

**POLICY ASSESSMENT AND DEVELOPMENT BY STAKEHOLDERS:  
A CROSS-COUNTRY ANALYSIS OF NATIONAL RECOMMENDATION ON ORGANIC  
FARMING POLICY IN 11 EUROPEAN COUNTRIES**

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## **Abstract**

*There is no single 'best way' of policy development. Bottom-up approaches to policy design and a broad debate among stakeholders facilitate policy learning and innovation. A novel approach of a bottom-up policy design process involving stakeholders is introduced. First results obtained by this methodology are presented. The outcomes of an international effort for a development of policies for organic food and farming in Mai 2004 in Europe are analyzed: the synthesized results from 11 European countries (AT, CH, CZ, DE, DK, EE, GB, HU, IT, PL, SI) on the current situation of policies related to the organic food and farming sector in Europe are highlighted and policy recommendations for the development of the sector formulated. Specifically, strengths, weaknesses, opportunities and threats of policies related to organic food market are identified and policy instruments to address these aspects are developed.*

*Keywords:* Multi-stakeholder process, policy learning, policy transfer, organic farming policy

## **Introduction**

Organic Farming has become an inherent part of European agriculture in the EU. The first policy involvement in the organic farming was the EU-wide harmonisation of the definition of organic farming by Council Regulation (EC) 2092/91 as to ensure market transparency and consumer protection. Government support, largely made under Council Regulations (EC) 2078/92 and 1257/99 based on the organic farming definition of Council Regulations (EC) 2092/91 and 1804/99, has played a significant role in stimulating an increase in organically managed farms and land area.

These policies were developed by agricultural policy makers legitimated by democratic processes or institutional background, e.g. national “consultative groups” for the implementation of the agri-environmental measures within the the Accompanying Measures and the Rural Development Programmes (Council Regulations (EC) 2078/92, 1257/99). Representatives of organic farming associations or informal groups were involved – if at all – deliberately through informal communication with members of these consultative groups. In part this was due to the origin and development of the organic farming sector as a private sector social movement. Organic farming organisations were considered with the principles of organic farming and their justification, and not so much worried about lobbying for policy support (DABBERT 2001). In addition, due to its’ relatively small size, the organic farming sector did not produce a very strong lobbying power (finances and personpower). This resulted in a very low intensity of lobbying by organic farming organisations in most Member States (DABBERT ET AL. 2004) despite

support by environmental organisations. At the EU level, not until October 2003 the IFOAM established a permanent office for lobbying activities close to the European Commission.

For the first time, stakeholders were consulted on organic farming issues in a conference on organic farming in 1999 in Baden (Austria) under the lead of the Austrian government. This consultation was continued in a similar conference at Copenhagen, Denmark in 2001. Although both conferences were not formal policy consultation processes, they were organised as to provide input to the policy development at the EU level. However, these consultations followed a top-down approach. Goals and topics to be addressed as well as invited stakeholders were defined by the organisers.

Since 2001, the European Commission follows principles of good governance (EC 2001). Governance refers to the process of decision-making and the process by which decisions are implemented. This includes the mechanisms, processes and institutions through which citizens and groups articulate their interest, exercise their legal rights, meet their obligations and mediate their differences. The objective of the EC is to more strongly involve citizens in legislative processes, i.e. by participation, and to speed up the adoption of a common policy framework in all European Member States. One of the five principles of good governance is participation in the formulation of policies and their implementation

The first EU wide effort of stakeholder participation in the development of policies concerning organic farming was the 'European Hearing on Organic Food and Farming - Towards a European Action Plan' in Brussels in 2004 (EC 2004), followed by an online-consultation. The main purpose of this hearing was to listen to the views of the widest possible range of stakeholders of the agricultural, environmental and consumer field (EC 2004). Over a 100 stakeholder organisations, Agricultural Ministers from Member States, Accessing and Candidate Countries participated in this conference. As a result, the Commission prepared an Action Plan in the form of a Communication to the European Council and Parliament, including a list of possible actions to boost organic farming. Again this hearing was organised top-down, only allowing participation of certain, invited stakeholders.

The resulting European Action Plan for Organic Food and Farming was never accompanied by specific policy measures or budget for specific policy goals, but left it to the member States to come up with policy measures to address organic farming within their Rural Development Programmes. Nevertheless, the Action Plan Document provided justifications for a range of measures and a list of ideas for national implementation. By today all Member States have opted to address organic farming by specific support measures (HÄRING ET AL. 2004). In the Member States only in some cases, a formalised involvement of stakeholders in organic farming policy development has been initiated from the legitimated bodies of governance (e.g. Germany, UK).

Bottom-up approaches to policy design with a broad debate among stakeholders can contribute to an increased understanding of policy practices and their impact. There is no single 'best way' of policy development. However, to design policies or to assess the transferability of "good practices" from one country to another it is essential to understand the specific national environments, policy practices and their impact.

The objective of this research was to contribute to the development of organic food and farming policy in Europe by assessing existing agricultural policies and their impact on the organic food and farming sector together with the most important stakeholders of the organic farming sector in the European Union. This contribution presents a methodological approach of stakeholder involvement designed as to contribute to a scientifically based formulation of policy recommendations, and the results from a large international effort which has applied this methodology in order to develop policies supporting the development of the organic food sector at the Member State (MS) and EU level (HÄRING et al., 2005).

## Methodology

Bottom-up approaches to policy design require multi-stakeholder involvement in order to achieve policy learning by collaborative working and the creation of networks. Multi stakeholder processes intend to bring together all major stakeholders to participate in a new form of communication, decision-finding (and possibly decision-making) on a particular issue (HEMMATI, 2002). Mutual collaboration of stakeholders with different experiences and competences are considered an enrichment opportunity for the policy design process.

Action research or interactive social research approaches, based on the interaction between social subjects (TODHUNTER, 2001), and collaborative policy learning procedures (DOLOWITZ, MARSH, 2000, ROSE, 1991) generally are promising to stimulate stakeholders to co-produce knowledge. The collaboration inside a group is considered one of the more favorable moments of learning, as collaboration implies synergy, a common effort to the realization of a particular objective. Collaborative working or learning favors the development of a critical thought; it increases the abilities to problem solving and contributes to the development of cognitive abilities (DE KERCKHOVE, 2004).

Policy learning and policy transfer strongly depend on knowledge and spread of information (DE KERCKHOVE, 2004, ROSE, 1991). Policy transfer can take place across time, within countries and across countries. For the example of agricultural policy, all Member States (MS) may benefit from learning from other MS how to best develop and implement policies supporting organic farming, e.g. the New from the Old Member States of the European Union. However, even if ‘trans-national policy learning’ is facilitated, the countries involved in the enlargement process need to verify if all conditions to transfer crucial elements of what made the policy or institutional structure a success in the originating countries. Thus, the creation, management and transfer of knowledge are crucial.

In the present case the aim was to assess existing agricultural policies and their impact on the organic food and farming sector, by identifying relevant policies in other Member States which can be transferred through emulation, adaptation or simply more or less coercive acquisition (EVANS, DAVIES, 1999).

A structured form of participation of and consultation with policy stakeholders was developed to contribute to a scientifically based formulation of policy recommendations at the national and EU level (HÄRING et al., 2004B). Stakeholder involvement is achieved through two national and one EU level workshop which were managed as to facilitate policy learning among stakeholders of a country and across countries.

- 1) At the national level, there is an opportunity to facilitate policy learning among stakeholders of a country, to create a national network, and to create agreement able to produce future actions.
- 2) At the trans-national level, there is an opportunity for the MS to learn from each other (e.g. New and Old MS), to create transnational networks, and to reduce the differences in national policies and policy innovation.
- 3) A link between national and transnational stakeholder networks and the EU commission can be created as these workshops are an EU-wide “experiment” in developing organic farming policy recommendations.

The developed bottom-up approach to policy design may result in policy transfer: knowledge and information generated and transferred by these workshops favor the establishment of national networks and the consolidation of international consensus. National and trans-national networks potentially created may facilitate participant’s building of alliances and developing a common language. With the active participation and involvement of stakeholders, these networks have the potential to influence decision-makers in the policy implementation. Thus participants were chosen cautiously as to represent a good representation of stakeholder perspectives: participants from four groups were involved in the process: policy makers, organic sector representatives, non-organic sector representatives and third parties.

In April 2004 the first series of national workshops was conducted in 11 European countries (AT, DE, DK, CH, CZ, EE, HU, IT, PL, SI, UK) according to common guidelines (HÄRING, VAIRO, 2004). The objective of these workshops was to assess the effectiveness of different policy instruments in each country, and to develop suggestions for 'future' policy instruments to positively influence the development of the organic farming sector in the respective country (HÄRING, VAIRO, 2004). The workshop group discussion was structured in 3 phases:

- 1) Definition of SWOT: The analysis of organic farming policy was based on the methodological approach of SWOT analysis. On the one hand, participants analyzed their country's specific policy instruments' strengths and weaknesses. On the other hand, looking at the external (uncontrollable) environment of the organic farming sector, participants identified those areas that pose opportunities for organic farming in their own country, and those that pose threats or obstacles to its performance.
- 2) WOT rating: Participants assessed which weaknesses were most relevant in the organic farming policies of their country (criteria: high impact and high importance), which opportunities could be exploited for Organic Farming in their country (criteria: high attractiveness and high probability) and which were the threats from which the sector needs to defend itself (criteria: high seriousness and high probability).
- 3) Identification of policy instruments: Participants were asked to elaborate possible policy instruments to address weaknesses, opportunities and threats through a brainstorming. This led to a list of recommendations for national policy makers and provided the basis for the discussion of a EU policy frame-work for organic farming during an EU level workshop in February 2005 (VAIRO et al., 2005).

A large number of strengths and weaknesses of organic farming policy related to the organic food market and opportunities and threats for the organic food sector were identified by the 11 national workshop groups. Results from all 11 countries' workshop groups were analyzed by iterative coding as to achieve a cross national analysis with the objective to identify the most relevant WOT concepts and policy instruments (HÄRING et al., 2005). To structure these codes further, groups of codes were summarized under headings which are used to present the information in the following.

The separation into strengths, weaknesses, opportunities and threats, rating of WOT and design of policy instruments for the identified WOT was applied mainly to provide a common framework for discussion in the 11 involved European countries. Thus, the final step of the synthesizing analysis ignored this methodological separation and grouped the obtained information according to topics.

The presented results are the synthesized assessment of policy instruments by stakeholders of very different professional backgrounds and cultural settings. Results neither represent a group consensus nor conclusions of the synthesis of the whole series of workshops.

## Results

Organic Farming has become an inherent part of European agriculture in the Old and New EU Member States (MS). EU enlargement has combined two very different patterns of organic farming development under one market and policy framework. Specific policy support for organic farming has been developed in all MS and a range of measures supporting organic farming exist (LAMPKIN et al., 1999, HÄRING et al. 2004, PRAZAN et al., 2004). As part of the most recent reform of the Common Agricultural Policy (CAP), the CAP Reform 2003 MS have the chance to revise their Rural Development Programs, within which policies for organic farming are implemented, by mid 2006. The introduced first series of national workshops resulted in an assessment of the current situation of organic farming policy in Europe and has provided policy recommendations for the development of organic farming. These results can provide a valuable input on how to consider organic farming and food in the revision process of the Rural Development Plans.

### ***The External Environment of the Organic Farming Sector***

The environment for organic farming is characterized by two important aspects. On the one hand, natural conditions are considered favorable for the conversion of existing agricultural production systems to organic production methods, despite the less favorable farming structure in terms of efficiency and organization of farms in some countries. On the other hand, rising wealth and the level of education in the enlarged EU have created societal trends such as concerns about the environment, health, wellness and food quality, creating demand for organic products.

### ***Policy Design Issues for the Development of the Organic Farming Sector***

In several countries an opportunity for the development of the organic farming sector is seen in an increasingly favorable political climate in the future. For example, the most recent reform of the Common Agricultural Policy has had a positive impact on organic farming. New development opportunities for organic farming were expected from modulation, regionalization and financial resource transfer from the Common Market Organizations to the Rural Development Programs. Nevertheless, an expressed general sympathy of policy makers for organic farming has not yet led to the implementation of many concrete actions pro organic farming. Public budgets are increasingly tight and decreasing financial support for the agricultural sector also relates to the organic farming sector. Stakeholders demand more political commitment towards the support of organic farming and, consequently, a coherent design of policy measures with clear quantitative targets and concrete actions for their achievement.

An efficient implementation of policies and the development of organic farming seem to be the lacking coherence of the existing policy framework with regard to organic farming and a lacking integration of organic farming policy with other policy areas (e.g. rural development, environmental, health and food policy).

With regard to policy design, especially an imbalance of support measures for different policy goals was criticized. In some countries, only the agri-environmental measures provide options to support the development of the organic farming sector and other measures implemented within the Rural Development Programs focus too little on the potential integration of the organic sector in other policy areas. Additionally, an inappropriate difference between organic and conventional agri-environmental area payments on the other hand was mentioned.

Stakeholders also proposed to improve the financial framework of organic farming by prioritizing environmentally friendly farming systems in the CAP and by prioritizing organic farming in the second pillar of the CAP and nature protection legislation. According to stakeholders, financial funds to finance these efforts could come from non-agricultural sources or from funds for conventional agriculture.

An option to efficiently integrate organic farming policy with all agricultural and other policy areas (e.g. nature protection, health policy or tourism) is seen in the development of an Organic Action Plan (OAP). This OAP is to be implemented by a national organic farming committee at the ministry in charge of planning and policy design, supported by an alliance of organic associations which cooperate closely with institutions of other policy areas. National Organic Action Plans should include links to an EU Action Plan and regional Action Plans. This could include options to develop regional projects and the formation of regional organic clusters. Measures relating to general agricultural legislation but with a potentially positive impact for organic farming proposed by stakeholders were stricter nitrogen levels in agriculture.

### ***Specific Policy Areas to be Developed in Support of Organic Food and Farming***

Financial support to organic farming is still made mainly as area payments within the agri-environmental measures. On the one hand a reduction or abolishment of area payments was proposed in favor of other

measures (e.g. market support). On the other hand, in improvement of the design of area payments was proposed in several aspects (difference to conventional or between uses, land types and regions).

The current certification system is considered rigid and the required documentation for control authorities complicated hampering the structural development of organic farming and conversion. A simplification and harmonization of standards was demanded to reduce required data collection, to coordinate farm inspections of different control systems, to establish special regulations for small scale production and to introduce IT technology management in the inspection system. All stakeholders should be included in these revisions, linking regional, national and EU level efforts to simplify and harmonize standards.

On the one hand, these revisions must focus on conserving the quality differential between organic and conventional farming. On the other hand, the definition of high standards and a robust organic certification system is considered necessary to conserve consumers confidence and avoid scandals in organic farming. A range of measures on how to achieve this were proposed. These constant efforts of improving standards should be communicated to consumers to strengthen the credibility of organic farming.

Consumer confidence in organic food quality is considered a very important factor for the future development of organic farming. In the conventional sector scandals and food quality seem to discredit conventionally produced food. Consumers believe in the credibility of organic producers and organic product quality due to its certification and control. Rising consumers' awareness of healthy nutrition, food quality and the benefits of organic farming increase consumers' acceptance of organic products. However, in some countries a weak interest and willingness to pay of consumers is still observed due to a high price sensibility of consumers in times of declining economic growth and a high percentage of unemployment.

A great opportunity is seen in a better communication with consumers on organic product quality. A better engagement of consumers either directly or indirectly through education and local authorities is expected to increase the demand for organic food by raising consumers' awareness, eradicating negative attitudes and developing special market segments. For a better communication with consumers a range of elements for public information and promotion campaigns and educational programs were proposed. These efforts should focus on consumers' expectations and on creating new target groups. As labels are an important element of communicating with consumers a range of elements to improve the transparency of labeling to demonstrate the added value of organic food were developed by workshop groups. According to stakeholders, these efforts on consumer communication should be financed at the EU level but managed by an alliance of organic associations.

The contamination with GMO is considered the greatest threat for the organic farming sector. If GMO are registered and certified for conventional production they will contaminate organic production, as coexistence is difficult. However, if GMO residues are found in organic products, trust in organic farming is undermined. Nevertheless, consumers are becoming more interested in organic products as they are afraid of GMO contaminated products. Several measures to avoid the contamination of organic production are proposed.

A high competition on markets due to the increased EU, emerging countries, globalization, and the power of large food retailers is perceived a severe threat for the organic sector. To face this situation, stakeholders propose the development of new markets and marketing channels, especially the development of distribution technologies and trade possibilities outside the usual retailers. Stakeholders have identified a lack of support measures for marketing initiatives, especially in New Member States. To improve the market situation stakeholders proposed to: a) increase the cost of conventional production by applying a tax on pesticides, fertilizers and nutrient outputs (internalize external costs); b) reduce the cost of organic products; c) harmonize the comparative costs and quality of organic products from different

countries. Furthermore, stakeholders proposed around 20 different options to support the development of organic marketing structures.

Capacity building measures in organic farming are considered insufficient, mainly due to perceived insufficient financial resources. Similarly, educational offerings on organic farming in agricultural universities and schools are scarce. Around 10 different policy strategies and measures were proposed to tackle the observed deficits in capacity building. The beneficiaries of these measures should be, apart from farmers, all public sector employees, particularly policy implementers. To encourage participation among farmers, training courses should be – according to stakeholders - free of charge and linked to area support for organic farming.

Scientific research and development on organic farming seems to be supported weakly by policy as a core research strategy does not exist. Thus, financial support for research on organic farming does not meet the current needs. Research activities tackling organic farming could be improved by creating a research institute specialized in organic farming, e.g. a governmental research institution, or by emphasizing organic farming in national research funding. A list of topics to be tackled urgently by research was compiled and ranged from research on the comparative advantage of organic farming to scientifically based policy analyses.

Workshop participants evaluated the internal organization of the organic sector in two different ways. Some countries considered the networking of organic actors as productive, while other countries still consider their organic sector networking as insufficient, particularly with regard to lobbying.

The dialogue of policy makers with organic stakeholders is considered insufficient, especially in two New Member States. Despite the sustained efforts on behalf of non-governmental initiatives to enter in a dialogue with policy-makers, no common institutions have been established to make such joined efforts work and participation in more informal efforts lack participants from the ministries. An improved institutional setting for organic farming was proposed to support the communication of policy makers and organic stakeholders. A productive organic actor network (EU and national) helps to build the sectors capacity to communicate with policy makers. Measures to improve networking at different levels are proposed.

## **Conclusions**

There is no single “best way” of policy innovation in Europe. However, a broad political debate among stakeholders is essential. A bottom-up approach to stakeholder involvement in agricultural policy design was developed, consisting of a series of three workshops with stakeholders in agricultural policy. The developed series of national workshops were a first step to policy learning, innovation and transfer for the organic farming sector in the EU. Normative approaches to policy design would have obtained very different results. Nevertheless, the presented approach to policy design has provided interesting insight to the necessities of the specific sector and stakeholders viewpoints. A range of policy instruments for the long-term development of organic farming were developed and have spread widely. Results have fed into and provided the base for a discussion at the EU level in a second workshop with EU level stakeholders and representatives from national workshop groups in February 2005 and the second series of national workshops which was conducted in all participating countries in Mai/June 2005. Furthermore, a series of discussion papers outlining policy recommendations on the consideration of organic farming in the design of the national Rural Development Plans (e.g. HÄRING et al., 2005B; SLABE et al., 2005) was disseminated to all participants of all three workshops as well as the most common dissemination channels for the organic farming sector in Europe. Feedback from stakeholders from several countries has demonstrated the high impact the described policy development and transfer process had: in several countries results have fed into the development of national Rural Development Plans and national strategic documents on

organic farming policy, i.e. national Action Plans for Organic Farming. Especially in countries where policy networks are not yet strongly developed and mainly centered on a few stakeholders and organisations (MOSCHITZ AND STOLZE, 2005) such approaches to policy development, learning and transfer were effective and transfer networks were developed.

Obviously, normative approaches to policy design would have obtained very different results, however, not taking the principles of good governance, proposed by the EC (2001) into account: openness, participation, accountability, effectiveness and coherence. Each principle is considered important for establishing more democratic governance. The described policy development process contributed primarily to the principle of participation “throughout the policy chain – from conception to implementation”.

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