



# Certified Organic Agriculture: Policy Instrument for Sustainable Development?

By Henrik Egelyng, Ph.D., Senior Project Researcher, Danish Institute for International Studies

## Further reading

You can read more on the website of the DARCOF III research project, GlobalOrg: [www.globalorg.elr.dk/uk](http://www.globalorg.elr.dk/uk)

**Certified Organic Agriculture (COA) is conquering the world as a perceived proxy for sustainability. The great challenge is whether it is really transformative. Institutional requirements include green GDPs and societies taxing bads instead of goods. Ignoring these requirements may leave COA as a brand with monetary value, but limited macro level sustainability impact. Research along this line of inquiry is pursued in the DARCOF III-project GLOBALORG.**

Certified Organic Agriculture (COA) can be viewed as an institutional vehicle for environmental sustainability and is indeed conquering the world as a perceived proxy for sustainable development. Carrying the organic market, a global movement of environmentally educated consumers and producers use their purses and skills to pursue "fixing" institutional deficiencies in policy regimes at various levels. In terms of progress towards sustainability, the great challenge is whether this social movement can really transform the pattern of incentives governing nationwide choices of agricultural production methods and move agriculture towards a truly macro level environmentally sustainable multifunctional system. If not, COA may end up as a mere brand-name, inviting questions about the extent to which it is really serving sustainability goals.

Institutional requirements for sustainable development include phasing out the long outdated use of the monetary growth indice, Gross Domestic Product (GDP), as indicator of progress. Political systems pursuing a modern metering of overall suc-



cess, use multidimensional indicators of development, such as the green GDP, System of Environmental and Economic Accounting (SEEA), Green Development Index (GDI), and Environmental Sustainability Index (ESI). Similarly, tax ministries wishing to facilitate sustainable development are busy replacing the old fashioned monetary income tax revenue base, with a system of Ecotaxation: taxing energy, use of non-renewable resources and pollution, instead of taxing

labour. In the absence of such "ecological institutions" to govern agriculture at the macro level, COA is likely to remain a concept of limited sustainability value. This article report on how the DARCOF III-project GLOBALORG has pursued this theory based line of inquiry and reflects how GLOBALORG has tried to get the same message across to policy-makers at the international and national level(s).

## Measuring Sustainable Agriculture

In the absence of change towards national institutional environments using sustainability indicators to guide and evaluate national policies, COA will continue to face unfair competition from environmental free-riders, who are cost shifting instead of paying the full cost of the resource use and pollution following from their consumption and production. Therefore, an important step is to quantify and document what neoclassical economics refer to as positive and negative "externalities" of agricultural production. We believe a major "milestone" for the development of COA in Europe was achieved when the OECD published a series of statistics documenting the environmental service functions and multifunctional benefits of organic agriculture. Therefore, we deem research using Life Cycle Analysis and similar methods to quantify the environmental footprints of agriculture, as essential for the global future of COA.

Such research, form part of the institutional environment in which agriculture develops along a more or less environmentally sustainable pathway (1).

A huge body of literature identifies potentials for societies to harvest "double dividends", actively through introduction of "economic instruments" such as green taxes. From the point of view of public policy, the challenge is how to design the "magic of the market" to ensure all pipers call the tune of the environment. Policy-makers generally like the worlds nations to be able to benefit from the strengths of market forces, without accompanying costs of blind and unregulated markets running wild and producing only havoc, as it happens where "the market" governs the world, and nobody governs "the market". Now, an increasing number of people is beginning to understand that in order to provide development, instead of merely (positive or negative) monetary growth, markets need a particular framing of incentive structures and enforceable controls, to nurture only the kind of companies and markets that makes consumers and producers part of a pathway of sustainable development. Markets are only as intelligent as public policies make them, and the case of COA is a highly important arena providing crucial lessons of policy learning in this respect. Other ecologically modernizing industries, such as biodegradables or

those (e.g. Photovoltaics) in the renewable energy sector, do the same. In a developing country context one theoretical generalization emerging from our research is that without an active state able to perform certain roles, including capacities to conceive, enforce and implement public policies, a merely “market driven” COA may not be able to distribute environmental and social benefits broadly enough to really serve sustainable development.

### AFRICA - the development question

COA has become a new field for international studies (2), representing “Globalisation Options” for the South. Globalisation (with a c) can be defined as a matter of capacity to cope with or benefit from globalisation (3). A global research programme for organic farming has been proposed (4) and is emerging with ISOFAR and initiatives such as the Organic Research Centres Alliance (ORCA).

Meanwhile, global agriculture remains at a crossroad and questions remain on how far/how many societies will draw the full policy implications of agriculture as a multifunctional economic activity (5). Given conducive conditions, COA offers a development pathway and livelihood strategy, not least for Africa (6). A major potential exist for development agencies, including the Danish International Development Assistance and the Danish Commission for Africa, to act through policies, strategies and programmes based on the latest knowledge available.

In addition to publishing peer reviewed articles in international journals and presenting at international (Boston 2006, Montpellier 2007, Modena 2008 and Geneva 2008) as well as national conferences in Odense (2006) and Copenhagen (2007 and 2008), including a workshop “Organic Agriculture for Sustainable Development, GLOBALORG contributed directly to



*Drying up Kenyan organic coffee. Photo by the author.*

raising multilateral and bilateral donor awareness. For instance, GLOBALORG acted discussant to the World Bank presenting its World Development Report for 2008, at a Conference on Rural Economic Development in Eigtveds Pakhus Copenhagen, in April 2008). GLOBALORG also worked through the IAASTD and through a study pointing to local innovation capacities of smallholders using de facto organic methods (7). As far as bilateral donor awareness is concerned, GLOBALORG presented input to the “Africa Strategy” of the Danish Ministry of foreign affairs, and to the so-called “Danish Development Days”, held in Eigtveds Pakhus, Copenhagen, June 2007, and through broadcasting to the general public (8).

### Concluding thoughts

Studied as any other ecological modernization industry, COA is part of the wave of new sunrise industries wrecking “creative destruction” on sundown industries - the prime example being producers of eco-efficient cars displacing conventional producers of gasoline guzzling Chryslers and Hummers. The imperative of mitigating climate change is likely to accelerate the pace by which COA emerge as a new global standard for agriculture. The same imperative, however, may well challenge COA on at least two fronts. The first is to demonstrate in quantitative terms that COA is

indeed eco-efficient, energy efficient and low carbon, - which may prove generally easier in Africa and Brazil than in Europe and the USA. As for the second front, the onus is as much on society at large, to demonstrate a willingness to remove the economic and institutional distortions currently discouraging the majority of farmers from adopting COA.

Ideally speaking, a genuine EcoTax reform represent a policy option to take agriculture even beyond market driven organic certification, into a system of eco-efficient and low carbon agro-ecological production, environmentally and socially sustainable for a region or nation on the whole, rather than a network of patches of micro level “certified” plots, within a sea of mainstream agricultural energy waste and pollution. Global consumers have been able to see and react to the governance

failures, including resource (over)use and pollution of the mainstream food and fibre markets more directly and faster than voters have, partly because there is more of a world market than world governance. Ironically, the successful emergence of global organic agriculture may not be able to transform global agriculture towards sustainability. The current set of rules of the game relying on environmental market labels only result in dispersed farms serving an elite of educated global consumers paying voluntary price premiums. This system de-facto taxes the environmental consciousness of educated individuals, instead of taxing all polluters and resource users. For COA to gain optimum possibilities for contributing to overall national policy goals, EcoTax reform at national and global levels may prove indispensable.

### Further reading and references

{}-parentheses refer to Organic Eprints publication

1. *Organic Agriculture in a Development Policy Perspective* {7578}.
2. *Organic Agriculture: A New Field of International Development Policy* {12508}
3. *Organic Agriculture: Globalisation Options for the South?* {15399}.
4. *Towards a Global Research Programme for Organic Farming* {15401}
5. *Options for Enabling Policies and Regulatory Environments* {14752}.
6. *Afrika: Fremtidens Økologiske Kontinent* {14814}.
7. *Supporting local innovation for rural development* {11304}.
8. DR Miljømagasinet, [www.diis.dk/sw31249.asp](http://www.diis.dk/sw31249.asp) and [www.dr.dk/P1/klimaogmiljoe/Udsendelser/2008/04/02083606.htm](http://www.dr.dk/P1/klimaogmiljoe/Udsendelser/2008/04/02083606.htm)