CONTEXT

Should crop and livestock farmers be included **in the definition of "private sector"?**

According to the FAO (2021), the definition of "private sector" includes a broad array of people engaged in agriculture, fishing and livestock farming, as well as their organisations, cooperatives, businesses (from micro-enterprises to multinationals) and philanthropic foundations. Professional and inter-professional associations are also sometimes considered as belonging to the private sector, as are certain NGOs serving as investors. This all-embracing term has been the source of much debate. Some people say farmers should be recognised as full-fledged economic operators, while others propose distinguishing farmers from other types of private actors. So should crop and livestock farmers be included in the definition of "private sector"? That question was addressed several times during the thematic cycle on the "private sector" coordinated by Inter-réseaux. Here are a few of the arguments taken from those discussions.

YES!

Agropastoral family farms are full-fledged economic operators.

Their decisions follow an economic approach and are based on market opportunities or profit-focused strategies.

The OHADA Uniform Act, which requires farmers' organisations and their members to take the form of cooperative, seeks to recognise them as private operators.

They are the most important drivers of change for food security and agriculture.

They are leaders when it comes to investing in agriculture, producing food products and providing jobs, particularly for women (in processing and marketing).

They should not be considered solely as the beneficiaries or targets of development policies and projects.

BUT...

The "private sector" category is disparate and obscures power relations.

Private actors have different objectives and interests that are sometimes in competition or at odds with one another (on the market or for access to natural resources, land, capital).

Their involvement in development plans cannot be uniform.

Governance bodies need to recognise distinctions between roles, differences of interest and asymmetries in influence.

In the "private sector", farmers are often in a position of weakness because they are small in size, large in number, widely scattered and vulnerable to asymmetries in training and information.

Which legitimises the provision of special support to their organisations, and public regulations governing their relations with businesses.

Although the criteria for public procurement contracts, for instance, do not exclude FOs, they are tailored more to other types of operators (ability to present financial statements or prove that a similar operation was performed in the past).

This asymmetry is not always recognised by the public authorities and development partners, who should be targeting and providing special support to the weakest economic actors.

NOT SO FAST!

There is also strong heterogeneity within agropastoral farms.

On the one hand, there are agropastoral entrepreneurs that hire employees and invest in capital. On the other hand, there are family farms that optimise multi-objective functions including the sustainability of their locality.

This dichotomy is not always real. The former group may also include family farmers, and family farms may combine both approaches (growing cash crops and subsistence crops).

The former group should be considered private actors (farms are managed by maximising financial indicators to achieve private objectives). But the latter group should not necessarily be considered private actors (their objectives contribute to common goods and to global public goods: transmission of culture and know-how, joint management of water and natural resources, contribution to family and community governance mechanisms, etc.).

By defining specific categories of private operators – "family farmers", "cooperatives", "companies", "financial institutions" –, it is possible to focus on each one's role in agrifood systems and how they interact with one another, and therefore observe any conflicts and interdependences.

What do you think?
Should crop and livestock farmers be included in the definition of "private sector"? On what conditions?

Keep the debate going!
Share your thoughts by writing to inter-reseaux@inter-reseaux.org