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## Controlling Avian Flu and Protecting People's Livelihoods in the Mekong Region

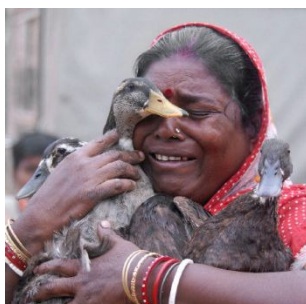
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### Poverty, Livelihoods and HPAI

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#### Key Findings

- Although smallholder poultry producers form the majority of poultry keepers in HPAI affected countries, they do not have a voice in the design of short- and long-term control and mitigation policies.
- HPAI coping strategies of the poor are very varied and need to be taken into account in HPAI control programmes.
- Research on the impact of HPAI and control measures needs to adopt a poverty and gender approach and include all stakeholders in the poultry sector.



Although a considerable body of research exists on the impacts of HPAI and applied control measures at aggregate national level, considerable gaps remain in the understanding of the vulnerability of smallholder poultry producers and other poor stakeholders in the poultry value chain, such as traders, slaughterers, market sellers and transporters, to HPAI related shocks and of the coping strategies these households (can) resort to.

Small-scale poultry production often represents an important activity for the poor, even if insignificant in terms of income. Amongst poor backyard producers, poultry ownership is part of a diversity of assets that contribute towards complex livelihood strategies, managed to achieve food and income security. Amongst small-scale market-oriented producers, poultry often represent a major livelihood asset, removal of which is likely to push these produces back into poverty.

Given that in countries in which HPAI has established itself smallholder poultry producers constitute the vast majority of poultry keepers, their 'cooperation' is essential for the success of HPAI control programmes. An understanding of the incentives and disincentives for these, generally poor, producers to participate in HPAI control programmes is required to improve their effectiveness and efficiency.

This Research Brief draws out the main findings and policy implications from an extensive literature review addressing the following three questions: (i) Which groups are most vulnerable to HPAI? (ii) What are the implications in relation to livelihood, coping and risk management strategies for

these groups? (iii) Which knowledge gaps need to be filled to better understand the poverty and livelihood dimensions of HPAI?

## Shocks and Vulnerabilities

### Poultry deaths and production / marketing restrictions

Poultry deaths from HPAI or from culling affect small-scale market-oriented producers most, as these have heavily invested financial and social capital in poultry production. Production bans or restrictions, such as those imposed in Viet Nam and Indonesia, severely affect small-scale urban producers and input suppliers. Market restrictions particularly affect those smallholders who supply their produce to formal markets. This was seen in Viet Nam and Lao where small-scale producers withdrew from the formal market altogether. Slaughtering restrictions, such as those imposed in urban areas in Viet Nam, affect all small-scale slaughterers, who have few short-term livelihood alternatives.

### Price fluctuations

HPAI-related price fluctuations can impact in different ways. In the short term, a drop in poultry prices affects all smallholders who rear poultry for sale. Concomitant rises in the prices of non-poultry food items affect low-income households for which it becomes difficult to substitute the loss of poultry-derived protein with alternative sources.

### Sector restructuring

Sector restructuring is likely to affect all poor households engaged in the poultry sector. For example in Viet Nam small-scale producers, traders, transporters, slaughterers and processors are being squeezed out of the sector. In Thailand, HPAI outbreaks have accelerated sector restructuring in favour of industrialised farms and firms at the cost of small-scale producers and associated market agents.

### Multiple shocks

One serious HPAI-related threat for the very poor is the threat of multiple shocks. Although this is hardly covered in the literature, speculative research in Ethiopia found that some extremely poor households would not be able to rely on their available assets in the face of multiple shocks, for example HPAI combined with a failed harvest, which may then tip them over into food-insecurity.

## Livelihood Impacts and Coping Strategies of the Poor

### Nutrition

For farmers dead birds not only represent a loss of a productive asset but also the loss of a protein source, which is especially important for children, the elderly, and pregnant women. Consumer reactions cause price increments of other animal protein substitutes making them

unaffordable for the poor. In response, where possible, poor households decrease expenditure on animal source protein and buy cheaper, but less valuable vegetal proteins.

## Income

Although in general poultry only provide a moderate share of household income, for particular groups of poor this share can be substantial. For example, in a sample study of very poor poultry keepers in Egypt, poultry-derived income as a share of overall income was more than 40 percent on average (and in some cases was as high as 100 per cent).

In addition to providing direct income, poultry (particularly ducks) are used for weeding and to control insects and pests in rice fields (i.e. snails). Thus, HPAI and production bans imply higher rice production costs and / or lower yields.

Poor households attempt to compensate the loss of poultry-related income by selling family labour locally or by migrating to cities in search of paid jobs. Particularly women, however, have difficulties finding alternative sources of income, which include: selling crafts, milk and vegetables, domestic work, fishing, insect picking, raising quail or pigeons and gardening.

## Expenditure and consumption

To cope with lower revenues, poor households restructure spending (e.g. remove children from school), borrow money, and / or rely on transfers from relatives. In Cambodia, producers were forced to sell their assets after an HPAI outbreak in order to repay loans taken from micro-finance institutions

Small-scale, semi-industrial producers divest, lay off employees, reduce work shifts, skip loan payments and downsize their flocks. Likewise, other stakeholders in the poultry value chain downsize their operations or transport/sell alternative products, such as fish, pigs and goats.

## Risk management

Agricultural training and extension opportunities are difficult to access by poor rural farmers resulting in limited diffusion of relevant information on HPAi risk management. However, the reluctance of many producers to upgrade bio-security of their production units is not only due to a lack of information or advice, but also because they do not regard the required capital investment as providing reliable and sufficiently high returns. This reluctance to comply with mandated bio-security enhancing measures is also a coping strategy to absorb temporary constrains on household income.

## Social relations and gender roles

In rural areas, poultry has social roles and are embedded in social fabrics in the form of cultural events, religious ceremonies and local festivities. Also, poultry assign prestige to owners since birds are offered as meal for special guests, as gifts, as dowry or as an exchange item. For this reason, it is fairly common for family and non-family networks to assist poor households by providing poultry for restocking purposes.

Because women's mobility, income earning opportunities, and access to formal markets are generally restricted, they are usually the family / household members who own and manage backyard poultry flocks. Thus, women stand to be over-proportionally affected by HPAI by losing one of their few sources of independent income, empowerment and self-esteem.

## Future Research Directions

From the literature review, gaps were identified where further livelihoods and poverty-related information around HPAI would help providing a clearer picture of which poor groups is most vulnerable to HPAI shocks and how their vulnerability could best be addressed by short and longer-term HPAI control programmes.

**Poverty analysis:** Consistent analysis of HPAI impact is needed that merges two categorisations: position in the poultry sector value chain; and socio-economic status. The central focus should be smallholder households who are dependent on the poultry sector in some way.

**Gender analysis:** HPAI-related impact analysis should include rigorous gender analysis. How does access to, and control over relevant assets for managing HPAI threats differ between women and men? Of particular interest would be a gendered analysis of the likely impact of sector restructuring on small-scale semi-commercial producers.

**HPAI impact on stakeholder in the poultry sector other than producers:** Analysis is needed to explain how the livelihoods of stakeholders other than producers are vulnerable to HPAI-related shocks, and how they re-arrange their resources to mitigate against food and income-insecurity.

**Geographical location:** The geographical location of small-scale producers will dictate how badly they are affected by an HPAI outbreak. It will also influence their access to a number of assets such as: markets, information, and risk mitigation strategies.

**Attitudes and behaviour:** It would be interesting to supplement existing studies on attitudes and behaviour relating to HPAI with analysis of which bio-security measures producers would be willing to adopt, and why? This would assist in the design of communication and awareness campaigns and risk reduction strategies that respond to local contexts.

**Participation:** Nothing was found in the literature around smallholder participation in design of long- and short-term control and mitigation policies. Where are the opportunities for smallholders to influence policies that affect their livelihoods? This would be especially relevant in countries where sector restructuring coincides with decentralisation policies.

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