



The Politics of Livestock Sector Policy and the Rural Poor in Bolivia

Tasha Fairfield

EXECUTIVE SUMMARY

The livestock sector in Bolivia could offer important opportunities to improve the livelihoods of the rural poor. Despite accelerated urban migration, a fairly large percentage of the population is still rural, and animals, particularly in the Andean highlands (known as the *altiplano*), can make an important contribution to family income and nutritional resources. This report focuses on South American camelids - llamas and alpacas - the sector which seems to hold the greatest potential for poverty reduction. The families that raise these animals are almost exclusively member of Bolivia's long-marginalized indigenous population. Markets for camelid meat and fiber are presently small, but development of this sector could bring significant improvements in wellbeing to *altiplano* families.

Coherent, proactive public policies will be necessary if poor people involved in the camelid and other sectors are to reap greater benefits from their livestock. The clearest role for the state lies in the establishment and maintenance of Foot and Mouth Disease-free zones. This task obviously requires the direction and enforcement capacity of the central government, since animal movement must be controlled over regions that span many municipalities and departments. Further, measures must be taken to combat the llama parasite sarcocistis and to improve sanitary conditions in slaughterhouses. Beyond these recommendations, however, the exact role that the central government could and should play in promoting pro-poor livestock sector development is unclear. The challenge arises from two not unrelated realities: first, Bolivia poses an extremely weak state, and second, since 1985, it has faithfully followed neoliberal economic policies that greatly restrict the state's ability to intervene in the economy.

The Bolivian state is penetrated by a logic of patronage politics. Politicians feel tremendous pressure to reward supporters with public sector jobs, and government organizations consequently experience major turnovers of personnel when new administrations take power. The lack of a stable, professional civil service hinders effective articulation and implementation of public policy. Bolivia was one of the first countries in Latin America after Chile to implement neoliberal reforms following a severe bout of hyperinflation. However, structural adjustments of the 1980s and 1990s so far have had little if any success in strengthening the Bolivian state.

This report discusses and illustrates the problems created by the lack of state capacity and its ramifications for the livestock sector in depth. In addition, the study explores in detail opportunities and obstacles for pro-poor development created by the 1994 decentralization reforms. Further, the report describes the various political actors with interests related to the livestock sector and evaluates their potential to serve as protagonists of pro-poor livestock policy.

The report's main findings are as follows:

- The absence of a professionalized, meritocratic bureaucracy within most public sector organizations is a seminal problem that will hinder any attempts to design and implement effective public policies in the livestock, or any other, sector. Further, organizational proliferation and instability in the public sector creates confusion and hinders effective relations with the private sector, including small producers.
- Decentralization has created opportunities for increased participation of the poor in politics and a better geographical distribution of resources, but it has created several problems that must be remedied before it can lead to better developmental outcomes. First, small producers have been left without clear channels for participating in municipal investment decisions. Second, there is a serious lack of coordination between neighboring municipalities, and between the different levels of government. These shortcomings damage prospects for successful pro-poor development of the livestock sector.
- At present, there are essentially no domestic organizations, be those parties, producers' associations, or peasant unions, that have both the interest in and the power to push for pro-poor livestock policies at the national level, and few groups that have the ability to lobby for such policies at the municipal level.

Small producers' associations are very new and have little experience with lobbying. Peasant unions are older and highly mobilized, but they are presently focused on the issue of access to land and are vociferously anti-neoliberal and anti-globalization in their ideological orientation. The traditional political parties have proven incapable of effectively responding to the needs of the poor, indigenous majority. Finally, the two new indigenous parties do not at present have the capacity to formulate coherent rural policies, nor is the livestock sector among their priorities, given Bolivia's turbulent political climate and the magnitude and breadth of indigenous grievances. As such, donors may have to assume the bulk of the responsibility for promoting policies that favor small producers, at least in the near future.

The report recommends five strategic entry points for the advancement of pro-poor livestock policies and the improvement of opportunities for small producers to benefit from expansion in the livestock sector:

Strengthening small producers' associations

If small producers' associations can be consolidated and obtain legal recognition, and if their leaders can acquire the requisite skill, these associations could become significant actors at the municipal or even the national level, capable of significantly advancing their own interests. The international community could further this goal by helping to provide training for small producers' associations or making other resources available to them.

Strengthening municipal governments

This course of action has two components: institutional reforms at the national level to improve the legal framework that governs decentralization, and training and technical assistance for municipalities to help them elaborate viable development plans. In addition, clear norms need to be established that facilitate and standardize channels of participation for small producers in the municipalities. Pressure from the international community, combined with efforts by domestic actors, could help advance this agenda.

Institutionalization reforms

The international community must continue to pressure administrations to initiate and respect institutional reforms designed to enhance state capacity and eliminate patronage politics in favor of a stable, merit-based bureaucracy. The international community's efforts to date have not achieved an impressive track record, but there is potential for moderate success if these pressures are sustained.

Redirecting the attention of SENASAG toward the altiplano

The National Service for Agricultural and Livestock Sanitation (SENASAG) must be persuaded to pay greater attention to the needs of camelid herders in the altiplano instead of devoting all of its energies to cattle production in the lowlands, which benefits primarily large, wealthy ranchers. Further, the capacity of this organization to maintain and monitor FMD-free zones must be enhanced.

Land reform

The poor must have sufficient and secure access to land before initiatives focused on the livestock sector can effectively benefit them. This issue falls outside the scope of the present report. However, given the magnitude of the problems surrounding access to land and land tenure in Bolivia, further research must be conducted in order to understand a) how land insecurity affects livestock production, and b) any implications related to the strategic entry points recommended above.