Main stakeholders of food and agricultural policies and their motivations

Food and agricultural policies help to orient the national, regional and global food systems. They result from the interaction of a set of stakeholders who each seek to defend their interests or those of their allies. The degree of influence of each stakeholder on the resulting policies depends on their capacity to influence as well as on the institutional framework, at national, regional and global level, within which policies are being formulated.

This note reviews the main categories of stakeholders and analyses their main characteristics and motivations.

The state

There is a tendency to consider the state as a monolithic bloc that defends the general interest. It is important to debunk this idealised notion of the “benevolent state” which dates back to the beginning of the last century and which considered that the state was aiming to act in favour of the collectivity and all its members. This vision should be replaced by the concept of a more diverse state constituted by a multitude of organisations led by individuals who have their own objectives and interests which are often contradicting.

If one considers the leaders of the state, their interest is to consolidate their power by favouring the interests of those groups who support them and help them to remain in power.

In democratic countries, government leaders have to manage carefully potentially antagonistic interests of population groups who elected them and of private companies who finance their political party, may constitute a pool of potential future leaders and offer opportunities of senior positions for political leaders and senior government officials at a later stage of their career. They are under the influence and pressure of lobbies who seek to promote the interest of various groups who fund them.

In many democratic countries, rural areas have an electoral weight which is more than proportional to their demographic or economic share (see box below). In many countries, the successive processes of redesigning the boundaries of electoral districts which sometimes follow demographic censuses have not really changed the delineation of electoral districts which mostly remains in favour of rural areas. As a result, rural areas have generally been over-represented in legislative assemblies and in their specialised commissions on agricultural issues. This is why these commissions have tended to champion policies that are favourable to activities in rural areas and provide support to the food and agricultural sector.
Agricultural producers have succeeded in promoting a positive image of themselves in industrial countries and public opinion has generally been on their side, as agriculture appeared to be a declining sector where incomes are below those found in the rest of the economy. This means that it is possible to talk about a rural bias of food and agricultural policies in some rich countries, in particular in the European Union and the US, similarly to what had been called an urban bias of policies in non-industrialised countries.¹

France: the electoral weight of rural areas

In France, elections of Members of Parliament are based on a simple-majority two-ballot system, with one MP being elected for every electoral district.

These districts are of very unequal sizes. For example, as noted by Balinski and Baiou in “Le découpage electoral” (Pour la Science, no. 294 : pp. 60–64, 2002), the “2nd district of Lozère has 34,374 inhabitants while the 2nd district of Val-de-Marne has 188,200 : this means that one inhabitant of the 2nd district of Lozère is 5.5 times more represented than an inhabitant of the 2nd district of Val-de-Marne !”. The average size of a French electoral district in 2010 was of around 110,000 inhabitants (total population was 65 million, and there are 577 electoral districts).

Rural districts are less populated than urban districts. Rural people are therefore “better represented” than their urban counterparts. The successive redesigns of electoral districts have not really resolved this unbalance, even though it tends to become less with time.

This rural bias is even greater in the case of elections of senators, as “53% of the delegates [who elect senators] originate from municipalities with less than 1,500 inhabitants, while the demographic weight of these municipalities is only 33% of the total population of France. Cities with more than 100,000 inhabitants send only 7% of the delegates while they group more than 15% of the total French population”. The consequence of this situation is a strong over-representation of agriculture-related professions among senators. This type of over-representation can also be observed in the case of the US Senate.

In countries where power is not decided by democratic elections, political stability depends mainly on the capacity of the authorities in place to mobilise the financial resources required to ensure support of the army and police, as well as for securing low food prices for the urban dwellers who alone have the capacity, through eventual riots, to threaten political stability and overthrow the government.

Authorities often seek to defend interests of groups that support and finance them directly, such as traders, importers/exporters, industrialists and landowners. This type of political landscape, which occurs mainly in non-industrial countries, is generally rather unfavourable for rural producers and explains the urban bias of policies found in many of these countries. [read more]

¹ M. Lipton, Urban bias: of consequences, classes and causality, Journal of Development Studies, 1993
Different parts of the state apparatus, themselves, have their own interests that may diverge.

Coordination ministries (Finance, Planning, Prime Minister’s Office) and the Head of State have as main interest to preserve political stability by managing demands for various stakeholders while keeping public expenditure at an acceptable level (this level may vary in time and depend on the electoral timetable) and preserving their external relations and commitments.

Ministries in charge of agriculture and all related organisations (e.g. the agricultural research system, agricultural parastatals, etc.) will try to mobilise a maximum of resources, budgetary and non-budgetary, for their activities, whether to ensure smooth operations and the well-being of their staff, or to lay the ground for mid- or long-term ambitions of their managers.

Ministries and organisations in charge of social programmes have similar objectives but in their own domain of responsibility.

MPs and other political personnel seek to influence decisions taken by the state and orient them in favour of the groups who support them in their electoral district, with the view to maintain or reinforce their political position. They may also be influenced by lobbies who fund them.

**Regional and international inter-governmental organisations**

These organisations are emanations of their member states and their interests reflect the common positions and interests of their members. In addition, they have their own interests as organisations. These interests consist in seeking to carry on their activities and, if possible, to grow by finding ways of mobilising more resources for their operations and by expanding their domain of responsibility.

Their orientation and mode of intervention will depend on their type of governance. The stance will be moderate and the mode of intervention consensual in the case of organisations based on the «one country, one vote» principle which characterises the United Nations and regional organisations. A compromise is achieved after long negotiations on consensual and rather vague texts unlikely to be a threat to any of the members and that are in line with the members’ positions, even when they are in contradiction. The orientation will be more definite and the mode of intervention more incisive in the case of organisations where the power of decision is in proportion to the contribution. This is the mode of governance that characterises international financial institutions such as the International Monetary Fund (IMF) and the World Bank. Past history shows that these organisations have been seen as defending the interest of industrialised countries who are their main funders, and the debate around the membership of their boards and the identity of their leaders now reflects changes in the economic weight of their member countries.
The special case of the World Trade Organisation (WTO) is worth some more attention. WTO is the successor of GATT (General Agreement on Tariffs and Trade) created in 1947 by a group of 23 countries dominated by industrial countries who were seeking to harmonise their trade policies. Over the years, the number of GATT members rose to 125. In 1995, with the signature of the Marrakech agreement and the creation of WTO, signatory countries accepted this agreement to become legally biding and to oblige them to respect strictly the rules of the organisation. Very rapidly, countries who were not members of the WTO were under pressure to join unless they would be marginalised in world trade. To become members, they had to accept to give up part of their sovereignty and accept judgements made by the Dispute Settlement Body of WTO in case of dispute among member countries. The number of member countries rose to 153 at the end of 2010. China joined in 2001, Vietnam in 2007 and Ukraine in 2008, Russia keeping a status of observer before finally becoming a member in August 2012.

International and regional organisations seek to improve their image in the eyes of the population of countries who fund them, and they use increasingly the media to demonstrate the importance - and sometimes the dramatic nature - of the problems they address, as well as their efficiency and competence in dealing with them.

The recent reform of the Committee on World Food Security (CFS) sought to give more strength to the global governance of food security. This was a reaction to the situation of disorganisation and inefficiency of the global structures in place that were revealed by the 2007-2008 food crisis. The new CFS is based on the principles of openness, strong linkages with the field and flexibility in implementation. It is characterised by the inclusion in the Advisory Group of the CFS of representatives of civil society, private sector and philanthropic foundations to ensure that points of view of all concerned stakeholders are heard, and by the establishment of a group of high level experts (High Level Panel of Experts on Food Security and Nutrition - HLPE) so that its decisions and deliberations are based on solid data and the most up-to-date knowledge. This group, established in 2010 has already produced a series of reports on important food security-related issues such as

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2 Australia, Belgium, Brazil, Burma, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxembourg, The Netherlands, New-Zealand, Norway, Pakistan, South Africa, Southern Rhodesia, Sri Lanka, Syria, The United Kingdom and The United States
price volatility, smallholder agriculture, biofuels, land tenure, climate change and social protection.

In this way, the CFS is expected to become the main platform of exchange and of coordination of food security programmes. It will have to facilitate the convergence of policies and provide support and advice to countries and their regional organisations on the design, implementation, monitoring and evaluation of their action plans and on the implementation of the Voluntary Guidelines to support the progressive realisation of the right to adequate food who are based on principles of participation, transparency and accountability. The CFA is also responsible for drafting a Global Strategic Framework for Food Security and Nutrition a first draft of which was approved in October 2012. The question is now to see whether it will be possible to complete this reform as there is a risk, at some point in time, that it will infringe on some part of sovereignty of certain countries and challenge some powerful interests [read]

Civil society

International Civil Society

Heir to a long tradition dating back to the antislavery and pacifist movements of the XIXth century, the international civil society has been taking a growing position in policy processes at global, regional or national level. Made up of a galaxy of diverse organisations with different interests, it comprises NGOs, professional organisations, foundations, various interest groups and lobbies.

Some of these organisations are constituted by and represent people whose interests they protect (e.g. agricultural producers in the case of farmer unions). Others speak for population groups who cannot speak for themselves. Others still act “in the interest of Humanity” and not for those individuals who are their members, and are motivated by values such as justice, solidarity and reciprocity. The legitimacy of these latter categories is often being challenged whether it is grounded on the technical competence of their members, their credibility with the media or the extent they are really close to the population groups for whom they talk. The representativeness of these organisations can be strongly based on well recognised social and political processes, but also sometimes on opaque internal governance procedures. In some cases, these organisations are highly depended politically or financially on some states or economic interests and run the risk of being used to promote the interests of those who support them.

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3 N. McKeon, Who Speaks for the Poor, And Why Does it Matter? UN Chronicle, 2010

The most sophisticated civil society can be found in the societies that are the most sophisticated politically. This tends to replicate the North-South asymmetry that is found among states. To defend the “interest of Humanity”, civil society organisations often criticise very violently government actions as well as the situation resulting from the existing economic system (“the market”). Consequently, NGOs of the North often appear to some of the states in the South as their worse enemies.

After having held parallel summits alongside official summits organised by UN agencies, the international civil society organisations engaged in an alliance with the UN and its agencies. This recently resulted in a close collaboration with the Committee on World

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5 Z. Laïdi, La société civile internationale existe-t-elle? Défaillance et potentialités Cadres-CFDT, 410-411, CERI/ Science-Po, 2004
Food Security (CFS). The reformed CFS now envisions the participation of four members representing civil society (two representatives from professional organisations, one from a rural youth organisation and one NGO) in the meetings of the CFS Advisory Group. These members are supported by the International food security and nutrition civil société mechanism that is the venue where civil society organisations define their common positions.

National Civil Society

National Civil Society is mainly constituted by professional organisations such as producer, trader, businessmen and consumer associations. It therefore also includes associations of what is often designated as the “private sector”.

Agricultural producers’ interests vary depending on whether they produce for the market or not, whether they are sellers or buyers of food products, on the specific products in which they specialise (cereals, oilcrops, meat, milk, fruits, vegetables or others), on whether they are exported or imported products, and on the technologies they use (irrigation, fertiliser, pesticides, agricultural machines or not). This diversity is also found in the organisation that represent them (small or large producers, cereals growers or livestock producers, etc.).

More generally however, producers seek to improve their income and standard of living, to limit the risks they are facing (unstable markets, pests and diseases or extreme climatic events), obtain compensations in case of a crisis and benefit from efficient, accessible and adapted agricultural services. If well organised, they can exert a strong pressure on the state through demonstrations and spectacular operations that may entail road blockades.

Small producers are often less well organised. They may have interests other than agriculture as they also often look for off-farm employment opportunities to complement their income and sometimes opportunities to migrate to the cities or abroad so as to improve lastingly their living conditions.

Like agricultural producers, agroindustrialists and traders constitute a diverse group. Their main objective is to maximise their profits. For this, they seek to pay agricultural commodities at the lowers possible price which puts them in potential conflict with producers. They want to reduce their costs of production and sell their produce at the best possible price. For them, stability means stability in the quantity and quality of their supply - they wish to make contracts with producers or share production areas among themselves and traders to limit competition - and stability of the markets for their production. Their other concerns include the funding of their activities (investments and working capital), protection from foreign competition, facilitation of the access to foreign markets, taxes and duties, as well as quality and environmental standards (for industrialists).
Consumers, on the other hand, are mostly concerned by the availability of quality food products at accessible and stable prices throughout the year, and by their source and level of income. They tend to turn to the state in case prices soar and towards their employers (in cases they are employees) if they feel that their purchasing power is diminishing.

Grouped in consumer associations, they may negotiate food prices and quality with the state or with associations of agroprocessors or traders. In case of crisis, they may also demonstrate with a variable level of violence, particularly in urban areas, to ask the government to react by changing its policies (prices, salaries, tax, trade regulation, safety nets, etc.). They may also organise campaigns to boycott certain products or suppliers.

Finally, consumers may also take action on the market and pursue objectives related to values for importance for them: for example Dutch consumers had an important role in the development of fair trade by imposing fair trade coffee to large retail chains during the 90s.

It must be noted here that all stakeholders are also consumers. This sometimes makes it complicated to analyse the impact on various stakeholder groups of certain events or policy decisions.

The special case of multinational firms

Their main objective being maximising their profit, these companies conduct production, distribution or research activities in several countries at a time. Operating in several countries simultaneously gives these companies a competitive advantage over others. This advantage can be partly explained by fiscal, financial and social reasons. This has facilitated their growth and development.

Through the vertical integration of commodity chains in which they operate - from production to processing and even retailing - they can use artificial internal charging of products moving from one of their branches to another within the company to transfer profits to countries where the fiscal regime is more favourable. Their access to international financial resources at better conditions gives them an advantage in their competition with local companies. Finally, they can also chose to develop their activities in countries offering the best economic and social conditions (subsidies, low salaries and social contributions, etc.).
Multinationals engage in international trade transactions that largely escape international rules established under the WTO. It is interesting to note that, despite the importance of international movements of commodities that take place internally to multinationals (between branches located in different countries), these activities could not be discussed at the WTO because of the strong resistance of some industrialised countries and although the WTO estimated that in 1995 one third of international commodity trade was handled by multinationals. This proportion has increased to more than 50% in 2000 and probably even more today. A large part of these activities consist in internal exchanges: for example in 1997, more than 50% of international trading activities conducted by US multinationals were internal, i.e. involved only subsidiary branches part of the multinational.

In non-industrial countries, some multinationals have been able to negotiate very favourable agreements from the fiscal and transfers of profits point of view, by promising to make job creating and value added generating investments, by being in tune with local policies and increasing the share of primary agricultural commodities processed in-country and by paying commissions to intermediaries more or less directly related to the power in place.

Multinationals are often allied with authoritarian government, particularly in Latin America, but also in Africa or in Asia, using them to control social movements among their employees in exchange to ensuring a certain economic stability to the country and securing substantial financial income for their leaders.

Over the years, the little progress observed in poverty and hunger reduction has been explained by the failure of the state because of the alleged inability of governments to assist efficiently and effectively those who suffer from hunger. The logical consequence of this view is to turn to the private sector with hope that it could solve the problem, and

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7 A. Bardan and D. Jaffee, On Intra-Firm Trade and Multinationals: Foreign Outsourcing and Offshoring in Manufacturing, Haas School of Business, University of California, Berkeley, 2004

8 M. Bucheli, Good dictator, bad dictator: United Fruit Company and Economic Nationalism in Central America in the Twentieth Century, University of Illinois at Urbana, 2006
recent events demonstrate that multinationals are ready to use this opportunity to expand their activities [read]. Increasingly multinationals and their financial allies see agriculture as a renewed source of profit and they eye increasingly on Africa and on natural resources (land, water, forests and genetic resources). The simple economic, financial and political weight of these stakeholders is currently changing the landscape. Their unbelievable capacity to recuperate ideas that were often invented during the last three or four decades to challenge the existing international food system (e.g. organic agriculture, sustainable management of the environment, fair trade) and their fairly successful efforts to give of themselves a good image, makes them increasingly powerful stakeholders able to shape the future of food and agriculture to their advantage.

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(June 2011 updated October 2013)