



**The Political Economy of International
Development and Pro-poor Livestock Policies:
A Comparative Assessment**
Revised and Expanded

David K. Leonard

EXECUTIVE SUMMARY

What measures to advance the interests of poor livestock producers in developing countries are feasible given the political economy context within which the policies that affect them are being shaped? To answer this question a team of researchers from the University of California, Berkeley carried out a series of eleven case studies - in nine developing countries and (as examples of the effects of the 'global north') the European Union and organizations setting Sanitary and Phytosanitary Standards (SPS) for world trade.

Patron-client Systems

Peasant livestock producers are particularly disadvantaged internationally and within their national systems because their political participation tends to be mediated through patron-client ties. The consequence is that poor producers most often trade their collective interests for very modest individual (or village) benefits. These patron-client networks are now being extended internationally, generally making them still less advantageous. Eventually poor livestock producers will address their interests through political associations (i.e. horizontal groupings of peers) rather than clientage (which is vertical in orientation). In the meantime, however, without outside help they are unlikely to engage in effective proactive political action on issues related to their collective interests as producers.

Political Organization and Action

Long term investments by NGOs and donors (international and local; religious and secular; political and apolitical) in the capacity of poor livestock producers and other peasants for political organization ultimately will have great benefits for the poor. International NGOs also offer a different and positive patronage link into the 'global north,' which can be used to counter industrial country attempts to co-opt local elites. Networks of NGOs and peasant organizations that extend from the local through the national to the international level add extra leverage.

A crucial weakness of poor producers is their lack of information on how the larger political system works and the kinds of policies that are possible and would help them. Helpful measures in addressing this information gap include: General education; Leadership experience in promoting change at relevant levels of government; and Information and analyses on national and international market and technology trends and on national policy opportunities. If FAO is to facilitate policy changes that will improve the welfare of poor producers, it will need to broaden its network of interactions to include small-producer groups and the NGOs that help to organize them, while also

networking into the broad compliment of private, public and tertiary sector actors that influence policy / institutional change.

Given the general weakness of peasants in their political systems, progressive policy reform at the national level also depends on the identification of elite allies whose interests coordinate with those of poor livestock producers at the moment. There is a similar need for identification of intra-elite conflicts that might lead one party to take initiatives that would have pro-poor side effects. The possibilities of building pro-poor alliances are likely to vary by level and function of government, although in different ways in each country. Different societal groups will be dominant in different political arenas and thus there will be differences between geographical units as to whose interests are being best served.

Although decentralization has the advantage of being capable of developing different policies for the highly varied conditions of the peasantry, by no means is it always advantageous to the poor. Much depends on what types of interests dominate the local political systems. In evaluating decentralization schemes it also is important to focus not only on the local distribution of political forces but also on the actual, not the formal (legal) distributions of powers, for these often are quite different. Further it is essential to assure that there is a 'good fit' between the ways in which livestock producers are organized and the manner in which government is structured for the delivery of services that are relevant to them.

Policy Analysis and Action

The ever-widening impact of neo-liberalism on public policy presents major problems for pro-poor initiatives but it offers subtle opportunities as well. Interventions to improve the efficiency of markets fit well with neo-liberal theories and therefore are more likely to attract donor support. By no means do neo-liberal policies always benefit the poor but when they can be shaped to do so, it makes political sense to steer within rather than paddle against the current of donor opinion.

For poor livestock producers, access to services is a much bigger issue than price, and subsidies are therefore better applied to the former than the latter. Access is a consequence of physical distance, administrative overheads, and ability to compete on a level playing field with the rich. Services provided at prices below those of the existing private market will attract the rich and powerful and force out the poor.

Poor livestock producers also frequently suffer from imperfect markets. In our case studies we encountered some instances in which the absence of quality regulation and certification is hurting poor livestock producers. Reducing transaction costs in the livestock markets used by the poor also can be a critical determinant in their ability to survive in the rapidly changing markets for livestock products. Endemic corruption becomes a serious constraint on agricultural markets by raising the transaction costs associated with using them. When the interests of the state in a particular product market and the consciousness and mobilization of livestock producers are sufficient, 'pockets of productivity' in which corruption and patronage are limited can be protected and expanded. It is valuable for donors and local reformers to become skilled at identifying the political conditions in which such efforts are likely to be repaid.

The neo-liberal critique in support of poor producers is at least as important in international trade as it is within the boundaries of developing countries. Since the magnitude of the effects of OECD distortions are known to be very large and therefore potentially very damaging to the poor, we believe that this is an area in which substantial, careful research needs to be done. Even if the effects on the poor are as yet unclear, the political forces shaping world trade in agriculture are not protecting them and the consequences are huge. Those who are concerned for the welfare of poor livestock producers in developing countries must follow the lead of the European international NGOs and learn how to be effective in the policy fora that shape industrial country agricultural policies and trade. There is a strong need for sophisticated and detailed analyses of the international trade measures that would most advantage the least developed countries and the poor within them; current studies are at too high a level of generality to serve as an adequate guide to action by individual countries and the poorest ones lack the resources to do this research themselves.

The dispute resolution and enforcement provisions of the World Trade Organization give a new urgency to international procedures for setting food safety and phylo-safety (SPS) standards. The WTO, CODEX and the World Animal Health Organization (OIE) are all concerned that developing country needs receive fair attention in their deliberations on livestock product safety standards, but the sad reality is that poor countries are rarely present at the critical deliberations and are not well informed when they are. Most of the initiatives in this realm thus far have concentrated on representation, rather than participation and the strengthening of the capacity of developing countries (individually or as a group) to beneficially engage in negotiation. But the former is meaningless without the technical competencies needed to engage in the latter. Developing countries need to form alliances to assure their effective representation in these fora and seek donor assistance for developing the technical capacity for the analysis that they will need to be effective in them.

Pro-Poor Livestock Policy Initiative (PPLPI)

Website: <http://www.fao.org/ag/pplpi.html>

Working Paper: <http://www.fao.org/ag/aqainfo/projects/en/pplpi/docarc/wp35.pdf>