

Making livestock policy pro-poor

The idea that pro-poor development can best be mediated through processes of policy and institutional change has gained much greater currency in development circles in recent years. This article shares some of the insights from FAO's Pro-poor Livestock Policy Initiative – credited by the recent independent external evaluation of the FAO to have influenced global thinking on policy and institutional change.

Demand for livestock products driven by economic, population and urban growth in developing nations, coupled to increasing requirements for product diversity and safety, increasing food and feed prices, emerging and re-emerging diseases, and mounting social and climatic concerns is reshaping the global livestock sector. It is against this dynamic background that livestock fulfil a number of different roles for an estimated 70 percent of the world's rural poor; from income generation and the provision of inputs into mixed cropping systems, to a buffer against shocks. The livelihoods of many of the most vulnerable are thus linked, for better or for worse, to changes in markets, technologies and disease patterns that are transforming the livestock sector.

To date, few countries only have managed to harness such sector dynamics effectively for poverty reduction and

economic growth. The rapid evolution of the sector offers opportunities for the poor, but more thought needs to be given to the kind of capacity that has to be developed to be able to respond to the frequent and often unpredictable changes in market demands, competition, disease status, or climatic conditions, without compromising the contribution that livestock can make to sustainable and inclusive growth: Change, and the need to cope with and prosper under change, is the context in which livestock sector development policy and practice needs to achieve the social, economic and environmental goals of society.

The nature of livestock farming, however, is often determined by policy and

institutional frameworks that are not pro-poor and that sometimes encourage forms of production that threaten long-term environmental stability and public health. In addition, livestock sector / public goods interface issues, such as transboundary animal diseases or food safety, are often determined by policies and processes that require international agreement and co-operation, or are subject to international norms and protocols that need to be informed from a regional or global perspective.

■ Is policy and institutional change a viable entry point?

So while technology oriented projects in the sector had largely failed, developing an enabling institutional and policy environment held out the promise of enhancing impact on the poor. This led to a large number of policy and institutional change projects. Whilst many of the new projects were often simply about a shift from research-driven technology to

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The political and institutional framework conditions in Peru allow for the national fibre production to upgrade its quality standards and thus meet international market requirements.

Photo: J. Dijkman, FAO



FAO's Pro-poor Livestock Policy Initiative: the background

A critical shift in development thinking in the 1990's was the sudden realisation that research-driven technology alone was not going to transform livestock sector development in ways that would necessarily help the poor. Partially, this was a backlash against the failure of technology to deliver, but it also reflected a more nuanced understanding of technical change and development. The role of policy and institutional change was particularly flagged as a way of creating the framework conditions in which sector development could be steered towards the needs of the poor. The Pro-poor Livestock Policy Initiative (PPLPI) was launched in 2001 by FAO with DFID (UK Department for International Development) with the intention to facilitate and support the formulation and implementation of policies and institutional changes that would have a positive impact on the livelihoods of a large number of the world's poor. The livestock focus reflected the importance of the sector to the livelihoods of the world's poor, and that the predicted *Livestock Revolution* could provide new livelihood opportunities for them.

research-driven policy and institutional change recommendations, there have also been a number of initiatives that actively tried to link research, policy, and practice to the needs of the poor. The experiences gained by FAO's Pro-poor Livestock Policy Initiative (PPLPI – see Box) in policy work at country level fully confirmed the project's underlying rationale that policies and institutions are far stronger determinants of poor people's livelihoods than technology. In Andhra Pradesh/India, for example, it was clearly shown that veterinary and other production technologies were only able to contribute effectively to the livelihoods of livestock-dependent poor people following significant shifts in the framework conditions created by legislative instruments and the norms and standards that shape relations among alternative service suppliers.

The project's work at country level also provided evidence that, despite increasing international interdependencies, national governments have sufficient space for policy reforms that can significantly reduce poverty. In Peru, for example, the capacity to provide locally specific responses to rapidly evolving international quality standards and patterns of competition in the natural fibre market secured international market share whilst at the same time increasing the income of smallholder fibre producers.

In most instances, countries do not deliberately formulate policies that are 'anti'-poor, but rather fail to realise that economic growth, although necessary, is not always sufficient for poverty reduction. In Vietnam, for example, prior to the project's facilitation of an institutional mechanism and policy dialogue that integrates the interest and potential of the pig sector to the expansion of the rural economy and poverty reduction, such dimensions had not been included in the overall growth and development strategy of the livestock sector.

■ Ensuring policy and institutional change is pro-poor

Two broad categories of lessons have emerged: The first is operational lessons related to the approach and pre-requisites to engage in policy and institutional change processes per se. The second is conceptual and concerns the need to rethink the way policy and institutional change is assessed and how such change can be stimulated.

1. Establishing knowledge exchange networks. Conventional approaches, where policy advice is simply transferred to policy-makers and practitioners, have shown to have limited impact. Broad-based partnerships and knowledge exchange networks have

to be established rather than relying on an 'authority' as a source of policy advice. Such approaches involve the facilitation of a policy process, which may include assisting stakeholders to access different knowledge stocks, managing conflicting interests and ideologies, learning from experiences of other stakeholders within and without the country, and incorporation of those lessons in policy dialogues and implementation. Such processes are, by nature, iterative and lengthy. They require long-term engagement, and setbacks have to be expected.

Ensuring that networked capacity is pro-poor is also key. To achieve this, quality interaction among the poor and other stakeholders and the inclusion of their views and concerns is necessary, but it is not sufficient. In fact, a sole focus of policy and institutional change processes on their potential benefits to the poor ignores key institutional and economic actors such as entrepreneurs and industrialists who can create new opportunities for growth and welfare which determine whether such change builds or contributes to sector-relevant policy capacity: It is in the interplay of experiences of distinct groups of actors, and in the convergence of diverse domains, where the framework conditions required for socially desirable outcomes flourish.

2. Strengthening institutional and policy learning. In a world characterised by rapidly changing market, technological, social and environmental conditions evolving in often unpredictable ways, the argument is that it is not the changes in policy and institutional circumstances that need to be assessed, but rather the underlying processes that bring about such changes and that build the capacity to manage and exploit change. In other words, understanding and promoting policy and institutional change is actually concerned with the underlying capacities for change, and this capacity is largely a function of the patterns



Photo: H. Wagner, FAO

In emerging economies where large-scale livestock production dominates, efforts must ensure that public health and quality standards are upheld, particularly in order to protect small-scale livestock production.

mix of policy, institutional change, technology, and investment: Building locally specific

of linkages and the quality of the associated relationships among actors in the sector.

This capacity-strengthening perspective on policy and institutional change implies that projects geared towards the solution of one specific problem need to be superseded by interventions that focus on strengthening institutional and policy learning: the incremental, iterative process by which policy and institutional changes are tried and evaluated, and through which different stakeholder perspectives are brought to bear on the direction of change.

■ A living from livestock

In practice, managing the transition of the livestock sector requires a

capacity that can respond to change is particularly important. Policies and institutional arrangements are essential in mediating how the livestock sector develops, how current and former livestock keepers fare, and how well the needs of consumers – rich and poor, rural and urban – are served.

In areas with limited economic growth, policies and institutional arrangements are needed that reduce vulnerability and help to maintain livestock production as a pillar of livelihoods and a safety net for poor households, whilst minimising risks from zoonotic and food-borne diseases, and environmental hazards to the livestock keepers themselves and the wider community.

In areas where economies are beginning to take off, supportive policies and

institutional arrangements are needed to manage the livestock sector in its early stages of transition. The great majority of poor small-scale producers have, thus far, found it difficult to take advantage of the opportunities provided by an expanding sector, due to, e.g. a lack of personal funds to invest or access to credit, small and diminishing land holdings, poor access to input and output services and markets, increasingly stringent food and safety standards, the growing power of supermarkets, and poor knowledge access and infrastructure.

In rapidly developing economies, as the livestock sector becomes increasingly dominated by large-scale integrators, policies and institutional arrangements are required to ensure that public health and environmental standards are upheld and the needs of diverse consumers, including the less well-off, are met. At all levels, however, tradeoffs are likely to be necessary between the interests of the diminishing number of poor livestock producers, processors and market agents, and of the increasing number of poor, largely urban, consumers. The objective of pro-poor livestock sector development policies, in these scenarios, should thus not be to maintain smallholder production systems at any cost, but to mediate sector transition, in which the role of the poor needs to be considered broadly, including as consumers, market agents and employees, as well as small-scale producers.

Zusammenfassung

In Anbetracht der heutigen dynamischen Entwicklung ländlicher Räume sind geeignete politische Konzepte und institutionelle Vereinbarungen wesentliche Voraussetzungen für eine kontrollierte Entwicklung der Viehzucht, für die Situation heutiger und ehemaliger Tierhalter und dafür, in welchem Maß die Bedürfnisse der Verbraucher – ob reich oder arm, auf dem Land oder in der Stadt – berücksichtigt werden. Durch den Aufbau vertrauensvoller Bindungen und Beziehungen zwischen den Akteuren der verschiedenen Sektoren im Rahmen eines iterativen Prozesses, durch

den politische und institutionelle Veränderungen erprobt und analysiert werden, können eine armutsorientierte Politik und institutionelle Veränderungen gefördert werden. Dabei können die Sichtweisen der unterschiedlichen Interessengruppen berücksichtigt werden und so die Richtung dieser Veränderungen mit beeinflussen.

Resumen

En el dinámico escenario actual del desarrollo rural, las políticas y estructuras institucionales resultan fundamentales para transmitir cómo se desarrolla el sector de la ganadería, cómo se desenvuelven las

personas que se dedican o se han dedicado a la crianza del ganado, y en qué medida es factible satisfacer las necesidades de los consumidores (ricos y pobres, rurales y urbanos). Es posible fomentar las políticas pro-pobres y las reformas institucionales a través de la creación de vínculos y relaciones de calidad entre los actores del sector, como parte de un proceso incremental e iterativo que permite ensayar y evaluar las políticas y los cambios institucionales. A través de dicho proceso, las diferentes perspectivas de las partes interesadas pueden ejercer influencia sobre el rumbo que tomarán estos cambios.