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Multiple Ownership as a Way out of the Two-fold Ownership Dilemma

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1. Introduction

"You have to take over full ownership!" insisted a representative of a donor agency, addressing representatives of an African partner country during one of his field visits. "Even ownership is imposed on us", some of our African colleagues may have felt silently. If, however, African governments assume their legitimate ownership, donors tend to get nervous. So, when Ethiopian government insisted on demanding German hardware engineering skills for implementation of its economic development strategy rather than those software skills in participatory management, which German partners preferred to offer. So, when Malawian government asked for assistance for its food security programme based on fertilizer subsidies, which was neither appreciated by the World Bank (which disliked subsidies) nor by many sustainability-loving eco-farming development partners (which disliked fertilizer). Obviously there is something which is complicating the ownership issue in development cooperation.

Ownership is about feeling in charge. Thus, ownership is of crucial importance. If nobody feels in charge, things will not be done. If the wrong people feel in charge, things may go wrong. This applies in particular for all kind of external support. If not us, but only our dentist feels in charge of our teeth, those may not last long and maintenance will become expensive. The same applies to social work, or to development cooperation.

The concept of ownership is comparatively easy to handle, if it is related to property, to physical assets, such as cars, buildings, water wells, forests - though even in such cases it is often not being handled properly either. Somebody needs to be given the - individual or joint - property right to feel in charge. And he or she or they may need some resources (knowledge, finance) to actually fulfil the responsibilities related to being an owner. Ownership on politics or policies is more complicated. It relates, on the one hand, to feeling in charge of the *process* towards arriving at political decisions. And it may, on the other hand, relate to the political will to feel in charge of ensuring the implementation of the *results* of political decision-making processes. The complication arises from the nature of political decision-making as a multi-stakeholder event. As a result, policy decisions tend to be compromises. Nobody may be happy about such a compromise, nobody will assume ownership for its implementation. Take the example of a decision on an energy mix: The nuclear power lobby may assume ownership of persecuting a strategy of exhausting all legal possibilities for extending the terms for operation of the nuclear power plants, while the regenerative energy lobby will feel in charge of making use of new investment opportunities for windmills. While ownership on the policy-making process is usually regulated by constitutional mandates, ownership on policy contents and policy implementation tends to be something fragmented: Manifold agents may feel in charge of selected bits and pieces of a policy.

Policy ownership is becoming even more complicated, if development cooperation comes in. From a legal perspective, development cooperation is a partnership between two or more agents from different countries, who are accountable to different constituencies. Ideally, the contribution of each of the partners has to undergo a separate, but mutually reconciled policy *process*. Regarding the im-

plementation of the policy *contents*, each partner has to assume ownership, i.e. to feel in charge of his agreed contribution. That sounds easy. That is the way, any contract partners doing a joint venture would act. Why, then, has ownership become such an issue in development cooperation? Presumably it is due to the fact, that development cooperation has not been seen from the angle of a partnership or joint venture in most cases, but in the framework of the concept of “aid” or “assistance”, with one giving and one receiving part. Within that concept, the giving side feels 100% responsible for the decision and even for its impact. Take the extreme example of a life saving action: It will only be successful, if the saviour assumes full ownership. Donors tended to behave like saviours, especially, if they did not find strong and trustworthy or easy going cooperation partners. Being determined by their own policy agenda, being accountable for the developmental impact to their parliaments or donators, they found it difficult to enter the cumbersome process of arriving at an agreement on policy compromises and to rely on partners fulfilling their agreed responsibilities. Thus, they tended to assume full responsibility for “their” projects. Thus, they tended to impose their ready-made policies, like in the case of structural adjustment policies. Thereby, they discouraged African governments and African people from feeling in charge. Of course, they felt in charge, but only for such decisions and actions, in which donors did not get engaged. A prominent example is the continuing tendency of most African governments to have Poverty Reduction Programmes separate from their regular budgets. Being aware of the strong donor interest in PRSP, they tend to engage in those areas which are less infested by donors.

PARIS-Declaration responded to that ownership problem in development cooperation by emphasising on the necessity of full ownership on the side of the partner countries. Ideally, the ownership of recipient countries of ODA should be ensured by budget aid. As long as ODA-recipients comply with certain mutually agreed principles, objectives and procedural requirements, funds should be provided as general budget support, i. e. the policy process and the decision about policy contents should be fully controlled by the constitutional organs of the partner countries, usually the parliament. Thus, the partner countries’ governments would be fully in charge of and accountable for all programmes and underlying policies as long as these move within a certain agreed framework of conditions, which reflect the accountability of donor agencies towards the public in their countries of origin. As a consequence of the ownership concept of Paris Declaration, democratically mandated bodies in the partner countries of development cooperation would take over full responsibility of the process of arriving at agricultural policy decisions, while all stakeholders involved in that process would feel in charge of fulfilling their role in implementing those decisions. The countries providing ODA would ideally set certain minimum conditions for the decision making process (e.g. regarding stakeholder involvement), for certain procedural requirements (e.g. regarding budget transparency) and for certain content-related principles (e.g. poverty reduction, gender equity).

This ownership concept is based on two critical assumptions:

1. There are functioning democratic procedures in place (or these can be established shortly through donor conditionalities) which are effectively preventing misuse of public resources or policies biased in favour of parochial or particular interests of some powerful groups.
2. Ownership on policies is related to struggles about macro-level decisions on grand general policy directions (e.g. privatisation versus state enterprises) which are once decided and then implemented accordingly.

Both assumptions do not apply to agricultural politics: Firstly, policy decisions related to scarce public resources, including development aid funds, and mechanisms of public spending tend to be determined by powerful elites in most Sub-Saharan societies in the absence of systems of inclusive democratic accountability. Secondly, agricultural development is subject to manifold local context-related decision-making processes on appropriate solutions than a result of macro-level debates on the right policy. This has certainly implications for the ownership issue.

Therefore, this paper is dealing with two major questions:

1. How to handle ownership on development cooperation in a world dominated by selfish interests of rent-seeking classes in a context without functioning democratic control?
2. How to handle ownership in cases where policies on agricultural investment are made up of thousands of local decisions on context-specific solutions?

2. Ownership to Kleptocrats and Neo-colonialist Intruders?

< from here onwards, the paper is not fully elaborated yet, but roughly outlined only >

- Ownership is not a goal on its own but a means
- Whether or not ownership leads to good results depends on the right owner
- “Right” owners or those who are handling a certain issue in the interest of the intended beneficiaries: These are either the beneficiaries themselves or agents who are their legitimate and competent representatives
- Here political economy comes in: It is about interests and powers of different agents in a society. So it includes relationships between governments and the people. It relates to questions like: Does - in a certain country - ownership of the government and its agencies result in better results for the people?
- In the context of development cooperation, the question is, whether ownership and control of ODA-resources with government agencies will result in the expected developmental impact (e.g. poverty reduction as envisaged in the Millennium Development Goals).
- The request for “democratic ownership” considers the possibility of a defunct link between government ownership and development and tries to establish that link by promoting democratic procedures.

2.1 The Ownership dilemma on the side of ODA recipient countries

- Our knowledge about political systems in most ODA-recipient countries says, however, that
 - a. governance in most countries is characterised by the rent-seeking syndrome, i.e. a tendency of the leading classes to make use of their offices or their political power as a means of acquiring personal revenue (e.g. from state controlled resources and from their regulating powers)
 - b. ODA is one source of rent-income for those sections of the political and administrative system who control ODA-resources
 - c. democratic control is difficult to be established, as there tends to exist a clientelistic dependency relationship between political / administrative elites and specific sections of the population.

- Saying it in less theoretical language with ODA-critics such as D. MOYO: ODA is fuelling corruption and is going into the pockets of kleptocratic leaders.
- The issue of rent-seeking and clientelism, however, is not limited to corruption but as well to agricultural policy decisions which tend to be made in favour of more powerful interest groups. Four cases:
 - a. Rural elites (politicians, bureaucrats, traditional leaders or sections closely related to those deciding on ODA-resources) tend to influence public aid-financed credit schemes to their favour. Most pro-poor micro-finance schemes, in contrast, are not owned by government bodies.
 - b. Agricultural technology decisions are made in favour of the better-off and more influential medium to large-scale farmers (example tractors versus oxen in Zambia). Without direct influence of donor agencies and their insistence on participatory and inclusive approaches, a pro-poor technology choice would not have had any chance.
 - c. Land appropriation through private investors tends to be handled by government officials in a way which disregards the interests of those - often marginal - subsistence farmers or pastoralists who have been using the land so far. Only Civil Society Organisations supported by donor agencies can do advocacy work in favour of better land governance.
 - d. A case from rural development in Nepal: The concept of "Green Roads", i.e. environmentally friendly and labour-intensive mountain road construction technology was massively rejected over years by the national ministry in charge. Only by disregarding national government ownership donors managed to demonstrate the appropriateness of that technology, to mobilise ownership and support for it on side of the local people and thereafter of local government. Only at the end of a long process national government was prepared to assume ownership for "Green Roads".
- Three things can be learnt from those examples: Government ownership is not guided by developmental objectives, but by interests of the most powerful stakeholders. Often it is beneficiary ownership which matters with regard to achievement of sustainable improvements, not government ownership. Ownership of innovations (new technologies, new institutions) is not there from the beginning, but it is result of a learning and discussion process.
- As a consequence, the ownership debate should move away from a legalistic concept of government ownership towards a more inclusive and pluralistic concept of multi-stakeholder ownership.

2.2 The ownership / conditionality dilemma on side of the donors

- Political economy of aid is as well affecting the agencies involved on side of the donor countries. We should not assume that their interests are naturally in line with development policy objectives and principles.
- Donor agencies' decisions tend to be influenced by
 - a. Economic interests: Donors promoting introduction of gen-manipulated varieties or pushing for privatisation of agricultural services in order to open the gates for international agro-business.
 - b. Institutional interests of the aid business: A technical cooperation agency may be in favour of supporting a certain approach or technology (e.g. livestock promotion) in a supply-guided manner as they have the professional capacities for

promoting that approach. They may tend to go for more complicated approaches than required in order to create dependency on their capacity development support.

- While there is good reason from a political economy perspective to doubt whether partner country government ownership will produce the expected developmental impacts, there is good reason either to doubt whether donor conditionality can contribute to correct the deficiencies of government ownership.
- There is a legitimate interest of donor countries to influence the policies, strategies and procedures according to which ODA partner countries decide on and implement their development programmes, there is an equally legitimate interest of African governments to control donor-funded activities and to resist undue donor conditionality.
- Development cooperation is a joint venture. It requires a partnership approach with joint ownership on the policy making process, with agreed decisions (for which each party is accountable to its constituencies), with differentiated responsibilities for the contributions to be provided and with mutual accountability.
- Thus, partnership does neither replace the necessity for ownership, nor does it mean something like a diffuse shared ownership: It means joint ownership for the process and differentiated ownership for policy implementation.
- On each of the two sides, especially on side of the country in which the policy is being implemented by a wide range of different agents on different levels, ownership is further split up between a wide range of stakeholders according to their interest and responsibility in order to arrive at a democratic and inclusive ownership.
- The implications for the policy / strategy identification process will be discussed in chapter 3.

3. A Pragmatic Perspective: Deconstructing Policies and Ownership

- Agricultural politics consist of a bundle of decisions on principles and objectives of agricultural development, about technologies (high versus low commercial input), farm size (smallholders versus large-scale farming), institutional arrangements (state or private), commodities (food versus cash crops) and promotion tools (subsidies, credits, research).
- Agricultural policies are “grand” course-setting decisions on such issues made by national governments, such as going for
 - a. either food self-sufficiency or export-orientation
 - b. either state-farms or private commercial farming or smallholder agriculture.
- While such “grand policies” may be necessary to set a framework for specific agricultural policy interventions and for the decisions of farmers, traders and other players, such frameworks usually need to leave a wide space for context-specific decisions on strategies and instruments. Whether or not such decisions are appropriate to the specific local context determines whether or not developmental objectives can be achieved.
- Therefore, it is not only the ownership of the “grand national policies” which matters, but even more the ownership for those context-specific solutions. This relates to the ownership for the process of finding such solutions and for the result of that process.
- Referring to some prominent cases, the relevance of context-specific solutions for agricultural development in contrast to general policy frameworks will become obvious:

- a. **Privatisation** of agricultural services may be a good solution at central locations and for certain commercial agricultural commodities, while it may not work at remote and marginal locations for the introduction of improved soil and water conservation technologies which are better adapted to climate change.
 - b. **Ploughing technology:** Animal traction may be an appropriate solution for certain soil types, areas free of tsetse fly and farm sizes below 10 ha, while tractor mechanisation may fit better to the context of large-scale farming, tsetse fly affected areas and heavy soils.
 - c. **Credit conditions** need to be differentiated by target group and purpose: Promotion of staple crop production may need seasonal loans for fertilizer, promotion of subsistence cultivation should better go without any credit, rotational savings and credit schemes may be appropriate for occasional financial needs such as for funerals, while investment into productive equipment may need mid-term investment credits based on business plans and collaterals.
 - d. **Small-scale farming** may be promoted for those products for which economies of scale do not matter while large-scale farming may be more appropriate where economies of scale are relevant.
 - e. **Green Roads** proved to be appropriate in hilly and densely populated area with high labour availability and a significant positive environmental impact of soft construction technologies, while they proved to be inappropriate in sparsely populated large-scale farming areas in the lowland.
- All cases have in common that
 - a. The decisions are of crucial importance regarding the poverty impact and the sustainability of interventions. Thus, they are of legitimate interest of all development partners involved in promoting agriculture (including external financing partners).
 - b. The decisions need to be context-specific, i.e. they need to be made based on solid knowledge of local conditions, on a systematic process of searching for appropriate solutions.
 - c. The decision-making process is influenced by a struggle for limited resources and opportunities between more or less powerful groups. Leaving the result of the struggle to the stakeholders in the local arena would have resulted in inappropriate and anti-poor decisions.
 - d. The ownership on the result of the decision-making process, of the context-specific solution was not there from the beginning of the innovation process. It emerged as a result of the process, when people had been given the chance to experience the benefits.
- What matters is the ownership for the local-level processes of identifying context-specific solutions / strategies / concepts. These processes need some testing, a systematic analysis and the involvement of all stakeholders concerned. The results of such processes have to inform national-level policies, strategies and programmes.
- While these policies, strategies and programmes have to be under the full responsibility of the local stakeholders in charge after a consensus has been achieved, external support agencies ("technical cooperation") have a legitimate and necessary role to play as co-owners of the process of identifying context-specific concepts: They can provide external knowledge, they can ensure inclusive processes and they share responsibility for what they are going to finance.

4. Conclusion

In order to reconcile the concept of ownership with the request for development effectiveness, i.e. sustainable poverty reduction, we have to move away from a formalistic, legalistic and static understanding towards a process-oriented, dynamic and multi-stakeholder understanding of ownership. Such a concept can help to address the need for agricultural politics which create a conducive environment for the search for sustainable, pro-poor and context-specific approaches in a political environment characterised by rent-seeking strategies of powerful elites, rather than by a tradition of good and inclusive democratic governance.