

# Role of Food security Networks in the Policy Process: Lessons from Developing Countries

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# Organization of Presentation

- Why Study Policy Process?
- A Model of Policy Process
- Lessons from Role of Networks in Policy Process
- Application to Myanmar Policy Scenario and FSWG
- Legal Implications for Policy design and Implementation
- Concluding Remarks

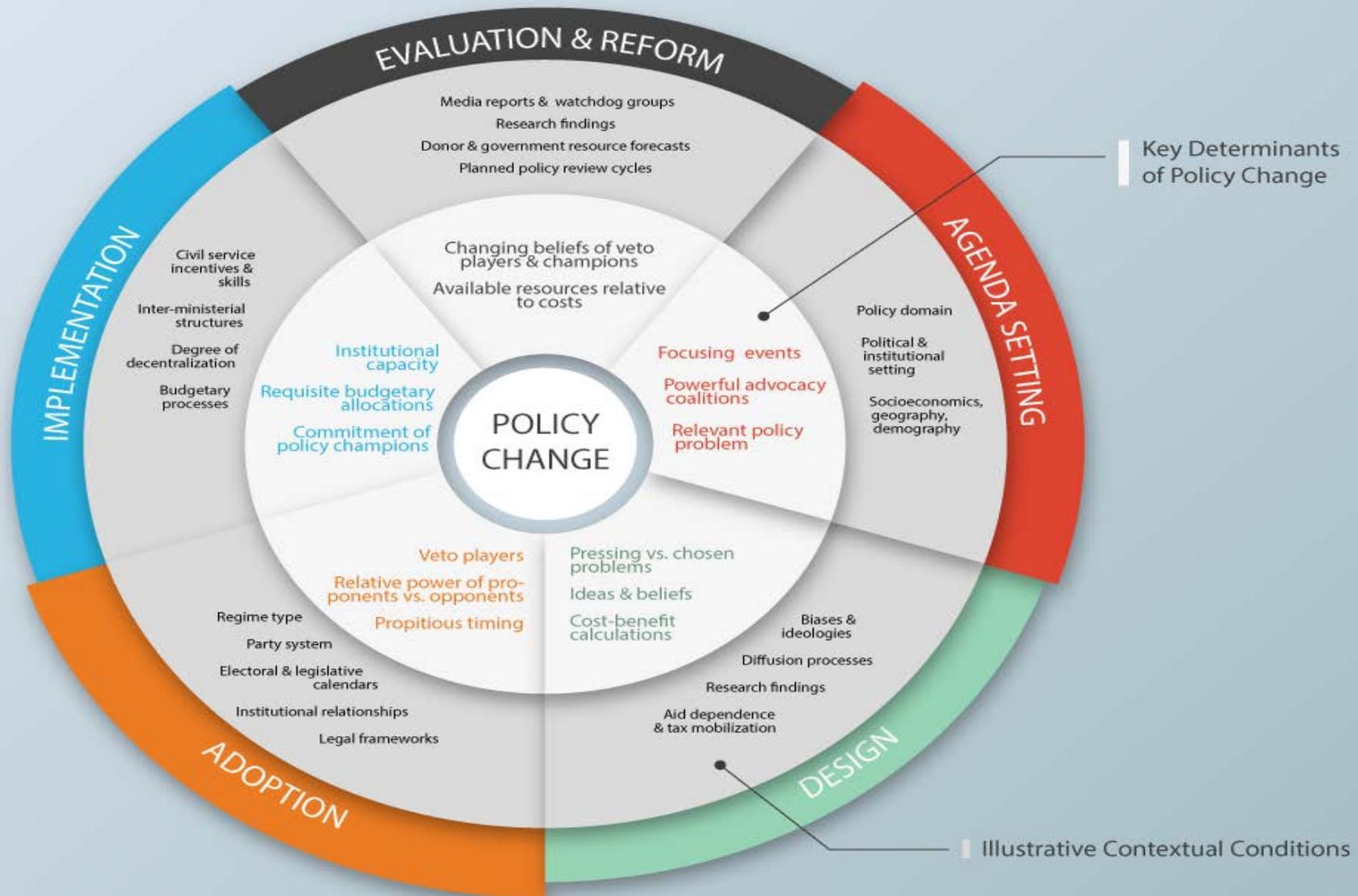
# Why study the Policy Process?

- What drives the process of policy making and implementation under various political and socioeconomic contexts in various countries?
- What are the challenges to design implement policies or enacting the laws?
- How could be the process of policy change be enhanced?
- What specific interventions will help in building better capacity of the policy system at its actors and players?
- What innovations are need to track the improvements in the policy process?
- What lessons could be learned from the case studies form developing countries?



# A Model of Policy Process

Source: Resnick et al (2014) – Draft Conceptual Framework paper under review



# Integrating Disparate Literatures

- Public and policy administration approaches
  - Policy stage heuristics
  - Multiple streams
  - Advocacy coalitions
  - Diffusion models
  - Principal-agent models
  
- Political economy approaches
  - State vs. society-centered drivers of change
  - Rationalist, institutionalist, and constructivist theories

Source: Resnick et al (2014) – Draft Conceptual Framework paper under review

# Identifying Key Variables

## Opportunity structures

- Timing
- Regime type

## Ideas

- Previous history
- Epistemic communities
- Diffusion of models
- High level commitments
- Leaders' ideologies

## Interests

- Affected stakeholders' interests
- Bureaucratic preferences
- Party/regime legitimacy and selectorate
- Donor preferences

## Institutions

- Parliamentary vs. presidential structure
- Party systems
- Bureaucratic organization and capacity
- Affected stakeholders' organization
- Degree of decentralization

**Nature of the policy**  
(*redistributive, distributive, regulatory, etc.*)

**Scale of policy change**  
(*major policy innovation or gradual refinement*)

## Stages of Policy Process

**Agenda-setting**

**Design**

**Adoption**

**Implementation**

**Evaluation**

Source: Resnick et al (2014) – Draft Conceptual Framework paper under review



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# Lessons from Bangladesh

- BRAC – largest NGO in Bangladesh
- CSOs raised voices about the concerns
- Government concerned about the political instability
- Convened consultations of the CSOs
- BIDS conducted research and analysis
- FPMU – Ministry of Food coordinated consultations – Training in analysis of causes of interventions
- Recommended social protection measures emphasizing long term development

Source: IFPRI-BRAC consultations in 2009, Dhaka



# Lessons from India

(Source: Consultations by IFPRI in 2009, New Delhi)

- Food Security Bill of 2013
- Began with a law suit by a lawyer at the Supreme Court
- Mobilization of the NGOs behind the “Right to Food”
- Researchers and CSOs collaborated with their strengths to bring research and outreach together
- Policy system took this up and debated for several years
- CSOs brought ground level reality to the policy debates on a regular basis

# Lessons from Vietnam

(Source: Consultations by IFPRI in 2011, Hanoi)

- Climate change policies and programs
- Several ministries and agencies are involved
- Initially doubts about the knowledge and role of NGOs in the Climate change issues
- Leading NGO activist organization mobilized other CSOs for consultation
- Several rounds of training and capacity development were organized
- CSOs are beginning to help in the process of local consultation and dissemination of information about the potential challenges and adaptation measures.

# Lessons from Nigeria

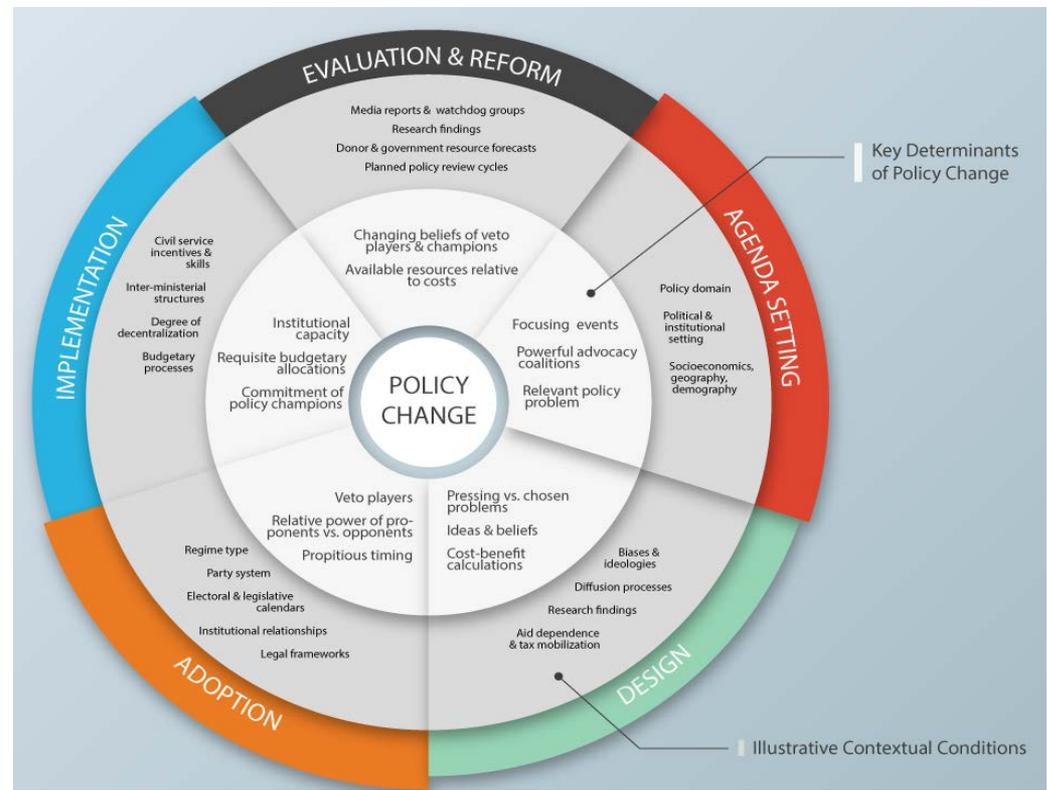
Source: Babu et al (2014)

- Coalition of food security NGOs
- Very little attention or consultation until 2007-08 food crisis
- Activism during the crisis help to bring the members together
- Action Aid – capacity strengthening of the members
- Better demand for intervention programs and delivery of services



# THE SEED POLICY ENVIRONMENT

- In each seed system, there are a range of public, private and civil society actors engaged in (a) strategic oversight and policy implementation, (b) research and development, (c) regulation, and (d) seed production and marketing.
- Historically public sector driven
- There are good reasons for continued public involvement
- But there are reasons to consider more diverse provision strategies
- The question is whether the organization and policy, are efficient, effective, and open enough to encourage more diverse provision strategies.



# SEED POLICY EVIDENCE: ...BETTER SEEDS IMPROVE AG GROWTH

- The shortage of good quality seed is frequently identified as a major constraint to increasing crop production in Myanmar.
- Improved cultivars can enhance crop yields and drive agricultural productivity growth (Evenson and Gollin 2003; Rosegrant and Hazell 2000; Rosegrant and Evenson 1992).
- This growth has contributed to broader agricultural development and poverty reduction among both small-scale, resource-poor farmers and food-insecure consumers (Adato and Meinzen-Dick 2007; Hazell and Haddad 2001; Fan 2000; Fan et al. 2000).
- Improved cultivars through improved policy can contribute to Myanmar's goals of reduced poverty and agricultural growth.

# SEED POLICY EVIDENCE: ...PRIVATE INVESTMENT IS GOOD!

- Public investments in cultivar improvement yield high rates of return (Renkow and Byerlee 2010; Raitzer and Kelley 2008; Alston et al. 2000).
- However, private investment now plays a very large role in global seed technology development (Fuglie et al. 2011) and creating an enabling seed policy for private seed research and sales has been shown to improve agricultural productivity (Kolady, Spielman and Cavalieri 2012).
- Greater involvement of the private sector in seed development may help improve the availability of improved cultivars to farmers.

	Expenditures (in Millions of Dollars US\$)			Share	
	Public	Private	Total	Public	Private
Developing Countries	12,819	652	13,682	93.7	6.3
Developed Countries	10,191	12,086	22,277	45.9	54.3

Pardey et al 2006



# SEED POLICY EVIDENCE: ...INTELLECTUAL PROPERTY RIGHTS INCREASES PRIVATE INVESTMENT

- Traditional breeding methods limited the appeal of private investment in agricultural R&D because of the inability to capture profits and protect intellectual property (Pingali 2007b; Nin Pratt 2010).
- Improved IPR and strong enforcement mechanisms to ensure appropriability of technologies have been shown to stimulate private investment in agricultural R&D (Naseem, Spielman, and Omamo 2010; Lele, Lesser, and Horstkotte-Wesseler 2000; Kanwar and Evenson 2003).
- IPR in India encouraged greater private-sector investment in hybrid crop improvement and ultimately was responsible for improving yields (Kolady, Spielman, and Cavalieri 2012).

## SEED POLICY EVIDENCE: ... OVER-REGULATION DISCOURAGES INVESTMENT

- Quality control and regulatory systems play an important role in encouraging private investment in agricultural R&D (Tripp and Louwaars 1997; Gisselquist and Van der Meer 2001; Naseem, Spielman, and Omamo 2010).
  - Protecting farmers from mislabeled or counterfeit farm inputs
  - Helps solidify brands, reputations and convey information
- India has attracted huge investments through policy reforms (Pray, Ramaswami, and Kelley 2001). They:
  - Reformed policies to allow greater foreign ownership and investment in Indian companies
  - Reversed policy to allowing large firms into the seed sector
  - Allowed for the importation of various vegetable seeds and coarse grains (maize, sorghum, and millet), pulses, and oil seeds.
- Reforms were directly responsible for the entry of large seed companies, which accounted for nearly one-third of total R&D expenditures in 1997 (Pray, Ramaswami, and Kelley 2001).

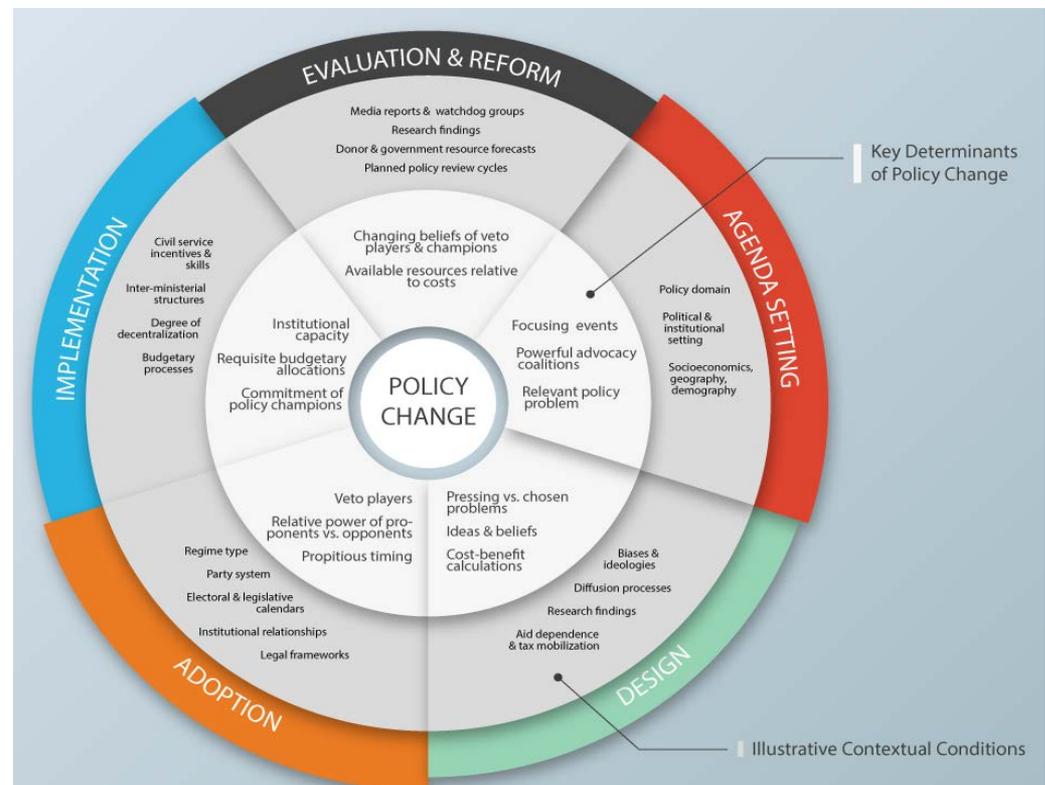


# TARGETING FSWG EFFORTS

- The Seed Law has been enacted and but there are still no Rules and Regulations
  - The Law is moving in the right direction.
- There is a lot that can be learned from neighboring countries. Consolidating and synthesizing these lessons will help focus FSWG advocacy.
- Seed systems research is a very large undertaking. This research may not be FSWG's comparative advantage.
- Seed policy is about giving farmers better seed and more choice. FSWG advocacy seems to focus on changing farmers demand. Advocate choice not a specific kind of seed.

# FERTILIZER POLICY

- The 2002 Fertilizer Law and was followed by the Rules and Regulations in 2007 in order to manage fertilizer production, and distribution.
- Provides a framework to guide inspections and identifies the Myanma Agricultural Service to regulate the sector
- The Law creates the Fertilizer Committee:
  - Develops policy and fertilizer standards; issues registration certificates, undertakes research and extension and coordinates between government departments, NGOs, and international organizations.
  - Supported by the Fertilizer Technical Body.



# FERTILIZER SITUATION

Country	<u>Fertilizer consumption (kg/ha)</u>		<u>Paddy Yields (t/ha)</u>	
	Average 2008-10	Average annual Change (%) 2002- 10	Average 2008-10	Average Annual Change (%) 2000-10
Bangladesh	181.8	0.28	4.24	2.62
Cambodia	9.4	10.76	2.85	4.37
China	553.8	6.89	6.57	0.69
India	166.5	7.56	3.28	1.65
Indonesia	182.5	5.78	4.97	1.41
Malaysia	967.8	6.02	3.65	1.83
<b>Myanmar</b>	<b>6.4</b>	<b>-2.32</b>	<b>4.05</b>	<b>2.12</b>
Nepal	14.1	1.30	2.80	0.20
Philippines	126.4	-2.92	3.66	1.85
Thailand	138.2	1.71	2.93	0.82
Vietnam	339.7	0.32	5.27	2.30

- National data quality may be poor (Haggblade et al 2012)
- Fertilizer use may be much higher (LIFT 2012; Denning et al. 2012 and Thada Kyi 2013).
- Yield data is probably much lower (USDA, 2012; Denning et al., 2012).

Source: Fertilizer consumption, WDI; Rice Yields, FAOSTAT

Notes: Average annual change is calculated based on an exponential growth rate

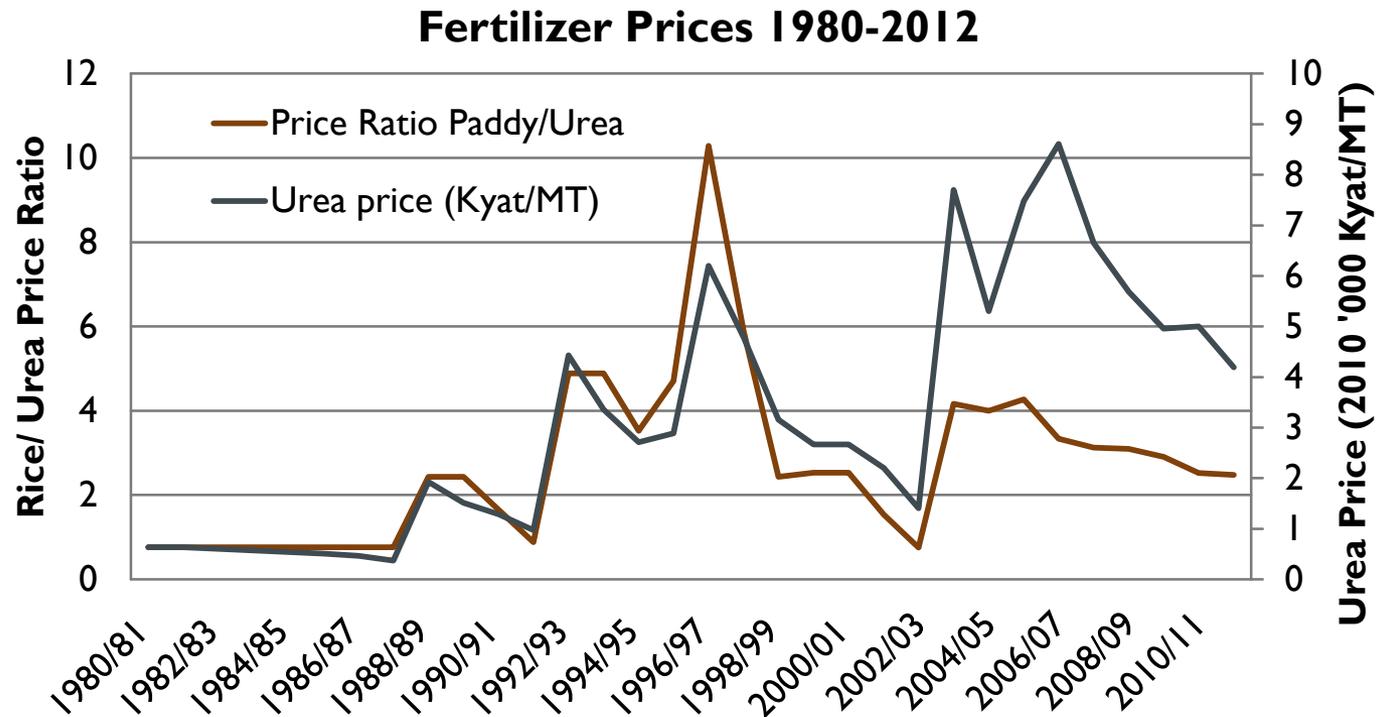


# FERTILIZER POLICY EVIDENCE: ... SUBSIDIES ARE NOT THE ANSWER

- Input subsidy policies are an easy policy solution.
- The arguments against subsidies include the following (Brooks 2012):
  1. They may not affect long-term use.
  2. Heavy subsidies potentially lead to inefficient allocation of inputs;
  3. Subsidies may benefit a small group of farmers more (Mason and Ricker-Gilbert 2012);
  4. May hurt the development of private supply (Bumb, Johnson, and Fuentes 2011; Fan, Yu, and Jitsuchon 2008);
  5. Fertilizer supplies may not be regular, reliable, and timely.

# FERTILIZER POLICY EVIDENCE: ... PRIVATE SECTOR PARTICIPATION REDUCES COSTS

- The 2002 Fertilizer Law, creates more space for the private sector to operate.
- In the 2012 Import and Export Law, the GoM has eliminated import tariffs.
- Fertilizer prices have increased....but so have rice and other crops.



# FERTILIZER SUPPLY CHAINS

Supply Chain: Urea imports via Land Route from China

Land Route		
Importers	• Import urea (45% N)	Border Price at Muse: \$299.00 (64%)
Border Police	• Border crossing & monitoring	Border crossing charges: \$20.00 (4%)
Importers	• Marketing to wholesalers	Marketing costs* at import level: \$81.00 (18%) Importer Price: \$400.00 (86%)
Wholesalers	• Marketing to retailers	Marketing costs* at wholesale level: \$40.00 (9%) Wholesale price: \$440.00 (95%)
Retailers	• Marketing to farmers	Marketing costs* at retail level: \$24.00 (5%) Wholesale price: \$464.00 (100%)
Farmers	• Buy and use fertilizers	Farmers price** \$23/bag or Ks 22000/bag

FOB Price: Singapore \$490; insurance and freight: \$47  
 ( ) = % share in retail price  
 \*Includes margins; numbers may not add due to rounding  
 \*\* 20 bag/MT  
 Exchange rate: Ks 950/USD

Supply Chain: NPK imports via Sea Route

Sea Route		
Importers	• Import NPKs	CIF: \$537.00 (77%)
Ports	• Port clearance and bagging	Port and bagging charges: \$47.00 (6.7%)
Importers	• Marketing to wholesalers	Marketing costs* at import level: \$47.00 (6.7%) Importer Price: \$631.00 (90.5%)
Wholesalers	• Marketing to retailers	Marketing costs* at wholesale level: \$41.00 (5.9%) Wholesale price: \$672.00 (96.4%)
Retailers	• Marketing to farmers	Marketing costs* at retail level: \$25.00 (3.6%) Wholesale price: \$697.00 (100%)
Farmers	• Buy and use fertilizers	Farmers price** \$35/bag or Ks 33000/bag

FOB Price: Singapore \$490; insurance and freight: \$47  
 ( ) = % share in retail price  
 \*Includes margins; numbers may not add due to rounding  
 \*\* 20 bag/MT  
 Exchange rate: Ks 950/USD



# TARGETING FSWG EFFORTS

- A recent evaluation of the agricultural sector suggests the progression of policy and the rules and regulations has been positive (JICA, 2013).
  - Quality monitoring still remains a big issues.
  - The Rules and Regulations do not provide guidelines regarding appropriate the ratios of ingredients.
  - Obtaining or renewing licenses can be a slow and arduous process which may encourage informal trade.
- There are small issues with Fertilizer ***Policy*** but the main issues are with implementation.
- Understand the underlying issues
  - Infrastructure policy
  - Import / Export Policy

# Policy Systems, Civil Society and The Law in Myanmar

- The Constitution of the Republic of the Union of Myanmar
  - Enacted on May 29, 2008
  - *Grundnorm* or Basic Law in Myanmar: Hans Kelsen Theory
  - S.449 – The Constitution is the Basic Law of all the laws of the Union
  - Preamble: ‘We the National People ... drafted this Constitution of the Republic of the Union of Myanmar ... DO HEREBY ADOPT this Constitution of the Republic of the Union of Myanmar ...’
  - S. 4: ‘The Sovereign power of the Union is derived from the citizens and is in force in the entire country’
  - S. 97(b) The rules, regulations, notifications, orders, directives, and procedures issued under the power conferred by any law shall be in conformity to the provisions of the Constitution and the relevant law
  - S. 446 – Existing laws shall remain in operation in so far as they are not contrary to the Constitution ...



# Law and the Policy Process

The Union shall enact necessary laws:

- to protect the rights of peasants – S.23
- to protect the right of workers – S.24
- to supervise extraction and utilization of State-owned natural resources by economic forces – S. 37(b)
- to enable National people to participate in matters of their education and health – S. 28(b)
- for Civil Services personnel to have security and sufficiency of food, clothing and shelter, to get maternity benefits for married women in services, and to ease livelihood for welfare of retired Service personnel – S. 26(b)

The Union shall provide:

- inputs, such as technology, investments, machinery, raw materials, so forth, TO THE EXTENT POSSIBLE for changeover from manual to mechanized agriculture (S.29)
- inputs, such as technology, investments, machinery, raw materials, so forth, TO THE EXTENT POSSIBLE for development of industries (S.30)

# Law and the Policy Process Cont'd

The Union shall:

- earnestly strive to improve education and health of the people – S. 28(a)
- implement free, compulsory primary education system – S.28(c)
- assist to promote socio-economic development including education, health, economy, transport and communication, so forth, of less-developed National races – S. 22(c)
- protect and conserve natural environment – S. 45
- permit all economic forces such as the State, regional organizations, co-operatives, joint ventures, private individuals ... to take part in economic activities for the development of National economy – S. 36(a)
- protect according to law movable and immovable property of every citizen that are lawfully acquired – S. 356
- to the extent possible, assist to reduce unemployment among the people
- assist peasants to obtain equitable value of their agricultural produce

The Union shall not:

- nationalize economic interests

## Relevant Provisions of the Law in Myanmar on Advocacy

- The Constitution of the Republic of the Union of Myanmar
  - S.9(c): To change the name of a Region or a State, the desirability of the citizens resident in the Region or state must be ascertained
  - S.53(a): To re-delineate the territorial boundary of a Region or a State, the prior consent of the electorate residing within the township concerned is required
  - S. 89: The proceedings and the records of the Pyidaungsu Hluttaw shall be published except prohibited by law or resolution. See also Ss. 132 – Pyithu Hluttaw; 184 – Region or State Hluttaw
  - S.94: No (*civil*) action shall be instituted relating to reports, documents and Hluttaw records published by the Pyidaungsu. See also Ss. 135 – Pyithu Hluttaw; 187 – Region or State Hluttaw



# Not there yet

The Constitution of the Republic of the Union of Myanmar

- S.7: The Union practices genuine, disciplined multi-party democratic system
- S.103(b): The following matters included in the Union Budget Bill shall be discussed at the Pyidaungsu Hluttaw but not refused or curtailed:
  - salary and allowance of Heads and Members of the Union level organizations formed under the Constitution and expenditures of those organizations – S. 103(b)(i)
  - Debts for which the Union is liable and expenses relating to the debts, and other expenses relating to the loans taken out by the Union – S.103(b)(ii)
- S. 40(c): If there arises a state of emergency that could cause disintegration of the Union, disintegration of national solidarity and loss of sovereign power or attempts therefore by wrongful forcible means such as insurgency or violence, the Commander-in-Chief of the Defence Services has the right to take over and exercise State Sovereign power in accord with the provisions of the Constitution



# The FSWG – Spinning the wheel for a brighter future

## FSWG

- Agenda Setting – Set by Law: E.g. Sections 23, 24, 28(b) and 37(b) Myanmar Constitution (2008).
- Seed law? – Enhances productivity of farmers. Alliance for a Green Revolution in Africa found that investments in inputs (seeds) in several countries (e.g. Nigeria, Kenya, Mozambique, Uganda) saw farmers averaging over 50 of harvests per hectare.
- Implementation – National Seed Committee shall form the Technical Seed Committee comprising ... experts from relevant Government departments, organizations and private enterprises as members, with the approval of the Ministry and determine the functions and duties – S.6(a) The Seed Law 2011
- In implementing the provisions of the Seed Law the Ministry may make rules with the approval of the government and may issue procedures, notifications, orders and directives as may be necessary. S. 43(a) The Seed Law 2011



# The FSWG – Spinning the wheel for a brighter future cont'd

Evaluation – Stronger skill sets required – Research Critical.

## Role Players

- Donor Agencies: The United States Government through USAID is providing strong leadership – For example - USAID is partnering with the Myanmar Development Resource Institute (MDRI) to bring a team of internationally recognized food security experts to Myanmar to assess the challenges and opportunities for reducing hunger and poverty
- Research Institutions: National & International Collaboration - MDRI, IFPRI, MSU
  - MSU: Recognized the importance of the legal dimensions of policy.... MSU has recently incorporated this as a specific focus area within all its project and thus created a position – Assistant Professor – with strong support from USAID.
- Civil Society – FSWG leading a strong network of CBO's, Individuals, NGO's. Leverage on existing capacity of Donor Agencies and Research Institutions for strategic analysis.

# Concluding Remarks

- Addressing the issues, constraints and challenges of policy makers and stakeholders in a policy system – NGOs, networks play a key role
- Translating research and evidence into effective agriculture, Food security and nutrition policies – synthesis of research and consultation of the evidence is a comparative advantage of the networks
- In the context of policy change, improving capacity of the Network members in policy advocacy and communication based on available evidence through strategic analysis and synthesis could be effective

