

**Why African governments under-invest in agriculture:
Results from an expert survey**

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Abstract

Agricultural productivity growth is widely seen as an essential instrument of poverty reduction, food security and broader economic growth. Paradoxically, however, the agricultural sector is often neglected by African governments in what is often termed 'urban bias'. This paper explores what appears to be a very contemporary form of urban bias: that despite open acknowledgement of the importance of agriculture, public expenditure allocations to the agricultural sector remain very low in Africa. An innovation of the paper is to go beyond the broad cross-country picture about why this might be the case to instead examine more complex country stories through the use of expert surveys. Specifically, we interview senior policymakers in ministries of agriculture, ministries of finance, planning authorities, and donor agencies, for two sub-Saharan African countries - Uganda and Ghana - in which agricultural expenditure shares have been very low since the structural adjustments of the 1980s. Expert opinions on this issue belie simplistic explanations of the neglect of agriculture, in that under-investment is attributed to a range of institutions and processes, including weak and inconsistent political leadership, ineffectual and organizationally dysfunctional ministries of agriculture, and budgetary processes that disadvantage both short term spending and long term planning in agriculture. The paper concludes with some novel policy implications from these results.

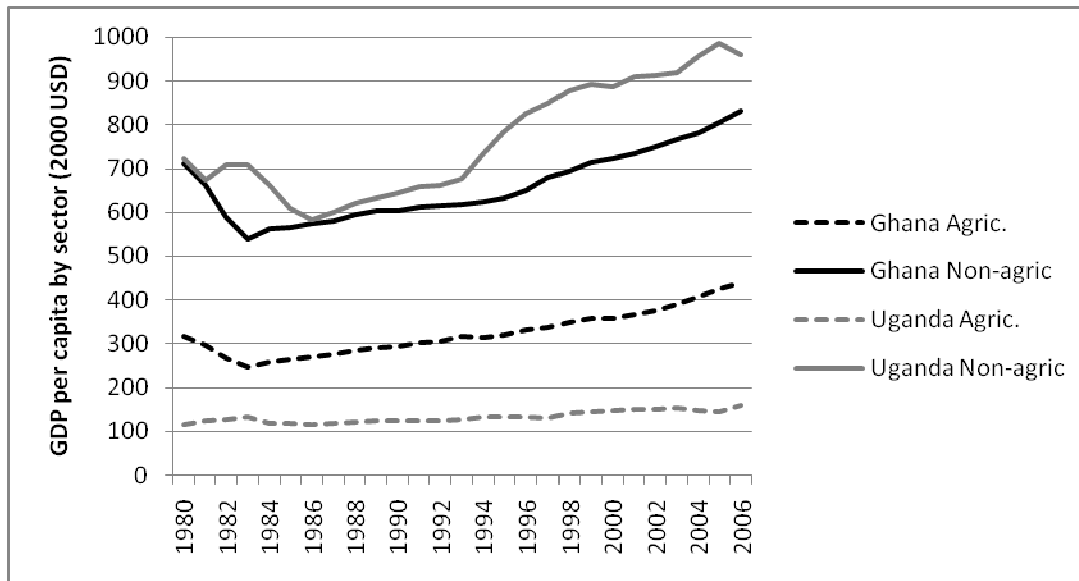
Keywords: Agricultural development, urban bias, public expenditure, expert surveys.

1. Introduction

Agricultural development is widely seen as a vital means of reducing poverty, catalyzing structural change, and increasing food security and nutritional outcomes. A great deal of research has demonstrated the benefits of achieving certain sets of agricultural development outcomes – such as increases in smallholder productivity growth – so much so that it is at least superficially puzzling that predominantly agricultural economies give so little support to the agricultural sector (Bezemer and Headey 2008). The early literature on urban bias provided some keen insights into the political economy forces that might explain this apparent paradox (Lipton 1977; Bates 1981; Krueger, Schiff et al. 1991). These included both systematic institutional factors such as the prohibitive costs of forming effective agricultural lobbies in smallholder communities, as well as more path-dependent historical factors such as postcolonial ideologies that embodied a bias against cash crop agriculture in favor of large scale industrialization. Whilst these theories are plausible and to some extent well supported by the evidence (Palaniswamy and Birner 2006; Bezemer and Headey 2008), they largely fall short when accounting for a contemporary version of this urban bias paradox.

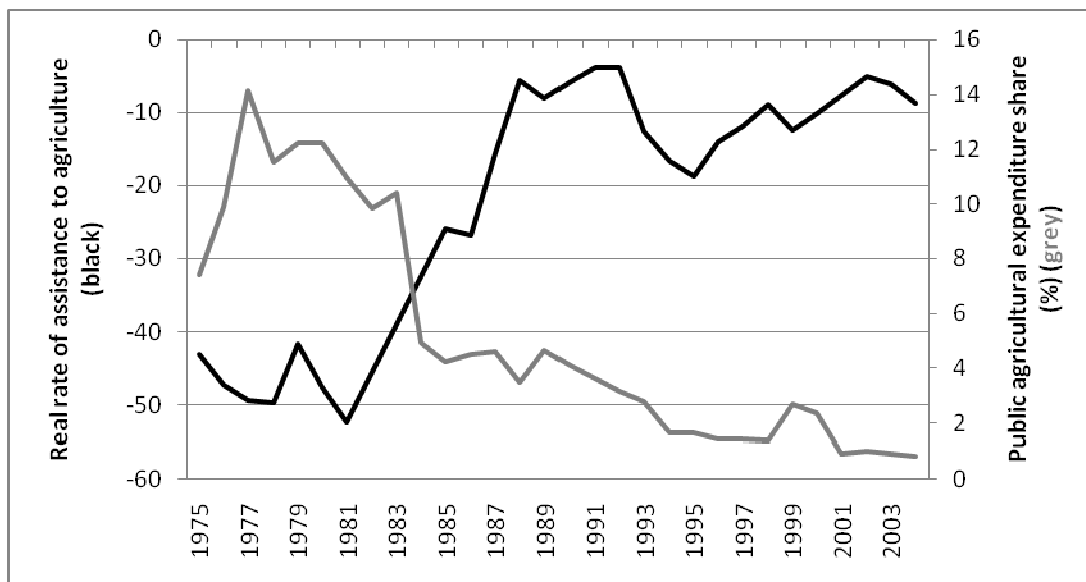
This paradox is as follows. Since the 1980s, a large number of developing countries – including the two countries examined in this study, Ghana and Uganda - have in fact reduced price biases against agriculture as part of a broader process of reform, or ‘structural adjustment’ (Anderson, Kurzweil et al. 2008) (see Figures 2 and 3). At the same time, the adjustment process included reforms that had a profound impact on the agricultural sector, including privatization, disinvestment or outright elimination of many of the public policies and institutions operating within the agricultural sector. In some instances, public agricultural institutions were abolished because they were thought to constrain private sector development and poverty reduction – e.g. marketing boards – but in others there were removed out of concerns over their inefficiency, their inequity, their drain on public resources and their adverse impact on macroeconomic stability – e.g. input subsidies. As a result, public spending on agricultural declined at the same time as net taxation of agricultural also declined (Figures 2 and 3 and Bezemer and Headey, 2008). The outcomes of this two-dimensional policy reversal within agriculture has been mixed: agricultural productivity growth has risen in many countries, but from very low levels, and generally not at speeds sufficient to bring about the kind of rapid economic development achieved by Asia’s Green Revolutions (Lipton and Ahmed 1997; Sahn and Younger 2004). In Uganda, for example, growth in agricultural GDP per capita averaged just 1.6% per annum from 1989 to 2006. In Ghana post-reform performance was better (2.6% per annum from 1983 to 2006), but rural poverty remains widespread in all regions, especially the north.

Figure 1. Trends in agricultural and nonagricultural GDP per capita: Ghana and Uganda, 1980-2006



Source: Authors' calculations from UN (UN 2008) national accounts and FAO sectoral population data (FAO 2008).

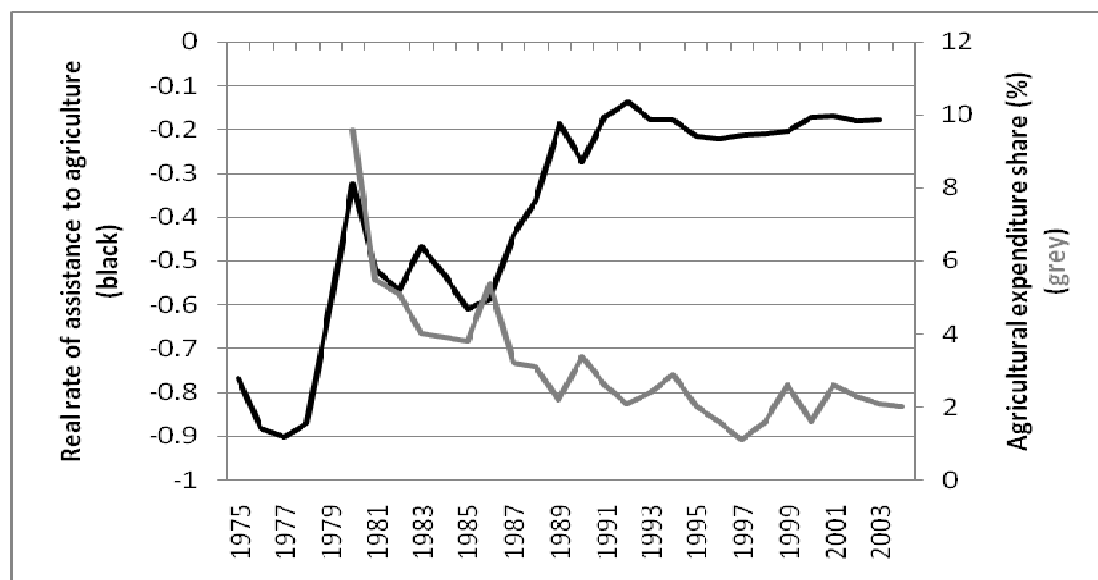
Figure 2. Trends in real rates of assistance to agriculture (RRA) and public agricultural expenditure shares: Ghana, 1975-2004



Source: Anderson et al (2008) for RRA data, and Government of Ghana for expenditure data.

Notes: The real rate of assistance to agriculture is effectively the ratio of the nominal rate of assistance to agriculture divided by the nominal rate of assistance to nonagriculture. It is therefore a good measure of 'urban bias', at least in terms of price distortions. Public expenditure on agriculture does not include COCOBOD expenditures. Adding COCOBOD expenditures would constitute a substantial additional the agricultural expenditure ratio, although it would still remain low in absolute terms.

Figure 3. Trends in real rates of assistance to agriculture (RRA) and public agricultural expenditure shares: Uganda, 1975-2004



Source: Anderson et al. (2008) for RRA data, and IMF (various issues) for expenditure data.

Notes: The real rate of assistance to agriculture is effectively the ratio of the nominal rate of assistance to agriculture divided by the nominal rate of assistance to nonagriculture. It is therefore a good measure of ‘urban bias’, at least in terms of price distortions. Public expenditure on agriculture does not include COCOBOD expenditures.

This basic story has a certain degree of supporting evidence, but even if the basic elements of this story are unconditionally accepted,¹ the story is bereft of an explanation as to why agricultural expenditure never recovered after the initial decline that accompanied structural adjustment. After all, Ghana and Uganda began their reforms in the early and late 1980s, respectively, such that 20 to 25 years have passed during which time agricultural expenditure has stagnated (Figures 2 and 3). The objective of this research is to find out why this is the case. This is an extremely timely research question. For one thing, the African Union’s Comprehensive Africa Agricultural Development Program (CAADP) binds participating countries to allocating 10% of public expenditures to agricultural expenditures. So far, however, the vast majority of African countries have failed to reach this 10%. More recently, the global food crisis has also prompted calls for African governments to greatly increase agricultural expenditure. But in addition to these short term considerations, there are serious omissions in the longer term literature on this subject. In particular, a significant body of research assesses the benefits of agricultural productivity growth on economic growth and poverty reduction (e.g. Diao et al (2005) and Christiaensen et al. (2006)), but very little research assesses the economic and political costs of achieving productivity growth in this sector. Understanding what kinds of factors may be restricting larger expenditure shares for agriculture, *including factors related to*

¹ Part of this broader research program looks at examining public expenditure data in more detail. Among other things, creating an internationally comparable measure of public agricultural and rural development expenditure (ARDE) is necessary to verify whether the cross-country differences below really do hold. A second objective is to gauge how the distribution of expenditures has changed within ARDE.

the real or perceived effectiveness of agriculture expenditure, is therefore also a perennially important objective for this literature.

To move some ways towards achieving that objective, the present paper reports some initial results from an expert survey conducted in two sub-Saharan countries in which the International Food Policy Research Institute (IFPRI) has Country Strategy Support Programs (CSSPs). The primary advantage of channeling this research through IFPRI's Country Programs is that CSSP leaders can use well established relationships with their host governments to reach senior policymakers and civil servants.² A second advantage is that these countries are not 'fragile states' or 'economic basket cases', but countries with relatively successful track records of reform. Thus any failure to initiate successful agricultural development strategies cannot automatically be attributed to broader state failure. In other words, we are trying to find out why relatively 'good' developing countries are struggling to significantly invest in agricultural development.

As for the expert survey approach itself, its advantages are several. First, country-specific expert surveys can yield insights into factors that are not observable at the international level. For example, cross-country regressions may yield broad insights about the kinds of factors that determine agricultural policies (Palaniswamy and Birner 2006; Bezemer and Headey 2008), such as population density, rural population size, political systems, colonial legacies and ideological factors, but these regressions will: (a) generally do a poor job of explaining differences within countries over time; and (b) omit factors that are not observable with international data, such as idiosyncratic institutional factors, budgetary processes or institutional failures in ministries of agriculture (MOA). A second and very important advantage of expert surveys is that they can yield soft evidence to questions for which no 'hard' evidence is available (again, budgetary processes and MOAs are good examples). In this regard expert surveys can tell us how things work in practice, and give admittedly informal observations on institutions and policymaking processes that could be difficult to obtain with more formal methodologies.

2. Methodology

Survey method

The basic process of conducting our expert surveys is as follows. First, IFPRI Country Program leaders identified key individuals in government and donor institutions that were directly involved in agricultural policymaking or in financing agriculture. These 'first-round' interviewees were then asked to recommend any other individuals that they felt would be informed on these issues in what is often called the 'snowballing' approach. As for the coverage, we surveyed individuals from the following types of institutions:

1. **Ministries of Agriculture (MOA).** Whilst MOAs have different titles and different responsibilities, there is invariably a single ministry that holds the primary responsibility of

² We did not exclusively rely on IFPRI contacts. Instead we used what is often termed the 'snowball' technique in which we asked our initial interviewees if there were other individuals that they would recommend we speak with.

pursuing agricultural development. Generally, we targeted individuals whom we thought could give an accurate and frank “insider” appraisal of how the MOA functioned.³

2. **Ministries of Finance (MOF).** MOFs are invariably responsible for the national budget, and can therefore provide essential insights into the budgetary process and how the MOA’s budgetary process compares to those of other ministries. MOFs also often play an explicit role in planning, but they also invariably play implicit roles as well through monitoring effectiveness of spending across ministries and making recommendations to the cabinet. They are also well placed to offer more informal assessments of MOA’s general effectiveness relative to other ministries.
3. **National Planning Authorities (NPAs).** In Uganda and Ghana there were several important government bodies charged with national planning. Like MOFs these agencies are well positioned to make comparative assessments of MOAs, but in several instances they also offered more critical appraisals of the budgetary process which MOFs might be reluctant to offer.
4. **Prime Minister’s or President’s Office (PMOs).** Along with NPAs, Uganda and Ghana also have PMOs involved in planning, but PMOs are also charged with coordinating and rationalizing government plans and policies across ministries and sectors. They therefore have insights into how MOAs perform relative to other Ministries in terms of expenditure effectiveness.
5. **Donors.** Donors are involved in planning, finance and monitoring and evaluation. They also tend to have a useful mix of some insider knowledge along with an outsider’s independence from strong local political pressures. In each country we focused on donors that had a large presence in the agricultural sector, and within each of these donors we focused on individuals working with the agricultural or rural development portfolio.
6. **Academics/researchers.** We also interviewed agricultural and rural development experts within local universities or ‘thinktanks’ in order to a more academic appraisal of these issues. These individuals often had a good perspective both on agricultural issues and the workings of the MOAs, but in some cases they had good knowledge and experience of other ministries in government. Generally, their opinions also seemed quite independent, although this independence could understandably be questioned in the case of leading ‘think-tanks’ that have a strong influence on government policy, or dependence on government contracts.
7. **PMA.** In Uganda we interviewed individuals from one special organization that does not fit into any of the institutions above. This was the Plan to Modernize Agriculture’s (PMA) technical secretariat. The PMA is a holistic plan aimed at addressing every aspect of agricultural livelihoods, from research, extension, finance, infrastructure, marketing and trade, and environmental sustainability. It is there a plan that requires collaboration and coordination across a number of ministries.

³ For example, in some instances we spoke with foreign advisors to an MOA, MOA consultants, former long-term MOA employees, ‘insiders’ pushing for change, or insiders charged with assessing and improving ministerial capacity.

Table 1. List of core questions in the expert survey

Core questions	Follow up questions, or areas of prompting
1. What do you see as the role of government in agricultural development in your country?	<ul style="list-style-type: none"> • Opinions on the strength of the private sector in agriculture; • The importance of agriculture in national plans; • How the role of the public sector has changed over time, and whether that was a positive/negative development.
2. Do you think that agricultural expenditure is sufficient? If not, why is spending so low?***	<ul style="list-style-type: none"> • Importance of agriculture to national development; • Effectiveness of public expenditure on agricultural sector • This introduced discussion of national leadership, national culture and attitudes towards agriculture, political support for agriculture, the budgetary process and MOF, the MOA and other agricultural programs.
3. Again, if you haven't discussed it already, would you say that agricultural policies or expenditure are perceived as ineffective relative to policies in other sectors? And if so, why?	<ul style="list-style-type: none"> • Effectiveness of education and health expenditures; • MOAs relative to other ministries; • Problems of demonstrating effectiveness of agricultural expenditure
4. If you haven't brought it up already, let's discuss the Ministry of Agriculture specifically. Do you think the Ministry as an institution suffers from a bad reputation? If so, in what ways is this merited or unmerited?	<ul style="list-style-type: none"> • Specific problems in MOA • Problems of reality versus problems of perception • Some of the successes of MOA
5. Are poor data or weak M&E a problem for the Ministry of Agriculture?	<ul style="list-style-type: none"> • Whether poor data and poor M&E are because of the MOA's problems or more innate problems in agricultural measurement
6. How are donors or NGOs influencing agricultural policies? Do they push hard for more spending on agriculture, or more effective spending?	<ul style="list-style-type: none"> • Impacts on planning • Impacts on finance • Impacts on MOA, including M&E

Notes: *** indicates that this question was not asked in Ethiopia, where agricultural expenditure shares are high. In addition to these core questions we asked specific questions tailored to the interviewee's expertise. For example: MOF interviewees were asked for more detailed questions on the budgetary process; national planning interviewees were also asked about planning processes and about the MOF; some individuals in MOA were asked about the CAADP process. The questionnaire in Ethiopia also focused more on national policies and their effectiveness.

As for the individuals themselves, we selected ‘first-round’ candidates based largely on firsthand knowledge of their expertise as well as perceptions of how forthright we believed they would be with their opinions. In half a dozen instances we spoke with the Directors or Chairpersons of the Institutions involved. Finally, whilst we made sure that we covered at least one individual from each of these six types of institutions, we did not restrict ourselves to one individual when there were opportunities to query more than one individual.

Survey questions and process

To begin with, each interview was preceded by an exchange of information in which the research project and its principal themes were described to the interviewee, before the interviewee was then asked to describe his/her principal responsibilities, and where necessary, the principal functions of the institution that he/she worked for. We then proceeded to the main body of the survey, which is best described as semi-structured in that there were some core questions answered to all interviewees, although many questions were tailored to each interviewee’s area of expertise. Individuals were allowed to bring up issues that they thought were pertinent to the overall themes, so that the subject matter was not overly predetermined by the interviewers. The more structured components of the survey included the following questions are listed in Table 1.

Methodological pitfalls of expert surveys

Although our introduction noted some of the significant advantages with expert surveys in this context, there are also some obvious disadvantages with expert surveys that it behooves us to consider. First, in any expert survey there is an explicit selection bias in that we are generally only surveying individuals that could be regarded as experts. Whilst focusing on ‘trusted’ experts is advantageous insofar as we can screen out information that is not reliable, this sampling restriction could artificially reduce the scope of qualified opinions. Clearly the tradeoff between the quality of opinions expressed and the size and scope of the survey is unavoidable, however.⁴ Another bias relates to any survey that asks for subjective answers to ‘soft’ questions. We did, however, ask interviewees to substantiate their opinions. But it could also be argued that subjective perceptions are actually quite important, if only because the people who hold these perceptions –nearly all of whom were quite senior policymakers - are themselves important. A final rather important issue is the political sensitivity of the survey’s themes. We tried to minimize this problem through ensuring anonymity of the interviewees, but also through speaking to civil servants and elected officials who were senior enough to speak their mind without fear of being recrimination. One indication that political sensitivity was not a prohibitive bias is that a large number of interviewees gave very strong and seemingly unqualified criticisms of policies, processes, institutions, and, sometimes, individuals.

3. Results

In this section we present results from the expert surveys in Ghana and Uganda. For brevity’s sake we focus on the key question of why the agricultural sector receives so little funding. Only in one

⁴ Even very different techniques are faced with this tradeoff (e.g. whether or not to include outliers, whether or not to attach more weight to some observations than others, such as in weighted least squares).

instance was this conclusion partially rejected.⁵ Another interesting outcome was that in both countries we obtained a very similar overall picture, although the emphasis on particular factors varied according to individuals, their expertise, and their countries. These differing emphases are highlighted where pertinent, but Table 2 summarizes what we perceive as the overall picture for both countries.

Weak national leadership. Both Ghana and Uganda have prominent planning documents and political manifestos that attach a great deal of importance to agricultural development. Thus in neither country did any interviewee claim that agriculture was entirely ignored by the leadership, especially in terms of rhetoric. However, many interviewees said that: (a) leadership was weak at the operational level in agriculture (putting words into actions); and (b) leadership of agricultural development was inconsistent and stop-start.

On what we have termed the operational level, interviewees emphasized that the cabinet and parliament do not exert enough pressure on the MOA or the MOF, and do not push harder for better agricultural policies and better results. A number of respondents in Uganda, in particular, emphasized this inconsistency in leadership from the executive and cabinet. For example, they felt the President gave mixed messages, one day emphasizing a vital role for agriculture, even in political manifestos such as *Prosperity for All* (PFA), and the next day claiming that “only industrialization could create a middle class”. Some individuals attributed this to political myopia. In several instances, interviewees cited the President’s overnight suspension of the relatively new National Agricultural Advisory Services (NAADS) as a particularly bad instance of an intervention based on political impatience with NAADS, which was initially viewed as a 25 year program. In Ghana, one very senior policymaker with over four decades of experience at the top emphasized that Ghana had a long history of policy failures in agriculture, but also of successes that were never scaled up. This interviewee also attributed this to leadership issues, as well as to the fickleness of the policymaking environment in Ghana, which was often influenced by fads and fetishes in the donor community.

One feature that was also emphasized in both countries, but again, in Uganda especially, was the overall weakness of national planning processes. This came as quite a surprise, given that both countries are well known for having capable technocrats and quite homegrown planning documents. Indeed, the Poverty Eradication Action Plan (PEAP) from Uganda was a precursor to the Poverty Reduction Strategy Papers advocated by the World Bank, and Uganda’s Plan to Modernize Agriculture (PMA) was widely praised for both its conceptual rigor and its national ownership. Despite this, all interviewees emphasized that the PMA was not actually a plan. Instead, it was a conceptual framework that described some intermediate policy objectives that were required for rapid and holistic agricultural development. However, it did not clearly delineate who would be responsible for these different objectives, or what sort of incentives would motivate them. Thus, of the seven pillars of the PMA, only two pillars were ever regarded as being successfully implemented: NAADS and the National Agricultural Research Office (NARO). Interviewees suggested that it was significant that:

⁵ In this instance the individual argued that agricultural expenditure may not be properly measured to include spending on roads, water, the environment, and so on. In all other instances there was at least agreement that agricultural expenditure was very low. Whether it was excessively low naturally depended on whether respondents thought that additional finance could be effectively used.

- (a) both pillars were more conventionally “agricultural” than the other five pillars (which covered infrastructure, finance, trade/marketing, water, and the environment), perhaps indicating that the PMA was viewed as encroaching upon the more traditional functions of the agencies responsible for the other 5 pillars;
- (b) both NARO and NAADS were created by acts of parliaments, whereas the other 5 pillars relied on soft political pressure;
- (c) both NARO and NAADS, though agricultural, were created (or re-created) as agencies that were largely autonomous from the Ministry of Agriculture (MOA).

The good news from Uganda is that this lack of real national planning is widely acknowledged and apparently being addressed through the creation of a new National Planning Authority, as well as new planning processes within the MOA itself.

Problems with national budgetary processes. Somewhat surprisingly, several interviewees in both Ghana and Uganda emphasized problems with the budgetary process. However, these comments covered a wide range of issues, not all of which directly related to agriculture. For example, some commentators appeared to feel that the Medium Term Expenditure Framework (MTEF) sacrificed meaningful development-oriented planning for the sake of fiscal restraint. As the NPA in Uganda emphasized, MTEF is “a cost-minimizing rather than a development-optimizing process”. MTEF uses a macroeconomic framework to come up with an initial estimate of total resources for the coming year. In practice, Ministries of Finance then examine last year’s allocation to various ministries and agencies, including both the total share as well as the amount budgeted that was actually executed. MOFs then use these figures to set a ceiling for each ministry, which is generally close to last year’s ceilings. However, MOF interviewees emphasized that the ceiling is not truly fixed – ministries can raise the ceiling if they demonstrate that they have important expenditure priorities. To that end, the MOF asks each ministry to propose a budgeted plan for the coming year, in which the line ministry would emphasize priority activities that would be covered under the initial ceiling.

Despite claims that the ceiling was not truly fixed, interviewees in national planning and agricultural ministries emphasized that agricultural ministries face a number of difficulties in the MTEF budgeting process. First, there is a persistence or hysteresis in sectoral allocations of expenditure: a low allocation last year is more likely to give a ministry a low allocation the next year. To some extent this persistence is necessary. For example, the large investments in education in the 1990s have high recurrent costs, such as teacher’s salaries. But some interviewees also felt that this process of “just looking at last year’s figures” was little more than arbitrary, or convenient.

Second, many interviewees stressed that agricultural ministries face particular difficulties in spending all the money allocated for them because the budgetary process runs according to a financial season that does not tie in well with the agricultural season. Thus, money may not be available for distributing inputs – such as seeds - at the right time of the year. Unrelated to MTEF, MOA interviewees also emphasized lengthy procurement processes. In Ghana, one interviewee emphasized that decentralization was also slowing down the devolution of funds. Several interviewees outside the MOF emphasized that the MTEF process also allowed more much subjectivity than the apparent rigor of the process actually suggested. For example, they claimed that money was allocated according to grey criteria such as ministerial reputations. They also argued that the MOF was too powerful in Uganda and needed more supervision from cabinet and the parliament. Also, some interviewees defended MTEF

However, some interviewees in the MOF and the donor community also felt that these were partly excuses for incompetent planning and budgeting, and they cited specific examples of poor planning processes to corroborate these claims. For example, one donor said that his own agency started the procurement process before they got the funds, whereas Ghana's MOA would only start that process when the funds actually arrived. One interviewee who was involved with the initial adoption of MTEF said that the process made objectives, outputs and activities more explicit and more forward-looking, and greatly rationalized the budgeting and planning process. This individual suggested that some of the problems attributed to MTEF were not problems with MTEF itself, but deeper political and institutional problems. In Ghana, in particular, a number of interviewees emphasized the wage bill issue. Unlike developmental and operation expenditures, the wage bill in Ghana is non-negotiable, or perfectly sticky. Thus if the total budget goes down and the wage bill stays fixed, investment and equipment expenses inevitably go down. However, one interviewee in Ghana described MTEF as a disaster for this very reason: it hasn't encouraged human resource planning to take place simultaneously with development planning. At worst, though, this is merely a sin of omission – previous budgetary processes in Ghana were no more effective at dealing with the wage bill issue.

Weak leadership in MOAs. Although many people cited problems in the budgetary process, most interviewees made far stronger criticisms of leadership within the MOA, including the Minister of Agriculture and senior civil servants in the MOA. In Ghana as well as Uganda people stated that senior civil servants and Ministers of Agriculture saw their positions in the ministries as “bus stops” – i.e. just a means of getting somewhere else, because the MOA had such a poor reputation and was so weak politically. A number of interviewees argued that Ministers did not push hard for reform, were not vocal when funding was insufficient, and generally displayed apathy or, at worst, incompetence.

Poor business culture in MOAs. All interviewees that had close interactions with MOA in both Ghana and Uganda emphasized a number of problems in the institutional environment. In Ghana, one donor-based interviewee said that the Ghanaian government in general had an “authorizing environment”: at every single stage of any process, they had to go back up to the Chief Director to get authorization, even for routine and small matters. Thus the MOA created completely artificial bottlenecks.

Many interviewees emphasized that agricultural ministries tended not to be politically savvy. Chief Directors in Ghana, claimed one interviewee, generally came out of a technical background, and were not good at playing the political games required to secure more funding. For example, the “MOA regularly asks for 3 or 5 times the budget ceiling set for them by the MOF”. However, another interviewee suggested that this was done to create the appearance of a financing gap that would shock donors into financing the MOA.

Table 2. Why are public agricultural expenditure shares so low in Ghana and Uganda? Results from an expert survey

Processes & Actors	Problems	Causes
<p>1. National planning and budgetary reviews by : Executive, cabinet or parliament</p>	<ul style="list-style-type: none"> • Weak and inconsistent advocacy of agricultural development • Low degree of pressure exerted on MOA and MOF by elected officials • Overall national planning processes are weak 	<p>Some traditional political economy factors:</p> <ul style="list-style-type: none"> • smallholders constitute a weak lobby group; • disappointment with previous agricultural initiatives; • political myopia and impatience with long term agricultural initiatives, in favor of ad hoc populist interventions
<p>2. National budgetary process by: Ministry of Finance</p>	<ul style="list-style-type: none"> • Budgetary process is not well suited to agricultural policymaking implementation, so actual spending is much less than budgeted • Path dependency in allocation of national expenditure across ministries and sectors: MOF’s rolling budgetary approach sets ceilings for each ministry, partly based on last year’s budget 	<ul style="list-style-type: none"> • Agriculture is seasonal, but budgetary process tends to release funds in 3rd quarter; also, long procurement processes slow down agricultural spending • This potentially means that once a ministry has a low share of the national budget, it is likely to continue getting a low share
<p>3. Planning, budgeting, implementation, and M&E by: Ministry of Agriculture</p>	<ul style="list-style-type: none"> • Poor leadership, partly because ministers and senior civil servants see the MOA as a “bus stop” – they are waiting to move on to somewhere else • Very weak M&E, so MOA cannot demonstrate that its spending can be effective • Very low absorptive capacity: actual spending as share of budgeted spending is very low • Very poor planning and budgeting process, so MOA has poor reputation with MOF 	<ul style="list-style-type: none"> • MOA has lost prestige, partly because many of its core functions were privatized or decentralized • Data measurement and good M&E are inherently more difficult in agriculture than in education, health or infrastructure, but this inherent weakness is compounded by poor technical capacity in the MOA • Partly this reflect problems with seasonality and lengthy procurement processes (see above), but technical capacity is also an issue • Poor leadership and weak technical capacity • MOAs are struggling to articulate a role for themselves after the removal of more interventionist policies

Notes: These results summarize the findings across expert surveys in Uganda and Ghana. The table is only meant as a summary. Different individuals in each country emphasized some factors more than others, but only in a few instances did they directly contradict each other (as noted in the text).

Poor leadership at the top of the MOA was also cited as a cause for the generally bad state of the MOAs at lower levels in both Uganda and Ghana. In Uganda, MOA insiders cited extreme cases of institutional failure, such as in-fighting (including leaking false information to the press), and people not turning up to work or not doing work if they turned up. As for the MOA's functioning, people within and outside MOAs emphasized that one problem was that the role of the MOA was indeed so reduced that the MOA no longer a good place to work. One former long-term MOA employee in Ghana when asked about this issue replied "Put it this way: I am not encouraging my son to follow in my footsteps". MOAs were seen in both countries as Ministries that had significantly declined in importance and prestige.

Lack of technical capacity in MOAs. Partly because of poor leadership, bad reputation, and diminished portfolios, MOAs do not attract as many good people as they used to. But all interviewees stressed that MOAs were not meritocratic and that the incentive systems were very weak. However, we also queried interviewees about whether there was a 'chicken-and-egg' problem here, namely that MOAs lacked capacity because they were underfunded. There was some sympathy to this argument. For example, in Ghana it was argued that once the wage bill for the MOA had been paid there was very little left over for operational expenditures, such as motorbikes for extension agents, so it was no surprise that people did their jobs poorly. But in general it appeared that these reasons were not sufficient to account for why the MOA still did so many other activities poorly, such as budgeting, planning and regulatory activities.

Weak data collection and M&E. Interviewees universally stressed that demonstrating the effectiveness of expenditure was significantly more difficult for agriculture than comparable sectors such as health, education or infrastructure. For example, these other ministries could report simple metrics such as roads, schools or hospitals built, or children educated or immunized. In contrast, the MOA's core functions – such as extension – "yielded little tangible benefits". Indeed, it requires relatively complex econometric work to link extension to adoption, adoption to yields, and yields to income, and in all these linkages there may be confounding factors such as bad weather, high transaction costs in finance, trade and marketing, or poor international prices.

That being said, all interviewees suggested that the MOA did not make enough efforts to do M&E or even basic data collection, and probably lacked technical capacity to do so. In Uganda, an agricultural census had not been conducted in 18 years, and in Ghana the 2005 agricultural census was essentially scrapped because of problems with the data.

The mixed role of donors. Most interviewees appeared to see the crux of the problem in national governments rather than amongst donors. Some emphasized that specific donors played a positive role by championing agriculture (although in the past, they championed education and health more vociferously), and by improving M&E and encouraging reform. However, a number of interviewees, including some donor-based individuals, emphasized that project proliferation was still a major problem. Other interviewees argued that the most serious problem was that donors were too soft on MOAs. They provided around 50% of MOA budgets, and rarely reported problems in an honest fashion because of pressures from their home countries to report success stories and make full use of their budgets.

4. Conclusions

With respect to agriculture, Uganda and Ghana display very similar policy histories. Both countries were early reformers, and both significantly liberalized their agricultural sectors. This liberalization of the agricultural sector partly explains why agriculture's share in the national budget declined markedly with structural adjustment, but the adjustment process does not fully account for why agricultural expenditure shares have remained low in both well after early reform efforts. Expert surveys conducted across a range of institutions yield broadly similar stories for both Ghana and Uganda. Many of these stories are, if not contradictory to traditional political economy stories of urban bias, certainly very different to those stories. Moreover, whilst traditional urban bias theories yield little in the way of policy implications - since they attribute agriculture's neglect to relative deep institutional factors - many of the factors highlighted in the previous section are more amenable to specific policy reforms. Indeed, our interviewees often highlighted actions that were being taken to improve the basis for planning and policy implementation in agriculture.

For example, the Ugandan government is currently undertaking steps to improve and rationalize its national planning processes through the creation of a National Planning Authority. In Ghana, a new body was created to improve parliamentary oversight of the budgetary process. Donors are also working to rationalize their activities and to advocate reform and expansion in MOAs. In Ghana the World Bank is trying to support increased financing to agriculture by backing the MOA for three years and thereby giving the MOA a chance to prove to the MOF that it can make some effective changes.

Other problems highlighted in the expert survey are also relatively tractable. For example, insufficient data collection and M&E in agriculture - with a view towards identifying and demonstrating profitable public investments - is a concrete problem with a fairly concrete solution. Both Uganda and Ghana are working to carry out fresh agricultural censuses and more broadly trying to improve their data collection practices.

Nevertheless, many of the 'new' problems this survey has identified do point to some deeper institutional and cultural factors. In Ghana, for example, interviewees made a big deal of the sticky government wage bill and the large amount of surplus labor in MOAs and elsewhere in government. This is a longstanding political and economic problem in Ghana, and not one particular to the MOA. At the very least the goal of rationalizing the balance between investment expenditures and personal emoluments is clear.

Another more tractable problem is the budgetary process itself. Although the jury is still out on the Medium Term Expenditure Framework, in both countries it appears that the MTEF process at least requires serious review. Part of that review should focus on the advantages and disadvantages that MTEF has for development planning. For agriculture the budgetary process also poses some specific problems that may require reform. Seasonality, lengthy procurement processes and poor planning & budgeting processes within the MOA are all problems that require more effective collaboration and dialogue between MOFs and MOAs.

The stark criticism of the leadership and organizational culture of MOAs in both countries also appears to be a difficult problem to address (Wiggins and Cabral 2006). Making these organizations more meritocratic could conceivably empower would-be reformers, and also improve service delivery at lower levels (e.g. extension). But institutional change is difficult, especially when the top leadership has also been identified as a major obstacle to organization improvement. Nevertheless, it is possible that institutional change could proceed relatively quickly if the national leadership were to

intervene by vesting future MOA ministers with a strong mandate for institutional reform. Development experience to date generally indicates that the institutional basis for Green Revolution is precisely this kind of push from above. Without backing from government elites, agricultural ministries appear to get sidelined into marginal roles in which they are locked into a vicious circle in which poor prestige, weak technical capacity and small budgets all reinforce each other. The task for African policymakers is to break this cycle.

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