RETHINKING GOVERNMENT ROLES IN LIVESTOCK SECTOR DEVELOPMENT IN DYNAMIC MARKETS: CASE STUDIES FROM THAILAND, MALAYSIA AND VIETNAM

In many countries, the roles of government in livestock sector development are restricted to providing research, extension, credit and animal health services. Yet dynamic markets have created new opportunities and challenges that call for new roles. To help build the capacity of the sector to respond effectively to rapidly evolving market conditions, governments should rethink their approach to livestock sector development.

• Promoting Equitable Livestock Sector Development

Sustainable livestock development in dynamic markets requires more than the provision of services. Without a long-term vision and adequate political support, the livestock sector may not survive devastating disease outbreaks or rapid changes in market conditions. A case study of Malaysia suggests that even for wealthier industrializing countries, livestock is too important a sector to be neglected. Furthermore, for livestock sector policies to serve public interests and to be socially equitable, they must allow for the institutionalized participation of all stakeholders in the policymaking processes. All three case studies demonstrate that such participation is needed to avoid sector investments being captured by special interests whether it being populist politicians, state enterprises, or large businesses with special access to politicians.

• Building an Appropriate Legal and Regulatory Framework

Governments have a unique role to play in creating the right legal and regulatory framework to govern the markets of livestock inputs, outputs and related products and services. An appropriate framework must balance the interests of various groups and must facilitate long-term sectoral growth. All three countries under study encounter significant compliance problems in the areas of health and environmental regulations. These problems stem in part from the failure of government regulators to involve stakeholders in policymaking processes or from the failure to acknowledge the legitimate needs of certain groups of producers, traders or consumers. Governments in the case studies also intervened where they should not—such as in the production of veterinary drugs and the control of meat and egg prices-. Involvement in drug production not only creates conflict of interests but also diverts governments' attention from their role as regulators. Price controls of livestock products are not justifiable on equity grounds and hurt the long-term development prospects of the sector.

• Changing the Approach to Service Delivery

Governments in all three cases relied on bureaucratic hierarchies to deliver services such as research and extension. Services are designed and implemented in a top-down manner with little inputs from below. For example, large agricultural banks with little flexibility and local adaptability are entrusted with dispensing credits to smallholders. Livestock commodities are selected for costly national extension programs without adequate understanding of rural economies or adequate consideration of long-term market trends. This approach to service delivery leaves farmers and other sector

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actors to bear the risks of new technologies and market fluctuations. Under conditions of dynamic markets, governments should focus their attention not on service delivery but on fostering organizations and institutions that foster interaction and exchange of knowledge, information, skills and other resources among sector actors. Governments should not promote chosen commodities or technologies but should contribute to the social and institutional arrangements required to mobilise different sorts of knowledge and support services in ways that create novelty on a continuous basis.

• Encouraging Autonomous Farmers' Organizations

Governments can raise producers' response capacity not only through programmes aimed specifically at poverty reduction programs but also by facilitating and encouraging farmers and other actors to organize. Organizations serve not only to share resources and information but also to build capacity, and to defend and promote policy interests. Furthermore, because different typologies of organizations differ in their ability to contribute to response capacity, it is important to encourage the forms of organization that are most effective: only where homogenous groups had the ability to act autonomously and coherently -but in relative concert with other actors- did organizational patterns aid innovation response capacity. Through collaborative relationships with producer and other professional organizations, governments can encourage better compliance to regulations. At the same time, governments must allow farmers' organizations to be autonomous. Government-sponsored organizations such as Vietnam's Farmers' Association do not represent farmers' interests.

• Developing a Vigorous Civil Society

Civil society contributes by promoting policy debates, by offering forums for disadvantaged groups, and by acting as a knowledge broker, among other things. Smallholders in Thailand did not suffer from so much blame in the bird flu crisis as their counterparts in Vietnam thanks to the presence of a strong civil society. In addition, a vigorous civil society empowers consumers as a group; their demands force producers to take social costs, environmental damages and disease risks into consideration, thus helping make livestock production more sustainable. Yet the most important benefit from a vigorous civil society is a higher level of transparency in policymaking as a result of public scrutiny. Transparency helps prevent corruption and disease cover-ups which tend to protect the interests of governments and the powerful at the expense of others. This need for transparency is urgent: in all three case studies disease cover-ups and rampant corruption were present in livestock sector investment programmes.

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