THE FOLLOWING PAPERS ARE A SELECTION OF ESSAYS PRESENTED AT AN AGRICULTURAL ECONOMICS CONFERENCE ON 13 AND 14 AUGUST 2003 WHICH WAS HOSTED BY THE AGRICULTURAL ECONOMICS DEPARTMENT OF THE UNIVERSITY OF FREE STATE IN BLOEMFONTEIN. THEY WERE SELECTED BY THE ORGANIZING COMMITTEE AFTER PROPER REVIEW.

RURAL FINANCE INSTITUTIONS, MARKETS AND POLICIES IN AFRICA

Glenn Pederson
Department of Applied Economics, University of Minnesota, Saint Paul

Abstract

We identify three types of obstacles (missing institutions) that limit the process of financial deepening in rural financial markets. Each of these obstacles contributes to a continuing and common dilemma in developing countries - the lack of long-term finance. In Africa, as in most developing regions, there is a need to develop a more consistent strategy for improving access to term finance in agriculture and rural areas. Although some examples of term financing can be found in African agriculture, the general lack of term financing in rural areas can be linked to the lack of general policy measures to enhance the environment for long-term financing, weak effective demand for rural and agricultural investment financing, and inadequate capacity of lenders to provide long-term finance to those clientele.

JEL O13, 16, Q14

"Africa cannot move forward if rural areas are left behind." (The World Bank, 2002, p. v.)

1 Introduction

Since 1970, there has been a shift from emphasis on agricultural credit to one of rural finance. There has been a broadening of emphasis on the range of functions performed by financial markets to include loans, deposits and insurance services for rural people. There has also been a narrowing of expectations in recognition that financial markets are capable of achieving a smaller range of economic objectives than was envisioned in the 1970s. I will cite three factors that have changed the way we look at rural finance today – compared to the view on the 1970s. First, through this era structural change has occurred, and the rural clients of financial institutions have changed. Although the population engaged in agriculture is still significant, its proportion in the total population has declined and the rural population is becoming less dependent on agriculture for income (Table 1). Depending on the region this trend may reflect a basic fact of agricultural progress (cheaper food and fewer farmers) or it may reflect the persistence of urban biased policies in developing countries. This trend reinforces the shift away from agricultural credit to rural finance with a greater emphasis on products that meet household demands for investment, consumption, savings and insurance.

Table 1
Proportion of economically active population engaged in agriculture by region

Region	1961 (%)	1980 (%)	1990 (%)	2001 (%)
Africa	79	69	63	57
Asia	76	67	62	56
Eastern Europe	50	28	22	15
Latin America	48	34	25	19

Source: Buchenau, 2003

Second, the advent of microfinance has placed a new emphasis on the sustainability, outreach, and impact of financial institutions in developing countries. This microfinance revolution has put rural finance problems in a different context as well. There is a growing perception that the adoption of international best practices can transform the process of financial intermediation and expand the range of sustainable financing activities.

Yet, when one looks at the level of microfinance activity by region, there appear to be distinct differences between Africa, Latin America, and Asia (Table 2). African microfinance institutions (MFIs) represent a significant proportion of all such institutions by number, but their performance and the level of outreach in terms of savings and loan activity are well below those found in other regions. African MFIs also have the lowest average loan repayment rates. The weaker loan repayment performance may be due to problems of weak enforcement of laws, and exposure to higher levels of individual and covariant risks. This pattern suggests an unmet potential for increasing the effectiveness of MFIs and other rural finance institutions (RFIs) in rural and urban areas of Africa.

Table 2
Activities and performance of microfinance institutions by region

Activity	**Africa**	**Latin America**	**Asia (excluding Indonesia)**
Percentage of MFIs	45.0	18.6	36.4
Percentage of members	15.4	19.9	64.7
Members/MFI (in 000)	19	62	95
Percentage of savings	5.6	45.2	49.2
Savings/MFI (in $ million)	3	79	28
Percentage of loans	27	33.9	63.4
Loan Vol./MFI (in $ million)	2	69	52
Loan repayment rate (%)	88.7	93.1	95.6
Female members (%)	69.9	73.3	87.8
Average loan size ($)	261	418	153
Average loan size (% of per capita GDP)	82	33	35
Average deposit size ($)	75	590	62
Average deposit size (% of per capita GDP)	24	20	7

Source: Lapenu and Zeller, 2001

The emphasis on credit still dominates the rural finance agenda, but there is a better general understanding today that rural people demand (and can pay for) savings and other well-designed financial services. There is also a better general understanding that all the rural poor may not need credit or be able to use it effectively. This is the case when the economic problems they face are more fundamental – lack of access to product markets, poor infrastructure, lack of education and health care, or other constraints on resources and productivity. The success of these new rural finance initiatives requires, among other things, investments in institution building, focusing on client demand, controlling costs, developing strong management and information systems and implementing strong governance. Much of the emphasis in microfinance has been on poverty reduction (and to a lesser extent food security).

Third, there is an increasing recognition that financial markets are institution- and information intensive. This is based on both actual experience and theoretical conjecture. This recognition can be in part attributed to the way in which we now look at the role of the state in financial markets. Institutions (legal, property, regulatory and financial) and information in financial markets are forms of public goods. Such public goods tend to be under-produced by the market due to externalities. In developed and developing countries observed gaps in the financial infrastructure and the presence of imperfect information problems have been attributed to the lack of these public goods. These problems reduce the efficiency of financial intermediation. Thus, the rationale is that government needs to play a role in the provision of these public goods by intervening in financial markets – particularly rural financial markets.

Even though agriculture is a relatively declining sector over the course of economic development, it is still the dominant sector in most developing countries. This dominance is due to the significance of the sector as a source of exports and as a major employer, especially of the rural poor and women. Improvements in rural financial markets can be a key stimulus for accelerating agricultural productivity and rural growth.

Financial services are instrumental in assisting households to maintain food security and smooth consumption levels, thus safeguarding and improving labor productivity. This is critical since labour is the dominant resource in poor rural households. Agriculture also has strong forward and backward linkages in the general economy. So, economic growth in agriculture (particularly in the subsectors that either directly or indirectly involve small-holders, tenants, and wage earners) is an important precondition for economic growth and poverty reduction in rural areas.

The objectives of this paper are two-fold. First, the paper summarises recent developments in rural finance from the perspective of "best practices" and the perception that there is a need to deepen and make more sustainable the rural financial markets in developing countries. Second, the paper identifies the key gaps in rural finance, based on recent international experience, and relates these gaps to Africa.

2 Deepening rural financial markets

Shaw (1973) introduces the concept of financial deepening to describe the process of expansion of financial transactions through markets at a pace that exceeds the growth of non financial activities. One may think of financial development as being functionally equivalent to the process to financial deepening. Deeper financial markets imply greater breadth and efficiency of intermediation (analogous to greater scope and scale economies). The implication is that to accelerate growth, one should implement policies, programs and technologies that increase the depth of financial intermediation. This can be accomplished in several alternative ways: by creating access to formal financial institutions for groups that had not previously used financial services, by reducing transactions costs and risk for RFIs and their clients, by increasing the term of loan contracts and savings instruments, and by providing larger loans to clients that were being effectively credit constrained. We identify three types of obstacles (really missing institutions) that limit the process of financial deepening in rural financial markets – the enabling policy environment, risk markets and instruments, and institutional innovations and diversity.

2.1 Enabling policy environment

Chief among the obstacles to financial deepening is the lack of an enabling policy environment. The policy environment includes the financial, legal, regulatory and macro-economic policies of the government. In effect the policy environment determines how effectively transactions can be carried out within the financial market and physical infrastructure endowment of a country. It is the task of the government to develop a policy environment that is conducive to promoting financial deepening. Policies that liberalise financial markets will tend to promote greater financial depth. Weak legal systems tend also to restrict the development of deeper financial markets owing to the lack of clearly defined property rights, borrower and lender claims, and costly judicial enforcement of contracts. An unstable economic environment can be similarly corrosive for the development of financial markets as actions on the part of the government that create inflationary spirals and uncertainty tend to undermine the ability of financial institutions to price their services and incentives to make needed investments in the financial infrastructure.

2.2 Risk markets and instruments

The lack of risk markets and instruments to achieve risk reduction is a second obstacle to rural financial market deepening. The rural economy is dependent on agriculture and agriculture is a risky business. The implied higher level of risk has two types of disincentive effects for RFIs – lending decisions and investing decisions.

The first effect is through the reduced willingness of RFIs to lend in rural areas. Financial markets are expected to play an important role in pooling risks of their borrowers to facilitate the flow of savings into productive investments. They manage these risks in a number of alternative ways such as diversifying their portfolios and issuing insurance. One of the major deterrents to financial intermediaries serving agriculture and rural areas has been the problem of how to manage correlated risks effectively. When underwriting the risks of an individual borrower the lender is concerned with moral hazard and adverse selection problems (transaction risk). However, when the loans being granted are also correlated across borrowers, the risks tend to compound in the portfolio of the lender (covariant risk). When pooling correlated price and yield risks of borrowers, RFIs need to develop sufficiently diversified portfolios of loans to adequately manage the risks. This may be particularly difficult to achieve in the case of small, local financial institutions. They also need to allocate sufficient capital to cover the expected level of loan losses given default.

Although it remains at an early stage of development, the emphasis in best practice risk management has been on developing new market instruments to manage correlated risks, such as those found in agriculture, through global financial markets and in sharing catastrophic risks (Skees, 2003).

The second effect of risk is through the reduced willingness of RFIs to invest in rural financial market infrastructure. Improvements in financial sector productivity and outreach to rural areas can occur through investment in cost-reducing technologies and in training personnel. Yet, investments that bring about greater productivity in rural financial markets are like other investments. High levels of uncertainty tend to drive out productive investment and retard both financial sector development and economic growth. It is important to note here that the risks that deter investments by RFIs may include not only the risks related to agriculture, but those related to uncertain government policies as well.

2.3 Institutional innovations and diversity

The lack of institutional diversity has been a challenge in the process of deepening rural financial markets. The need for institutional innovation and diversity is quite important to the expansion of services and increased competition in rural financial markets. The differences between rural and urban markets are among the underlying factors that have limited this development. These differences can be summarised in a few categories: costs of delivery, level of systemic risks, risk-bearing ability, and the level of government commitment (Zeller, 2003).

Generally, there is a lower population density in rural areas, the level of infrastructure development is lower, and there is less access to information and education. These factors add significantly to the costs of undertaking transactions and delivering services in rural areas. Second, we observe that there is a higher level of systemic risk in rural activities owing to segmentation of markets and less income diversification.

One of the most promising (but generally overlooked) avenues for improving the financing of agriculture in developing countries is through supplier credit and agribusiness financing linkages. Traders, processors, input suppliers and exporters are a primary source of credit for poor, agriculture-dependent households (Pearce, 2003). Supplier and buyer credit arrangements facilitate the functioning of commodity markets and they increase farm productivity. Farmers in developing countries regularly acquire credit (in cash or in kind) through input supply and product purchase transactions. One can find cases where, even though financial markets are shallow or poorly developed, credit channelled through product markets is still significant.

Yet, in spite of the advantages that suppliers may enjoy over traditional financial institutions, the range of financial products offered through these transactions is relatively narrow, consisting primarily of seasonal credit and short-term financing. This severely limits the range of marketing alternatives that farmers in more remote areas can pursue. In addition these transactions are not transparent and farmers may not know the true costs of borrowing through these credit arrangements. Finally, these product-oriented credit arrangements are not designed to finance long-term investments, improve product quality, or finance the start-up of new ventures.

3
The term finance dilemma

The fundamental challenge is to gain a deeper understanding of the various constraints that operate in rural financial markets. For example, each of the obstacles to rural finance that have been reviewed contributes to a continuing and common dilemma in developing countries – the lack of term finance. We look at some of the key characteristics of term financing in agriculture and then consider ways in which financial market imperfections might be addressed in developing countries to bring about more long-term finance.

3.1 Why term investments?

Why do farmers make term investments? Although there may be numerous objectives, they may be categorised in three primary ways: to ensure physical survival and food security (e.g. water management, land conservation, storage facilities), to accumulate assets that can be used in periods of external shocks (i.e. as savings or insurance substitutes) to smooth consumption, and to generate additional income or adapt farm production possibilities to changing market conditions (Hollinger, 2003). For example, cropping systems in Africa have been in transition from land-abundant to land-constrained (Reardon, Kelly, Crawford, Jayne, Savadogo & Clay, 1996). As crop yields have declined or stagnated, rural households have diversified into non-crop activities. Expanded access to term financing can play a useful role by providing services that assist in the continued development of non-crop incomes and investment in land conservation and yield-enhancing strategies of farmers.

The dilemma in developing countries is that these are the types of investments that are critical to agricultural and rural development, yet the financial institutions needed to undertake these types of investments are lacking. How do small farmers in developing countries typically finance these investments? The typical financing alternatives include savings, internal reallocation of household resources, and short-term loans. A combination of these means is often used. Yet, each of these sources of financing creates unique limitations for the type and scale of projects that can be undertaken. While short-term, seasonal loans are more readily available, their terms of repayment do not match the cash flows of the projects. This mismatch creates serious cash flow problems early in the life of an investment project and leads to a higher likelihood of default.

Term loans pose a different set of problems for RFIs than for microfinance. Microfinance institutions base their lending decisions on the existing repayment capacity of the household without resorting to an assessment of the profitability or liquidity of the new investment or activity being financed. This approach works well for small loans with short maturities. Long-term investments require a more careful appraisal of the cash flows of the project and the risks of future repayment problems. In principle term loans face higher risks than short-term loans because the longer time to repay raises the probability that an adverse income event will occur and cause default on the loan. Thus, traditional lenders are reluctant to make these loan commitments without suitable collateral to secure the loan and an adequate legal framework to improve the likelihood of collection. In agriculture the primary sources of risk are market price volatility, uncertainty about the natural conditions of production in agriculture (e.g. weather and pests), and the unknown management ability of the clients. In recognition of these risks, financial institutions may try to limit the level of risk exposure by restricting the use of term loans. Alternatively, they may attempt to manage those risks by hedging or diversifying those risks in the loan portfolio or by requiring significant amounts of additional collateral.

There are various problems with both the use of collateral and the ability to enforce claims owing to problems with the legal framework in developing countries (Fleisig & de la Pena, 2003). For example, one of the major sources of wealth in agriculture is land. Yet, in many developing countries land markets do not work well due to an inadequate legal framework for land titling and transfer of ownership. As a result, many farmers cannot mortgage their land or use their land as collateral to obtain term financing. Major problems with the legal framework may also limit the ability of farmers to use movable assets such as machinery as collateral to obtain term credit. Even when these assets are taken as collateral they are often heavily discounted in value, requiring excessive amounts of collateral to meet the lender's requirements.

3.2 Case study evidence

A recent FAO study has attempted to identify the key elements of successful and innovative term financing technologies in rural financial markets based on several country case studies (Hollinger). The study looks at various types of financing options for farm-level investments such as term loans, leasing, and equity financing.

According to Hollinger, risk, transaction costs, and lack of adequate information on clients are the primary factors that limit the demand and supply of term finance. The risks fall into two general categories – the idiosyncratic risk associated with a specific farm borrower and the systemic risk associated with events that are sector- or region-wide. These risks are present in all forms of agricultural lending – short- and long-term. The added risks of agricultural term financing include longer time horizons and the interest rate risk associated that lenders are required to manage. This interest rate risk surfaces when the maturities of assets (loans) of the lending institution do not match the maturities of the liabilities that are used as the source of financing. As the costs and availability of funds change, RFIs have to manage this risk exposure. These risks of mismatched assets and liabilities, concentrations in the loan portfolio, and risks of client default are manageable. Less manageable are the co-variant risks owing to technical production failure, macroeconomic shocks, natural disasters, and government intervention.

Problems with excessive transaction costs are a barrier to term finance just as they are for short-term lending. The standard approach is that reductions in the direct and indirect costs associated with financial transactions tend to increase the level of financial intermediation. Finally, the problems created by the lack of information on borrowers and their activities are more severe in long-term lending arrangements. In order to assess long-term repayment ability of a borrower, a careful appraisal needs to be undertaken. Frequently the information required for such an assessment of repayment capacity is not available. Thus, term lenders resort to collateral requirements in order to address the information problem.

The limited amount of term finance in Africa has been attributed to environmental factors that operate on the demand and supply sides of the market. Poor infrastructure and agricultural support services have tended to limit market access and the commercialisation of agriculture in many areas. Second, institutional (legal) weaknesses create problems with contract enforcement, with use of collateral to secure loans, and with registering claims on movable assets. Third, the fact that population densities are low in rural areas of Africa also increases transaction costs for rural financial institutions and their clients. Long distances between clients create a situation where the costs of marketing, providing support services and borrower supervision and appraisal are relatively high. There is also a lack of effective competition in the rural areas that lie outside the import/export sectors. Although these barriers are significant, there are examples of agricultural term financing in Africa. The examples cited by Hollinger in Mali and Kenya emphasise the use of term loans to groups of farmers and farmer cooperatives for establishing rice mills, acquiring irrigation pumps, and renovating coffee factories.

3.3 Strategies for enhancing agricultural term finance

Intervention strategies for enhancing the availability of term finance in agriculture fall into roughly three categories:

- general policy measures to enhance the environment for long-term financing;
- actions to strengthen the effective demand for agricultural investments and term financing; and
- measures to improve the capacity of lenders to provide term finance.

The environment for term financing needs to be addressed before significant progress can be made in most countries in Africa. On the macroeconomic front, governments need to promote macroeconomic stability and predictability of economic policies. They should focus on promoting competitive financial markets through regulation and supervision actions. Governments should also reduce policy distortions that reflect the bias against agriculture (e.g. price controls, burdensome export taxes and overvalued exchange rates). General policy measures include reforms in legal frameworks and institutions that support the extending of term loans in rural areas. These measures will improve the ability to secure loans with adequate amounts of collateral and make the claims of lenders enforceable. Instruments that reduce risk might include a combination of insurance and partial credit guarantee funds. Investments in infrastructure are needed to facilitate more efficient transportation, communication, and marketing of financial and other services.

In order to increase the effective demand for term finance, borrowers may need training in the identification of profitable projects and the use of term financing. For example, this may be particularly true among the emerging black farmers in South Africa due to their lack of capital and management experience. They may need direct grants to leverage local capital formation efforts that involve groups of farmers and to improve local infrastructure. These latter efforts are targeted not only to expanding term finance among existing rural clientele, but also to integrating the rural poor into financial markets.

Measures that strengthen the financial institutions engaged in term finance would be targeted to improving their capital structures and their capacity to manage the portfolio and funding risks associated with increased term lending. The primary means of funding term loans is through access to long-term sources of funds – public and private. Yet, a review of the alternative sources of these funds reveals that there is no clear preference ranking of which source, or combination of sources, to use (see Appendix). The selection by a financial institution will depend on factors such as the type and financial profile of that institution, existing government policies, and the stage of development of capital markets in the country. In some cases combinations of long-term funds are used. For example, in South Africa the Land Reform Credit Facility (LRCF) was created to provide long-term refinancing between white commercial farmers and black farmers and workers. Commercial banks and other investors can apply for funds through the LRCF and combine the funds with land reform grants.

As the frontier of term finance is expanded, it is likely that the major providers of term financing will be RFIs (including banks and leasing companies). Non-financial institutions (NFIs) such as equipment suppliers and agribusinesses will be of less importance. This is due to the fact that term financing requires specialised skill at structuring and funding the loans and lease contracts. RFIs also have certain advantages as term lenders. Their core business involves the development of expertise in individual loan appraisal and risk analysis, and they are better able to manage risks at the portfolio level. These institutions also realise some economies of scale and scope in the administration of loans, leases and other financial services (savings, insurance). In addition they generally have better access to long-term sources of funding. NFIs possess advantages in areas such as technical knowledge related to production of the equipment being financed, yet these advantages are usually offset by their lack of ability to assess borrower risks and repayment ability and to administer large portfolios of small loans and leases.

4 Conclusions

This paper has described the obstacles to financial deepening in developing countries. We conclude that those obstacles include weaknesses in the enabling policy environment, the lack of risk markets and instruments, and insufficient institutional innovation and diversity. Although individual country differences exist, it is likely that much of Africa faces these obstacles to the deepening of rural financial institutions.

The paper considered the dilemma of long-term finance in developing countries. In Africa, as in most developing regions, the problems are systemic in nature. There is need to develop a more consistent strategy for improving access to term finance in agriculture and rural areas generally. Although some examples of term financing can be found in African agriculture, the conclusion is that the general lack of term financing for smallholders can be linked to the lack of general policy measures to enhance the environment for term financing, weak effective demand for agricultural investment financing, and inadequate capacity of lenders to provide term finance to those clientele.

Microfinance innovations have created a sense that lending technologies can be used to overcome some of the barriers that prevented outreach to the poor, many of whom are located in rural areas and are engaged in agriculture. However, microfinance is not agricultural finance, and much more needs to be learned in order to transform agricultural finance. While credit is still a dominant concern in rural areas, the range of financial services provided to rural residents is expanding in ways that improve overall social welfare, and integrate rural people into financial markets. International best practices are starting to be adopted in many developing countries. This is increasingly evident in Africa. If we learn from past mistakes in how financial policies were formulated and implemented, then the challenges and constraints today, which are still formidable, will represent opportunities for improving rural finance in Africa and other developing regions.

References

1 BUCHENAU, J. (2003) "Innovative products and adaptations for rural finance", Paper presented at *Paving the Way Forward for Rural Finance: An International Conference on Best Practices*, Washington D.C., June.

2 FLEISIG, H.W. & DE LA PENa, N. (2003) "Legal and regulatory requirements for effective rural financial markets", Paper presented at *Paving the Way Forward for Rural Finance: An International Conference on Best Practices*, Washington D.C., June.

3 GIEHLER, T. (1999) "Sources of funds for agricultural lending", *AFR Series No 4*, FAO/GTZ.

4 HOLLINGER, F. (2003) "Term financing in agriculture: A review of relevant experiences, executive summary", *Report No. 013/028 CP-*SSA. Food and Agriculture Organisation, Technical Cooperation Department Investment Centre Division: Rome.

5 LAPENU, C. & ZELLER, M. (2001) "Distribution, growth, and performance of microfinance institutions in Africa, Asia, and Latin America", *Discussion Paper No 114*, International Food Policy Research Institute: Washington D.C.

6 PEARCE, D. (2003) "Buyer and supplier credit to farmers: Do donors have a role to play?" Paper presented at *Paving the Way Forward for Rural Finance: An International Conference on Best Practices*, Washington D.C., June.

7 REARDON, T.; KELLY, V.; CRAWFORD, E.; JAYNE, T.; SAVADOGO, K. & CLAY, D. (1996) "Determinants of farm productivity in Africa: A synthesis of four case studies", *MSU International Development Paper No 22*, East Lansing.

8 SHAW, E. (1973) *Financial Deepening in Economic Development*, Oxford University Press: New York.

9 SKEES, J. (2003) "Risk management challenges in rural financial markets: Blending risk management innovations with rural finance", Paper presented at *Paving the Way Forward for Rural Finance: An International Conference on Best Practices*, Washington D.C., June.

10 THE WORLD BANK (2002) "From action to impact: The Africa region's rural strategy", Rural Development Operations Division, Washington D.C.

11 ZELLER, M. (2003) "Models of rural financial institutions", Paper presented at *Paving the Way Forward for Rural Finance: An International Conference on Best Practices*, Washington D.C., June.

Appendix

Table A.1:
Sources of funds for agricultural lending

Source of Funds	Advantages	Disadvantages
Government loans	• Low financial costs • Low interest rate risk	• High administrative costs • Unpredictable and limited supply • Limit F.I. autonomy • Negative effects on repayment discipline
International loans	• Low financial costs • Funds available for long periods	• High administrative costs • High foreign exchange risk • Unpredictable and limited supply • Negative effects on repayment discipline
Central bank loans	• Low financial costs • Stable supply	• High administrative costs • Negative effects on repayment discipline
Compulsory deposits	• Low financial costs • Low degree of direct external intervention	• Unpredictable supply and conditions • Negative effect on repayment discipline
Savings deposits	• Low financial costs • Permanent minimum core balance • Improve information on loan clients • Unlimited source • Incentives for good governance and management	• High fixed operational costs • High liquidity risks due to volatility • High interest rate risk • Reserve requirements • Have to be mobilised actively • Need skilled and specialised staff
Commercial borrowings	• Fast supply • Fixed amount of known duration • Incentives for good governance and management	• High financial costs • Costly disclosure of information • High interest rate risk • High liquidity risks
Debt instruments	• Long-term funds of known duration • Low interest and liquidity risk • Incentives for good governance and management	• High financial costs • Costly disclosure of information • High asset quality required
Equity	• Flexible costs • Funds available for long periods • Leverage potential • Risk cushion	• Limited supply • Difficult to raise • Can be expensive in the long run (if it is not a donation) • Additional decision-makers involved

Source: adapted from Giehler, 1999