

2008 CAES Workshop Session 7: What did we learn?



Speaking Notes

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Collective experience of workshop participants suggests there are two rules in politics: Rule #1 is that economics will never be the sole decision criteria; Rule #2 is that economists can't change rule #1. What the profession should strive to do is strengthen the role of economic research in the decision-making process.

- There was considerable agreement on the most important areas for improvement – the research issues undertaken, the timing of outputs and the communication of results. How to achieve improvements in these areas was less clear. For example, some argued for more simple analysis while others argued research needed to be more sophisticated to reflect reality. There is a need to distinguish between the research (must be rigorous) and communication (keep it simple).
- With respect to agricultural economic analysis, OECD member countries are increasingly demanding well informed, quantitative analysis to justify any policy evaluations or recommendations coming from the Secretariat. Descriptive and qualitative work alone does not provide the “numbers” required in policy debates. While perhaps not a major problem in Canada, the lack of appropriate and reliable data is a serious problem for economics research in many developing countries. Rigorous analysis based on unreliable data is of little value.
- When the tools in the economist's toolbox are too blunt to address the current policy issues, the best recourse is to improve those tools. Examples from OECD include GTAPEM which provides a more robust depiction of the agricultural sector in a GE model, while Aglink-Cosimo, the OECD/FAO partial equilibrium model used for medium-term market projections and scenario analysis has been greatly expanded to better represent current policy environment, developing countries and, most recently, the biofuels sector.
- A weakness of much economic research that evaluates policy is that it stops short of providing options so does not provide decision makers with alternatives. Or, fails to recognise the nature and scope of sectoral adjustments associated with a specific policy reform and how to facilitate that adjustment. The 2008 OECD publication, *Agricultural Policy Design and Implementation: A Synthesis*, provides lessons on what policies are most effective in achieving desired reforms.
- In terms of timing, clearly the main consideration is to provide the economic analysis before the policy decisions are taken. Often the need for economic analysis is long

before the process of policy design, consultation and negotiation begin. The profession has not always anticipated and been prepared for emerging issues. Perhaps some kind of framework for creating a more forward looking agenda for researchers needs to be considered.

- But it is equally unhelpful to rush in with premature analysis such as was the case for some early trade analysis of the Doha round which failed to adequately recognise potential losers and over estimated global benefits of liberalisation. It is better to provide no answers if the required analysis has not been undertaken than to provide hastily done research which is easily discounted by critics.
- One aspect of timing is the process of bringing stakeholders along. Too often, stakeholders are presented with a “fait accompli” after all the various options have already been examined. It is better to share solid research as it becomes available and allow for debate and course corrections through the dialogue process.
- Another dimension of timing refers to windows of opportunity. The recent higher commodity prices, which are expected to carry over through the medium term, should offer governments greater possibilities of introducing reforms to agricultural support policies.
- Communication was generally seen as the weakest element in making economic research more policy relevant but also one where many improvements have been expended in recent years. Communications involves not clearer messages to the general public and decision makers but also maintaining regular relations with those in power and using the media to best advantage.
- Different audiences require different medium. The OECD, for example, provides economic research in the form of 1-page policy letters for Ministerial and high level officials, policy briefs for the informed public, executive summaries for policy advisors and full reports for specialists. Formats are also changing with web pages, USB keys, blogs, etc. replacing printed reports.
- Face to face contact with key players in the policy process has proven to be more effective than the provision of reports because it allows for discussion and questions. A short “consultation” with can avoid misinterpretation of complex reports. Such consultations can be more effective if experts with different results sit down together rather than a procession of independent presentations all with different views.
- It is important to identify champions within the policy process. Direct contact with decision makers can be very effective but often it is better to convince senior policy advisors – and let them bring the messages to the decision makers. The advisors have the trust and work from inside the policy process.
- There was some discussion about what research areas are likely to be in demand in

coming months and years. Implications of the financial crisis and environmental issues were seen as important areas on which to concentrate. The OECD is holding a futures symposium the end of March 2009 with the specific purpose to identify key issues that will affect the agri-food industry. Researchers would do well to watch for the results of this symposium. The OECD FAO agricultural outlook for 2009 intends to examine the links between commodity and food prices, the potential for supply response to higher prices (land area, innovation and environmental factors) and the financial crisis. Another area touted for policy interest in the future was the development of carbon markets and their implications for agriculture.

- Finally, some areas in which the CAES may want to consider a more active role or greater advocacy
 1. more policy oriented venue for its members like Amber waves or the more Europe-focused Policy Choices publications.
 2. Communications training for members (effective oral communications, media relations). Many governments and IGOs offer such courses which could be modified for academic audience.
 3. Development of an ACCESS style directory of who's doing what – specific research currently underway – for use by media and other research institutions
 4. Greater efforts to bring economic and scientific communities together as economic research has an increasing complex scientific component (e.g. biofuels).