



# Trade, Political Influence and Liberalization: Situating the Poor in the Political Economy of Livestock in Senegal

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## EXECUTIVE SUMMARY

This report provides an analysis of the political and economic context within which livestock related policies and organizations are formed and operate in Senegal. The report addresses the political and economic forces that limit the effectiveness of policy reform in the livestock sector and suggests plausible points of entry for the implementation of pro-poor livestock policies, taking into account political realities in Senegal.

A number of political and economic factors limit the possibilities for implementing pro-poor livestock policies in Senegal:

- An economic system that has long depended upon mono-crop agricultural production (the groundnut);
- A political system generally favoring policies which reinforce this macro-economic situation, partially or largely because of the influence of certain groundnut producers;
- A strong dependence on food and industrial imports, creating trade deficits, a state imperative to prioritize export earnings in order to balance this deficit, and very wealthy and influential interest groups in the import sector;
- Centralized decision-making and a hierarchical and rigid bureaucratic administration that limits communication and undermines real negotiation and consultation with the poor population; and
- Clientelist modes of political organization.

Part I of the report surveys political and economic developments in Senegal, particularly in the livestock and agricultural sectors, beginning with the French colonial period. It is divided into five parts:

- **French Colonial Legacy:** This section emphasizes two important legacies of French colonial rule. First, the French administration introduced and encouraged the expansion of groundnut production. The French worked closely with the emergent Mouride brotherhood to achieve higher production levels. This helped Mouride leadership to cement their position as landholders and patrons. In addition, the expansion of the groundnut trade displaced pastoral producers to the North and South-East of Senegal and created a frontline of conflict over land between the Wolof agriculturalists and pastoralist populations. Second, the French livestock administration bequeathed to the livestock services of independent Senegal a situation in which veterinarians dominated the entire administration of the sector. The dominant ideology of the veterinary administrators remained one of tutelary care of livestock producers, focus on animal health issues, and a hope of achieving intensive, stable production.

- **Post-Independence Political and Macro-Economic Dynamics:** This section illustrates how the post-colonial state depended upon patronage networks, often with the Mouride leadership playing a central role, to retain power. The state pursued macro-economic and political policies that favored urban consumers at the cost of rural producers. Instead of addressing rural problems through general, public policies, such as altering monetary policy, the state favored the distribution of divisible, private goods to rural producers. The policy managed to secure political support, but it was economically disastrous.
- **Liberalization of the 1980s and the New Agricultural Policy:** In the 1980s, faced with serious fiscal crisis, the state under A. Diouf's leadership, began a program of structural adjustment. Diouf implemented an agricultural policy that called for the withdrawal of the state from much of its previous roles. The disengagement of the state weakened the organizational capacity of the livestock and agricultural sectors.
- **Stakeholders in the Livestock Sector:** This section reviews the interests, capacity and importance of various stakeholders. The Ex-Ministry of Agriculture and Livestock was rigid, dominated by agricultural concerns and lacked any consultative mechanisms to work with livestock producers or stakeholders. The Direction de l'Élevage lost much of its capacity with the cut backs of the 1980s and 1990s, but as an organization, is reluctant to give up its monopoly of government influence in the sector. Research institutes, professional organizations, non-governmental organizations and donor agencies are quite numerous and active in Senegal; however, they do not have normalized influence in policy making. Livestock producer's organizations suffer from unrepresentative leadership, incapacity, and divisions often fomented by the Direction de l'Élevage.
- **Presidential Transition and Recent Politics:** This final section comments on the current possibilities and constraints facing livestock producers' organizations as evidenced by the Doli affair in 2003. It also discusses the agricultural project of the new Wade government, whose discourse has focused on the development of agri-business, and the concerns it has sparked among livestock producers and advocates on their behalf. It briefly discusses the complex and likely changing role of the Mouride brotherhood in politics today.

Part II of the report focuses on the sub-sectors of meat, dairy and poultry. In analyzing each sub-sector, it offers politically plausible policy reforms for increasing the sector's contribution to poor producers' livelihoods.

- **Meat Sector:** The meat sector is plagued by unduly high transaction costs. Suggestions to reduce these transaction costs include: securing credit for intermediaries in the sector so that they can pay upfront in cash for livestock and assisting rural producers to enter into the Dakar market by facilitating transportation. Also, the infrastructure of the meat sector is in a state of disarray. Private investments are not forthcoming because of the risk involved and the high costs of improving required equipment; therefore securing private investments will likely require intervention by the state or other concerned actors, such as foreign donors.
- **Dairy Sector:** Influential interest groups involved in the importation of cheap powdered milk from Europe dominate the dairy sector. Poor producers are highly disorganized and their fresh milk cannot compete with cheap powdered milk. There is little, to no, infrastructure for the distribution of local milk products. Because of the unequal nature of interest group representation in the sector, most pro-poor interventions are of limited political viability. Still, organizational support of distribution networks in the secondary cities could assist producers, as could a system of "branding" local products to distinguish them from imports in terms of quality and nutrition.
- **Poultry:** Stiff competition from extremely cheap, frozen imports of chicken parts limits the development of the poultry sector. Those involved in importation have much political weight, although semi-industrial poultry producers are organizing to further the cause of local producers. Rural producers are dispersed, unorganized, and face input (feed and medicine) and transportation shortages. Improving government capacity to control cold chain regulations may provide one means of limiting imports. Disseminating medicine and information on alternatives to corn for feed may help local producers to be more competitive.

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**Pro-Poor Livestock Policy Initiative (PPLPI)**

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

Working Paper: <http://www.fao.org/ag/againfo/projects/en/ppipi/docarc/wp8.pdf>