Informing Policy (& Investment) Decisions: Data Requirements

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SAAKS-SA Regional Workshop
Johannesburg, South Africa, 4-5 October 2006
Overview

• Background
• Data / information domains & relevant questions
• An example – the case of Vietnam
• Summary & Conclusions
PPLPI Purpose & Outputs

**Purpose**

Strengthened capacity of FAO, Member Nations & international organizations to formulate [livestock] sector policies & implementation plans that reduce poverty whilst managing environmental and public health risks

**Outputs**

- Increased awareness & consideration of the potential contribution of livestock to poverty red.
- Portfolio of livestock-related policy interventions for poverty reduction, whilst ….
- Mechanisms for stakeholder representation & negotiation of policies & institutional changes ….

Effective systems for livestock policy information, analysis, decision support and M&E
Information Domains & Questions

• Livestock as a livelihood priority
  • Who and where are livestock dependant poor?
  • What are species, products, functions of major importance?
  • What are the sector trends?

• The policy context
  • What is the macro-policy context?
  • What are the relevant policy (sub-)sectors for the priorities of the poor?
  • What is the policy in those sectors?
  • Who makes it and how?
Information Domains & Questions

• Policy measures / implementation
  • What measures are in place (not in place) to implement specific policies?
  • Through which institutions and organizations are these measures implemented?
  • What other measures and institutions are in place that affect poor livestock keepers?

• Policy influence
  • What and where are the opportunities to influence the described processes, what are the entry points?
Informing Policy: PPLPI Experience
Vietnam: Where are the Poor?

Poverty incidence

Poverty density
Urban vs Rural Poverty

Mean hh income (1,000 VNDong)

Source: 1998 VLSS

A Living from Livestock
Pro-Poor Livestock Policy Initiative
Rural Income Sources

Average: USD750/household/year
Poverty line: app USD650/hh/year
Source: 1998 VLSS

A Living from Livestock
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Rural Heterogeneity

Rural household ‘types’

‘Diversified’,
1. with market-oriented agriculture
2. with agriculture for home consumption

‘Agriculture’,
3. market-oriented
4. semi-market-oriented
5. subsistence

![Graph showing annual household income in USD by type of rural household.]

- Type 1: 35% of income from crops, 10% from wages, 17% from livestock, 6% from self-employment.
- Type 2: 10% of income from crops, 17% from wages, 33% from livestock, 6% from self-employment.
- Type 3: 33% of income from crops, 33% from wages, 33% from livestock, 6% from self-employment.
- Type 4: 6% of income from crops, 6% from wages, 6% from livestock, 6% from self-employment.
- Type 5: 6% of income from crops, 6% from wages, 6% from livestock, 6% from self-employment.

Other income sources include market-oriented, semi-market-oriented, and subsistence activities.
Spatial Heterogeneity

Sample composition of typologies by agro-ecological region - total and rural sample

- Northern Mountains and Midlands
- Red River Delta
- North Central Coast
- Central Highlands
- South Central Coast
- Southeast
- Mekong River Delta

Sample composition:
- Total sample
- Rural sample

Types:
- Type 1
- Type 2
- Type 3
- Type 4
- Type 5
Reasons for Improved Welfare

More farm land: 27%
Higher cropping intensity: 24%
Higher crop yields: 64%
New crops with higher profits: 38%
More income from livestock: 50%
More income from fisheries: 6%
More income from forestry: 19%
More income from wages: 5%
More enterprise income: 11%

Source: IFPRI
The Livestock Dependent

Livestock dependency

Livestock species
Pigs Dominate

- they provide **60 to 80% of total** livestock income,
- more than **90%** of which is in the form of **cash** from sales
- while chicken only provide around **10%** of livestock income (>60% home consumption)
The Pig Sector

Raw pig density

Mean pig holding size
Sector Trends

Growth in meat production

- Pig meat
- Poultry meat

Years: 1993 to 2004

Production levels:
- 2004: 2,000
- 1998: 1,750
- 1997: 1,500
- 1995: 1,250
- 1993: 1,000
Elements of a Pro-poor Policy

- Focus on asset classes that the poor have, and
- increase the returns that they can obtain from these assets, ie
  - increase their productivity, and
  - link output to demand

USD/Livestock Unit per year

<table>
<thead>
<tr>
<th>Type</th>
<th>USD/Livestock Unit per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1</td>
<td>125</td>
</tr>
<tr>
<td>Type 2</td>
<td>50</td>
</tr>
<tr>
<td>Type 3</td>
<td>200</td>
</tr>
<tr>
<td>Type 4</td>
<td>75</td>
</tr>
<tr>
<td>Type 5</td>
<td>25</td>
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</tbody>
</table>
Constraints & Policies

Constraints

- Access to credit
- Access to livestock (health) services
- Access to production inputs
- Market information and access

Current policy measures

- No legal basis for micro-credit, currently only provided by NGOs
- Decentralized and poorly coordinated
- Inputs available but no / little quality control
- High taxation of transactions and transport costs
Macro-Policy

Nominal Tariff Protection 1998
- Other equipm.: 10%
- Manufactures: 20%
- Vehicles: 20%
- Textiles: 30%
- Fish: 15%
- Dairy products: 15%
- Meat products: 15%
- Ruminant meat: 15%
- Ruminants, live: 5%

Public Expenditure on Agriculture, 1998 (6.3% of public budget)
- Irrigation: 60%
- Crop production: 9%
- Forestry: 2%
- Fishery: 2%
- Animal production: 27%
- Animal health: 2%
The Policymaking Context

- **Policy Process**
  - Very much top-down
  - National Planning (Ministries) with local implementation (People’s Committees: Provincial – District – Commune)

- **Shaping Forces**
  - Party line
  - Bureaucratic rationale
  - Provincial Chiefs’ agenda

- **Agriculture Policy Goal**
  - ‘Rural Industrialization and Modernization’

- **Strategy**
  - Promotion of export-earning sectors (rice, coffee, fisheries)
  - Promotion of commercial scale estate farms (with tax exemption and subsidy privileges)
## Summary

### Information requirements

- ‘Macro’ information on sector and market trends
- ‘Micro’ / household level information
- Policies and institutions (stated & actual)
- Stakeholders (interests & attitudes)
- Policymaking processes

### Information sources

- National statistics & surveys
- Surveys (LSMS and others)
- ‘Literature’ review & key informant interviews
- Consultations & key informant interviews
- Key informant interviews
Conclusions

• Multiple data sources, which need to be reconciled
  • ‘One-stop-shop’ not realistic
  • Need for a network of data providers
    • Respect own needs, but provide meta-data!!!!

• Same source can serve multiple needs – true public good if made widely available!

• Data & strategic analysis necessary but not sufficient ingredient for improved policy-making
  • Targeting, timing & packaging
References & Further Reading

Links to PPLPI Working Papers

#5  The Political Economy of Pro-Poor Livestock Policy-making in Vietnam

#21 The Contribution of Livestock to Household Income in Vietnam: A Household Typology Based Analysis


For more information please visit the PPLPI website:
A Living from Livestock
Pro-Poor Livestock Policy Initiative