



Institutional analysis of HPAI control

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OBJECTIVE OF INSTITUTIONAL analysis

- Identify institutional options
 - ⊙ Classified them
 - ⊙ Analyze when and where they emerge and work
- Learning from the past
 - ⊙ What Happened
 - ⊙ What does it mean
- Learn from theory
- Introduce alternative designs
- Try them

Understanding institutional set up

- Institutions are complementary to technologies
- Institutions=“Mechanism to solve managerial problems of private and public sector”
- Like technologies they allow transition from initial situations (“inputs”) to final outcome (“outputs”) and their performance can frequently be quantified
- Their Emergence and performance depend on situation-(physical,economical, social,cultural) - “induced innovation” implies to institutions as well as technologies, and notion of “appropriate institutions” is a relevant concept a-la “appropriate technology”

Institutions in context of supply chains (not inclusive)

- Recognize alternative set up to manage stages of supply chain and their linkages
 - ◎ Production- from back yard production of bird to large scale industrial production
 - ◎ Differences in scale, products, costs and contexts
 - ◎ Consumption and distribution- consumption within family, locality, to globally
 - ◎ Technology and genetic material generation - from traditional transfer of knowledge to formal R&D networks

Institutions in context of Risk management

- Distinguish institutions for management of product vs health risks
- Product risk
 - ⊙ Insurance scheme (public private)-for producers
 - ⊙ Sampling demonstration warranties--buyers
- Animal and resulting human health risk
 - ⊙ Provision of technology, training and treatment to detect and control health problems
 - ⊙ Monitoring and Incentives for behavior to abate emergence of epidemics (addressing issues of moral hazard, assymmetric information etc)
 - ⊙ Identify and control of epidemics (arrangement at the macro level)

Lessons of the past

- Study of institutional framework- for
 - ⊙ HPAI control and
 - ⊙ animal productionsin the study countries
- Learn the lessons from other countries through the literature
- Identify the theoretical justification for the institutional design-Did reality confirm theory?
- Identify what worked where, when and why?

Causes for major problems in the countries-I

- We are concern with
 1. Causes of diseases- Why did epidemic occur?
Emphasize interaction of institutional set up with biophysical conditions
 2. The responses by various groups- the resulting costs and impacts-
 - ◎ To what extent were institutions and policies constraining? When did they help?
 3. How institutional set up affect the structure and performance of animal production and distribution? We consider agricultural, food, medical credit and other relevant institutions

Causes for major problems in the countries-II

- We are concern with

4. Institutional, structural and cultural structure to demand and distribution of avian products(meats, eggs, feathers, etc)

5. Institutional factors affecting change and growth- especially relating to agriculture and bird production.

6. Market failures, failure of governance, flawed institutions

Our analysis must recognize heterogeneity

Yet Look for common threads and unique features of the different cases

Different teams will study different cases but joint and specialized effort will be given to identify common themes

Methods to study the institutional issues

- Must be based on theory and recognize lessons from other situations
 - ⊙ Epidemics and poverty are not new
 - ⊙ To contribute to a global public good you need to use it
- Empirical study goes beyond looking for numbers-
 - ⊙ look for stories, laws, arrangement, even opinions and insights of locals (collaborative learning?)
- Do not overlook sore points-
 - ⊙ it is easy to speak about corruption in general but to never recognize it when it occurs
 - ⊙ It is not enough to identify corruption and institutional failure- need quantification and explanation

Institutional design

- The institutional knowledge is one input for design of institutional changes
- Theory (and analytical tools) is the second input
 - ⊙ Methods of mechanism design
 - ⊙ Emphasis on incentive compatibility
- Interaction and feedback from local players is the third input

Trying new institutions

● Several avenues to try new design

- ⊙ Simulations- change parameters of models
guestimating impact of reform on key parameters
and relationships
- ⊙ Experiments- try how people will respond to new
arrangement in hypothetical and real set ups
- ⊙ Interviews- get feedback from locals-
 - ⊙ Recognze that self interest affect responses to proposed
changes- And attempt to adjust to biases not throw away
data

Do not avoid inconvenient truths I

- Any institutional analysis and future institutional design need to acknowledge/understand choices/actions by private sector-including multinationals
 - ⊙ actions of supermarket chain may drastically policy agenda
 - ⊙ They may plan to operate in poor region and engage the (not so) poor
 - ⊙ Dialogue (and even some collaboration) with the multinationals and the rich may be beneficial

Do not avoid inconvenient truths II

- Alternative institutions and designs to address HPAI do not always benefit the smallholder /poor-certainly not all them
- Some effective solutions HPAI may actually harm some of the smallholder /poor-
 - ⊙ increased monitoring accountability tends to negatively affect the groups that lack resources
 - ⊙ Poverty and HPAI are may be related but are different problems