

CIEA 2002

**The importance of managing agricultural
Knowledge systems**

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Monday, 19 August 2002

**23RD INTERNATIONAL COURSE ON VOCATIONAL EDUCATION
AND TEACHING IN AGRICULTURE**

I am very pleased to be back in Grangeneuve for this important international seminar with which I have been associated for many years. Although I have retired from my position as Director for Food, Agriculture and Fisheries of the OECD (Organisation for Economic Cooperation and Development) at the end of 2001, I remained in close touch with the work of this Organisation and with other international activities, in particular in the capacity of Special Adviser to FAO over the last few months. This gave me an opportunity to strengthen my links with developing countries and to follow the preparations and the discussions of the FAO World Food Summit in June 2002.

In the light of this experience, I would like to deal with three aspects related to the management of agricultural knowledge systems and which are of particular policy relevance at the international level:

1. Food and agricultural policies are increasingly complex and linked with other economic and social dimensions, therefore requiring an integrated approach, at the domestic as well as at the international levels.
2. The formulation and implementation of food and agricultural policies become also more sensitive and of greater concern to various groups of the society, therefore requiring new collaborative processes.
3. To respond to these challenges, the agricultural knowledge system has to undergo significant adjustments, in terms of both substance and organisation.

I. An integrated approach to food and agricultural policies

The agricultural policy developments over the last ten to twenty years can be characterised by two major features:

- first, it is increasingly recognised, in all groups of countries, that agriculture has not only to produce food, although this remains by far its major objective, but also to respond to various other societal needs;
- second, agricultural policies are more and more determined, or at least influenced, by international decisions, as shown by regional integration or by the world-wide WTO negotiations.

The first development has been expressed in many countries through the concept of “multifunctionality”. This has been for many years a basic concept of the Swiss agricultural policy, as you will hear many times during your stay in Switzerland. It is also a key concept in countries such as Norway, Japan, Korea, etc. More recently, it became a major element in the context of the reform of the Common Agricultural Policy of the European Union, and is considered as a key component of the “European Agricultural Model”. Developing countries as well pay more and more attention to the various roles of agriculture – in fact, “roles of agriculture” is the title of an ongoing FAO project with which I am personally involved at the present time. And even in countries which are concerned with, or opposed to, the concept of multifunctionality, such as the United States or the members of the “Cairns Group”, the roles of agriculture other than food production itself, play a greater role in the policy discussion and

elaboration: for example the environmental considerations are also playing a major role in relation to agriculture.

With regard to multifunctionality, the key issues are to define the concept as clearly as possible, and to ensure that the policy implications drawn from it are relevant and efficient.

There is no doubt that agriculture plays a very important role in relation to major objectives of today's society, such as environmental conditions, the preservation of landscape and of cultural heritage, the rural/urban balance, etc. In developing countries, the possibility for agriculture to provide a "buffer" against external economic shocks can also be very important (for example in South East Asia during the economic crisis, or in Egypt during the Gulf crisis). The provision of food security is also a major policy objective, in particular in developing countries, both at the national and at the household levels. However, one can argue that the provision of food security is directly linked to the production of food products, and is not by itself a "multifunctional" element – however there are indirect effects of food security, for example the positive consequences on health, or on learning capacity, which belong definitely to the "multifunctionality" problematic.

The question which needs to be addressed is whether these various "non-food" functions of agriculture are really a "joint product" of agricultural production or whether these other goods and services could be produced through other economic activities. The next question is to assess whether these other goods and services can be provided through market mechanisms (a good example is tourism, not only in developed countries but also in developing countries) or whether they belong to the category of "public goods", therefore justifying a government intervention. In this last case, the final question is what type of policies would be the most effective in supporting the provision of the public goods – in most cases, specific "targeted" policies, for example in the field of environment or rural policy, are more likely to achieve this objective than general support policy linked to a given product. This has very important policy implications, in particular in the context of international negotiations: if the concept of multifunctionality is used to develop targeted, "decoupled" non-production and non-trade distorting, policies, it will be much better accepted by all countries, including exporting countries. If on the other hand, it is used to justify the maintenance of production support policies and of protection at the border, it will continue to be strongly opposed by exporting countries as being inconsistent with the general commitment to liberalise agricultural trade.

This leads us to the second characteristic of recent policy trends, ie. the "internationalisation" of agricultural policies, which is part of the overall process of globalisation of the world economy. Until the Agreement on Agriculture which was part of the GATT Marrakesh Agreement concluded at the end of the Uruguay Round in 1994, the agricultural sector had been to a large extent excluded from the general process of trade liberalisation. For the first time, the Marrakesh Agreement introduced disciplines on market access, export competition (export subsidies) and domestic support, with special provisions for developing countries, and included also an agreement on sanitary and phytosanitary measures (SPS). The concrete impact of the implementation of these commitments has been limited and, generally, has not provided developing countries with significant advantages. The ongoing process of WTO negotiations, following the Doha Declaration of November 2001, will certainly provide an opportunity to strengthen the disciplines in the three "pillars" of the Marrakesh Agreement: on market access, it is recognised that the import duties, which remain much higher for agricultural products than for industrial products, will have to be lowered further; on export subsidies, there is a consensus that they constitute one of the most distorting trade measure, and that should be significantly reduced or even eliminated; on domestic support, the main question will be to agree on the type of support which is really "decoupled" and "non-trade distorting", ie. whether the present exemptions under the "green box" could be widened or not. In addition, the major difficulties are likely to arise in the so-called "new domains", such as

food safety, denominations of origin, market competition, state trading, etc. In any case, the WTO process is the major engine which will make agriculture increasingly dependent on international decisions.

These two major trends have significant consequences on the agricultural knowledge system (AKS). First, if one accepts that agriculture has a “multifunctional character”, the AKS will need to be increasingly linked with other knowledge systems. The most obvious example is the link with environment, ecology and other life sciences in general. Second, the AKS will need to pay more attention to international developments, as they will increasingly impact on the domestic food and agricultural sector. More generally, the policy dimensions will need to be taken more into account by the AKS. We will come back to these consequences in the third part of this presentation.

2. A more collaborative process for policy formulation and implementation

Food and agricultural issues have become major concerns in today’s societies both in developing and developed countries, as mentioned before when we discussed the “multifunctionality” of agriculture. This represents a major challenge for all persons involved in the agricultural sector, but also a major opportunity to ensure that food and agriculture receive the justified priority. At the international level, this was precisely the objective of the FAO World Food Summit held in June 2002. It is indeed important to ensure that agriculture remains high on the policy agenda, in particular for domestic and international support to investment programmes needed to eliminate hunger and malnutrition.

The fact that society at large is concerned by various aspects of food and agriculture means that all “stakeholders” need to be involved in the process of policy formulation and implementation. It is not surprising that agriculture is the sector, together with environment, where NGOs are the most active. The discussions around GMOs are the most visible and tense, but there are also of a much more global nature. The consumers, the food industry, the retailers are the major partners which have to be involved, together with the farmers, in the process of policy formulation on issues which are of interest to all members of the society without exception, for example in relation to food safety or environment. It is encouraging to note that, beyond the differences of opinion and inevitable tensions between the various members of the food sector, there is a greater consensus among them on the major concerns. An interesting recent example is the “Sustainable Agriculture Initiative” taken by the three major food manufacturing firms (Danone, Nestle and Unilever).

The key political question is how to organise this collaborative process among all partners, and in particular to define the respective role of the Parliaments, which have the ultimate legislative authority on the one hand, and of the various more informal consultations among various NGOs, and between NGOs and Governments on the other hand. This is one of the major issues related to the policy organisation of modern States. Obviously, the traditional organisation of democratic States based on the three components of legislative, executive and judicial components, defined by Montesquieu centuries ago, is still legally valid but has become more complex because of the need felt by people to be heard also outside the formal parliamentary process.

One can argue that this sort of policy problematic goes much beyond AKS. It is indeed a wider issue; however it has also an obvious incidence on AKS. Traditionally, AKS was mainly developed by Governments in consultation with farmers’ organisations, because it was considered that farmers were the only “customers” of AKS. Today, AKS should be conceived as serving not only farmers, but also consumers and citizens in general. This may complicate the organisation of the AKS, which needs to respond to much wider needs than before, and which may have to take difficult decisions to define its priorities, in particular if

the Government itself wants to leave more responsibilities to the private sector in terms of finding the necessary balance and trade-offs between the various interests. If this means a more complicated task for the AKS institutions, it also means a much more challenging, interesting and independent environment for them. To summarise and simplify the change facing AKS, one could say that it should now provide a service to the society at large, and not only to one group of it, ie the farmers.

3. The challenges for AKS

The whole CIEA Seminar will provide a significant opportunity to discuss the implications of these developments on the AKS. It would therefore be presumptuous to draw conclusions in this first opening session. However I would leave for you further discussions a few remarks, which are of course not exhaustive:

First, in all economies and societies, the knowledge system will be one of the major engines for economic growth and social development. This is easily agreed upon by everybody in theory, but it should be translated in practice by allocating the necessary public and private funds, finding the most efficient way of combining these two sources of finance, depending on the specific situation of the countries. Even when there is pressure to reduce public expenditure for macro-economic reasons, research and education should not be the major sectors affected by savings. This applies also at the international level as research and education should remain a major priority for international cooperation – as evidenced by the present Seminar or, more generally, by the activities of the CGIAR in the agro-food sector.

Second, the need to attach a high level of priority to research and education applies in particular to the agro-food sector at the present time, when there is a moral and economic obligation to make a decisive progress to reduce hunger and malnutrition after the disappointing results of the last few years. This priority is even more evident when one takes into account the various expectations of the society at large from agriculture, in the field of food safety, environment, rural development, landscape, culture, etc.

Third, the AKS should, as a consequence, be more closely integrated with the other segments of the knowledge system, in particular in relation to life sciences. The organisation of the research and education systems needs to be reconsidered from this viewpoint. It may not be easy as it puts into question a number of acquired rights (or at least established traditions), but there is no way out for the survival of AKS than to accept a more intensive collaboration with other elements of the knowledge system.

Fourth, research, education and extension should be more closely integrated into a coherent and comprehensive agricultural knowledge system. Significant progress can be noticed in this direction in most countries, both developed and developing, but this should remain a constant objective. None of these three elements of the chain should be considered as having precedence above the others. Even if one considers that research is the “starting point” of the “knowledge chain”, extension and education can also provide very interesting feedback to researchers.

Fifth, AKS should integrate both “hard sciences” and “human sciences”, in particular economic, social and even cultural sciences. The borderline between these two groups of sciences appears obsolete in the present societies. At the same time, AKS should be more

closely involved in the policy process, allowing for more interaction between the policy makers and the AKS actors. This does not mean necessarily a limitation of independence for AKS, but a readiness to respond to the questioning of the public bodies and of the society as a whole.

In summary, at a time when the agro-food sector plays a major role in today's society, and receives more attention by all citizens, the AKS can, and should help, the agro-food sector to respond to these challenges. This is a fascinating task for all participants at the present Seminar.

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