the South-Western tip of Africa, is responsible for 21% of South Africa’s agricultural production and 45% of the country’s agricultural exports.

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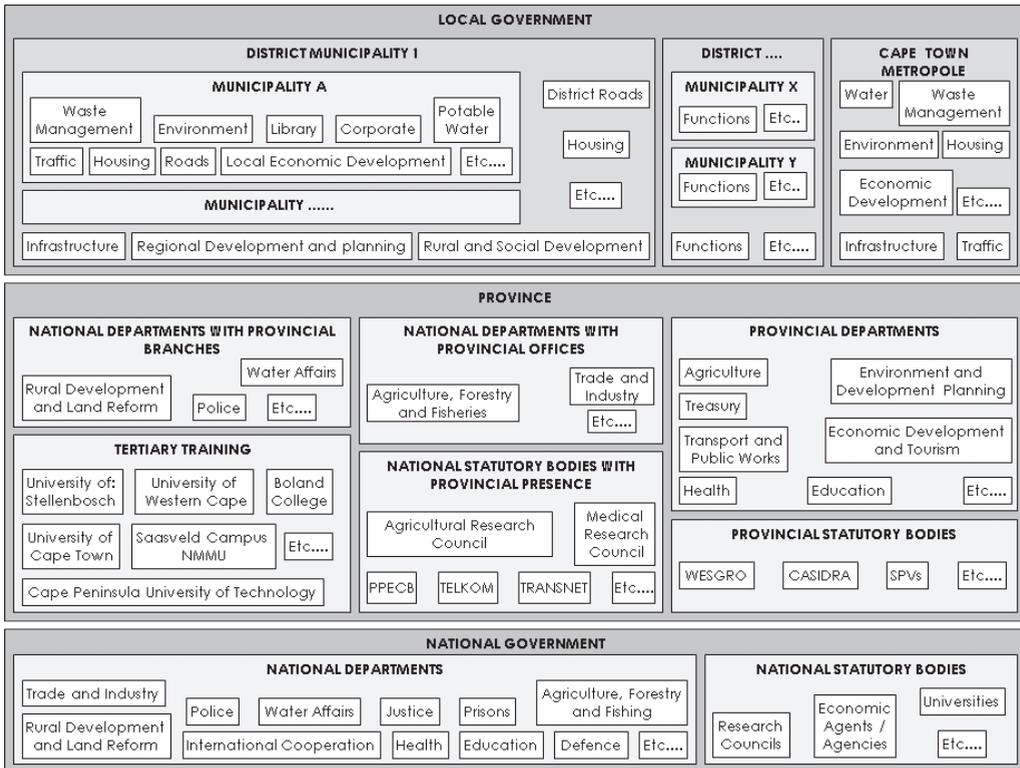


Figure 1. Schematic representation of institutionalised silos in government
Source: Troskie, 2013

This complexity can partially be described from the viewpoint of a hypothetical smallholder farmer. This farmer received a land reform farm from the (national) Department of Rural Development and Land Reform and an operational loan from the (national) Land Bank. Infrastructure needs gets funded via the Comprehensive Agricultural Support Programme (CASP) which is a programme of the (national) Department of Agriculture and implemented by provincial departments of agriculture. However, to build a shed he must get approval from the local municipality which will grant approval according to guidelines developed at provincial level at the hand of prescripts provided by national legislation. Additional water, a prerequisite for successful farming in most areas of South Africa, is a competency of the (national) Department of Water Affairs. Before he can export his apples he needs inspection from the (national) Perishable Products Export Control Board (PPECB), but the export of animal products needs to be licensed by the (provincial) veterinary services. His products not making the grade for export will be sold at local (municipal) markets.

Given this complexity a large number of (unschooled) smallholder farmers struggle to access the range of services available to them. The same principles apply to other agricultural activities such as research, protection of the natural environment, training, exports, etc. With the wide range of actors from different spheres of government having a stake in agriculture, it is often easier to develop consensus on agricultural matters with private sector players than between organs of state.

Each organ of state consists out of human beings with all the strengths and weaknesses associated with humans. De Gorter and Tsur (1991) introduces the “rent maximising bureaucrat” arguing

that the typical bureaucrat will maximise his / her own utility and that this will inevitably add to the welfare of society. Normally a redistributive effect is postulated; implying that patronage to a particular group must be offset by payments from another part of society. Due to the South African Constitution's limitations on the revenue generating powers of provinces, this "reality check" is absent with the result that utility (power) will be increased by maximising the size of the structure, the number of employees and hence the budget controlled. If this argument is related back to the way provinces are funded (and the emphasis placed on needs rather than results), one can argue that a perverse incentive for non-performance has been built into the system.

Fortunately, one of the fathers of rational decision making (Downs) had a more diverse view of the objectives of bureaucrats. He makes a distinction between "self interest" and "mixed motive" officials. In the case of self interest, the following categories emerge:

- Climbers: These are officials purely seeking to maximise their own utility (as it may be embodied in power, income or prestige). Thus, they either seek to win promotion, aggrandize their current position or to build their reputation in order to find a better job elsewhere.
- Conservers: People seeking to maximise their own security and convenience. Security is equated to the status quo and for this reason they will oppose all change, and innovation.

For mixed motive officials three categories are described:

- Zealots: Persons loyal to a relatively narrow policies or concepts. They seek power both for its own sake and to implement the policy options they are proposing.
- Advocates: This group is loyal to a wider set of policies or to a broader organisation. They are impartial to the merits within the organisation or framework to which they are loyal, but highly partisan against outsiders.
- Statesmen: Officials loyal to the nation or society as a whole and, to a certain extent, the type of official idealised in most textbooks. However, as they enjoy influencing important decisions, they still seek to enhance their power and prestige for personal and altruistic reasons (Downs, 1964).

It follows that there is more than one way of approaching the concept of state and Hill (2009) provides a useful classification:

- A passive entity to be influenced / captured (Pluralist and Marxist view)
- An active entity with interests of its own (Elitist, Corporatist and public choice theories).
- Containing actors with potentially conflicting interests (Policy Network / Community).
- A structured system influencing and constraining action (Institutional theory)

3. Mind-games in South African agriculture: a tragedy of the commons

As is the case with "state", "agriculture" is actually a collective noun for a range of (conflicting) actors. Indeed, South African examples can be provided where one segment of the Sector actively (domestically and internationally) undermine the economic wellbeing of the whole in order to secure particular short term gains. Examples include articles appearing in the Danish consumer publication *Taenk* (Taenk, 2009) and the Austrian consumer journal *Konsument* (2009) articulating a particular viewpoint regarding evictions and farm workers as "slaves". It is evident that this leads to international consumer resistance (see for instance Heizer & Heizer, 2009) against South African Agricultural products resembling marketing conditions during the Apartheid (sanctions) era. This extraction of individual rents from a system and thus swaying the sentiment in the system is equated by Hassan and Mertens (2011) to the tragedy of the commons.

In the paper originally coining the phrase “tragedy of the commons” Hardin (1968) departs from the (mathematically correct) tenet that it is not possible to maximise for two (or more) variables at the same time. He sketch the scenario of a herdsman on common grazing area (at its maximum carrying capacity) making the decision whether to add another cow to his flock. This cow will have both a positive (income for the herdsman) and negative (pushing the commons into being overgrazed) impact. The positive impact will be close to one on the herdsman’s personal utility, but the negative impact will be shared between all the herdsmen. When this herdsman adds the positive (approaching one) and negative (approaching zero) utilities, the rational choice would be to add another animal to his herd. This would also be the rational choice (for himself and all the other commonage users) in adding a second, third and fourth animal. According to Hardin’s reasoning it is inevitable that a common property would lead to its over-utilization.

The nature of the scientific process is that the underlying assumptions and conclusions of any approach will be questioned (after all, to publish in peer reviewed journals academia must engage theory and develop critique). In the case of the tragedy of the commons the critique contains elements such as the fact that not all actors are exclusively motivated by short term gains. Furthermore, as not all individuals are identical nor firms homogeneous, actors are not summarily interchangeable and there may be existing (formal or informal) rules of access to the commons or usage of its resources (Al-Fattal, 2009).

What is the nature of this commonage of the mind in the case of one of the provinces of South Africa? There are currently approximately 6 653 commercial farming units in the Western Cape Province and, including farm owners, there are between 123 000 and 201 230 persons directly

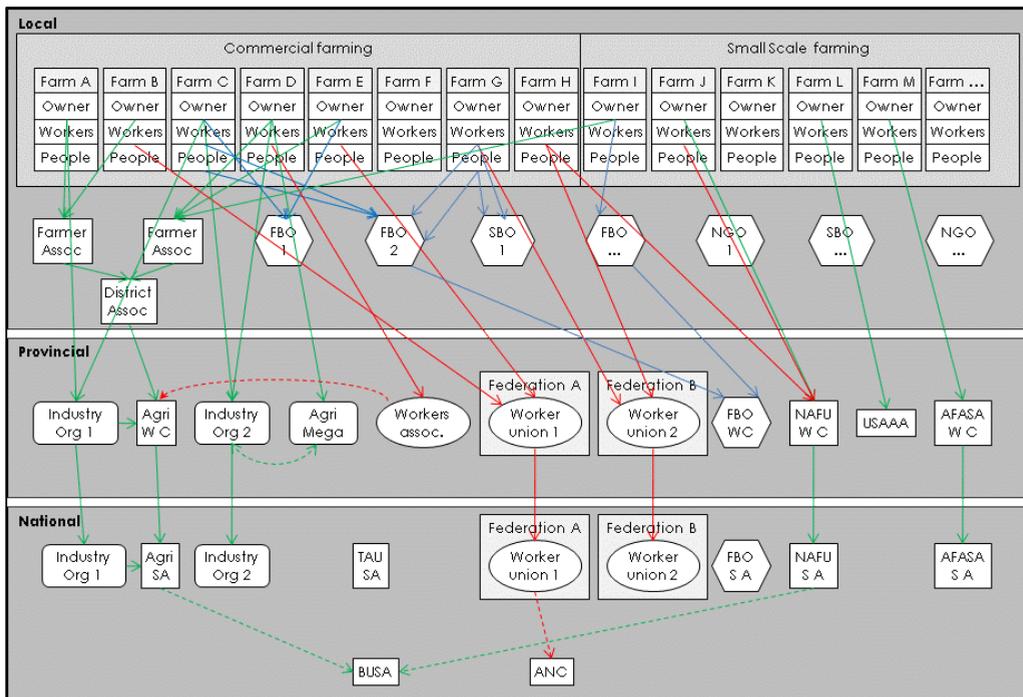


Figure 2. A schematic representation of some of the actors in the Western Cape Agricultural Sector
Source: Troskie, 2013

involved in farming. There are also about 9 844 smallholder farmers who employ a further 6 455 people as farm workers (WC, 2010). It can be postulated that the average person employed in farming supports four other people (family members, pensioners, acquaintances and the children of others). Thus, roughly 700 000 people, out of a provincial population of 5,8 million, lives on farms.

The people living on Western Cape farms can be grouped into three broad categories (see Figure 2):

- The owner of the farm or, in the cases of absentee owners, the most senior manager.
- Farm workers. Although some live in towns or “agri-villages” and commute on a daily basis to the place of work, by far the greater majority still lives on the farm.
- Other people living on the farm. In a number of instances these people are not necessarily working on the farm.

The majority of commercial farmers belong to a farmer’s associations or industry organisation which jointly forms Agri West Cape and eventually Agri South Africa. However, in some instances certain industry organisations are loosening its ties with the Agri West Cape structures and are finding alternative administrative homes in organisations such as Agri Mega. Although there is currently no credible alternative structure representing commercial farmers in the Western Cape, an alternative (TAU SA) does exist at national level and is attempting to expand into the Western Cape. This association has politically more conservative objectives and is increasingly becoming involved in non-agricultural issues (joining forces with organisations such as AfriForum and Solidariteit). This threat, of TAU eroding their membership, is in itself sufficient enough to have an influence on the actions of Agri Wes Cape.

There are currently three organisations representing smallholder farmers in the Province. The first is the Western Cape Branch of the National African Farmers Association (NAFU). On the verge of being defunct, attempts were made in 2010 to “re-launch” it. However, as the incumbent management of NAFU threatened to take the “new” management to court, the latter established a separate organisation with the name of African Farmers Association of South Africa (AFASA). The third organisation, United South African Agricultural Association (USAAA) is predominantly a Western Cape based organisation.

Within and between these five organisations (whose actual paid-up membership remains a secret) there are often differences of opinion and personality clashes. Organisations representing the interests of farm workers and rural dwellers are even in a worse disarray of diversity. A number of labour unions and worker organisations represent some of the farm workers as well as workers in associated industries (e.g. canning, transport, etc.). A number of these labour unions (e.g. Food and Allied Workers Union (FAWU)), are affiliated to the Congress of South African Trade Unions (COSATU). Other worker federations with agricultural related affiliated unions include the Federation of Unions of South Africa (FEDUSA) and the National Council of Trade Unions (NACTU). Nevertheless, most farm workers in South Africa remains un-unionised.

An even wider range of organisations maintain that they speak on behalf of the people living on farms and, sometimes, also on behalf of farm workers. This range of organisations include faith based organisations (FBO), community based organisations (CBO) and other non-governmental organisations (NGO). Most of these organisations are dependent on donor money and their activities range from specific or general advocacy of real or perceived challenges faced by people living on farms (e.g. Women on Farms) to addressing particular concerns (e.g. Foetal Alcohol Syndrome).

In an interesting South African twist COSATU (and thus FAWU) is also part of the Tri-Partite alliance, with the African National Congress (ANC) and the South African Communist Party

(SACP), governing South Africa at national level as well as in eight of the nine provinces. Another tweak on the same vein is that the Western Cape Branch of NAFU claim that they do not only represents small scale farmers, but also “...other vulnerable groups such as youth, women, people living with disabilities, and farm workers...” (NAFU WC, 2011). This provides a new dimension to arguments regarding elitism and the relationship between labour and capital.

4. From tragedy to common

It is clear that (agricultural) state and society are both fragmented and consist out of individuals with the incentive to influence the collective leading to a need to explore alternative literature. The “tragedy of the commons” theme leads us to explore Social Ecological Systems (SES) and the writings of one of its best known experts, Nobel Laureate Elinor Ostrom. In an overview paper Ostrom (2008) suggests that the following principles should be considered when designing governing systems for sustainable common resource use:

- Accurate and relevant information. The system as well as the individuals involved in it changes over time with the result that reliable current information is required.
- Clearly defined boundaries. The boundaries of the system should be clearly defined as well as the rules specifying who (and their entitlements) forms part of the system.
- Collective choice arrangements. Those affected by the outcome should be involved in the processes.
- Deal with conflict. Those involved in the common system should have rapid access to low-cost, local arenas to resolve conflict among actors.
- Graduated sanctions. Actors who violate rules are to receive graduated sanctions (depending on the seriousness and context of the offense).

A second model to explore captures both individual and collective (system) choice during the process of policy decisions (see Figure 3). At the core of this model is the identification of the issues to be addressed. As organisational agendas are usually indicative of individual’s priorities and the attention scope of both individuals and organisations are limited, some form of prioritisation needs to take place. The priorities are often not the result of informed reasoning, but rather emotional responses to (political?) problems resulting in high priority issues receiving the brunt of attention whilst less important concerns may fall along the wayside. Alternatively, the latter may follow the route of incrementalism or may receive “pre-packaged” solutions.

There is a logical relationship between organisations and its members. People will withdraw their membership or become inactive members if organisations regularly ignore the issues that its members perceive to be the most important. Conversely put, in an environment with abundant issues and a range of organisations reflecting those concerns, individuals will become members of those organisations reflecting their personal view of what is important creating an “idea marketplace”.

Once the organisation’s agenda is determined, it is followed by the characterisation of the problem (at individual level) and defining the problem (at organisational level). However, the information that people receive is rarely neutral and it has already been argued that context has a major impact on people’s reaction resulting in problem contextualisation remaining an extremely important area in the policy process.

Given the way the problem is defined, a number of alternative ways of solving the problem may be identified. As each individual will have at least one alternative solution in mind, it follows that a process (structured or unstructured) usually takes place at organisational level to determine a potential range of solutions. This range of solutions then eventually needs to lead to a policy choice.

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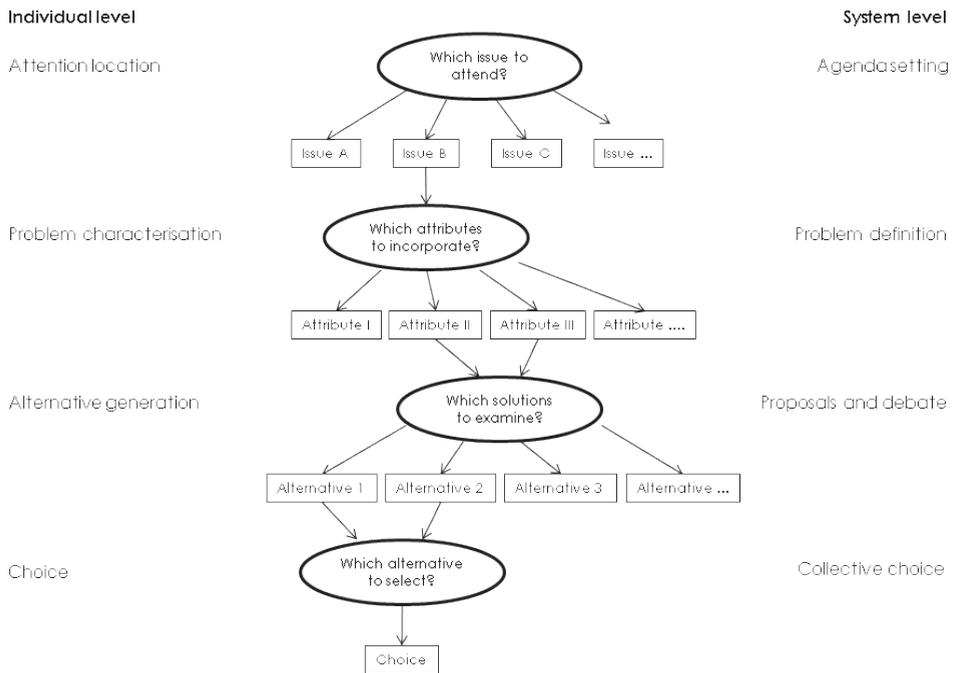


Figure 3. An information processing model of choice
Source: Jones et al, 2010

Although this model represents reality in a logical way, reality is seldom neat. Real world processes may be incoherent, intermittent and dependant on the nature and severity of exogenous shocks of the day. The various phases usually get intertwined and individuals often identify a preferred solution even before they identify the issue at stake. Jones *et al* (2010) calls this phenomenon “identification with the means”. It follows that people’s emotional orientation towards a specific solution (or political ideology) often determines the alternatives to be considered with the result that people will be very hesitant to accept certain information elements. Or, in the aphorism often used, if a person only has a hammer, everything becomes a nail.

During a recent research project Bonneau (2012) interviewed 27 organisations in the Western Cape. These organisations covered the whole spectrum from farming unions (including Agri Wes Cape, Agri Mega, NAFU, industry organisations), trade unions (BAWSI, FAWU, Sikhula Sonke, Prestige Farm Worker Council), non-governmental organisations (SANCO, Surplus People’s Project, Women on Farms) to institutional organisations such as government departments and academic institutions (e.g. PLAAS). During these interviews a number of sensitive issues such as housing, evictions, socio-economic conditions on farms, access to land and farm tenure were mentioned by all. Nevertheless, he also found that all agreed on certain commonalities such as research, training and capacity building for workers and for farmers, education as well as social upliftment on farms. These commonalities may form the foundation to address the sensitive issues.

5. Conclusions

Policies are quite often developed for an idealised construct of “state” and “society”. With the aid of a case study it was argued in this paper that “state” not only consists out of various organs, but that individuals with their own objectives and humanness plays a determining role in each of these entities. A similar argument can be made regarding “agriculture” with the result that the emotional space of agriculture can sometimes be equated to the Tragedy of the Commons where short-term individual rent extraction may jeopardise the long-term sustainability of the whole.

In moving beyond tragedy it is important to create the right institutional environment and Social Ecological Systems may provide some pointers. At the same time it is also important to recognise that an interactive relationship exists between individual and system priorities and that provision should be made in policy planning and implementation for this process to develop.

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