

**Francisco, J. Jr. Promoting Civic Entrepreneurship Among Agrarian Reform Stakeholders (Risk Aversion and Civic Entrepreneurship: Contributing to Agricultural Diversification and Redistributive Reform). Policy Studies on Agrarian Reform. Project Development Institute, UP Village, Diliman, Quezon City, Philippines. October 2000.**

This policy study explores the existing institutional and contractual arrangements for managing risk in agricultural production and diversification, and the current strategies to promote increased agricultural investments by rural producers in particular, and the private sector in general. It analyzed results of related studies, literatures and official reference documents. The study posits that the evolution and strengthening of civic entrepreneurship is a crucial component of risk aversion strategies that influence farmers' decision to increase their farm investments and diversify their agricultural production. The results of the study suggest an approach where synergy is developed directly between private capital and agricultural producers, and where the state maintains a contract enforcement function. Likewise, it pointed out that substantial risks remain for both producers and entrepreneurs. Unless these risks are reduced, crop diversification will not evolve faster. Conversely, the State plays a temporary role and its involvement should enable the rise of institutions and mechanisms that safeguard producer and entrepreneurs' interests over the long term. A possible model would be to regularize DAR involvement in bargaining agreements between producers and entrepreneurs towards the eventual establishment of Commodity Councils per export crop. The Commodity Councils should eventually be transformed into private sector driven entities, with their own account managers for promoting new crops, improving quality, and identifying and accessing new markets for farm produce.