



The Political Economy of Pro-Poor Livestock Policy in Eritrea

The growing demand for livestock and livestock products in Eritrea and the Middle East provides an opportunity to improve the livelihoods of the livestock-dependent poor. However, current policies and structures in Eritrea disadvantage the livestock sector and discourage investment in livestock production and trade. This policy brief describes the existing economic and institutional constraints on the livestock sector and recommends strategic entry points to facilitate the successful implementation of pro-poor livestock policies.

● Livestock Sector Potential and Constraints

The livestock sector has the potential to make a significant contribution to economic development, food security, and poverty reduction in Eritrea. Many Eritreans depend on livestock for draught power, food, income, fertilizer, fuel, transportation, asset accumulation, and insurance. Export of animals and animal products to the Middle East and the Horn of Africa used to provide significant earnings and could again in the future. Furthermore, in drought-prone Eritrea livestock offer the most common coping mechanism for staving off disaster. Although the potential for livestock is high, Eritrea must overcome significant constraints if it is to satisfy domestic needs and penetrate foreign markets. To date the livestock sector has received relatively little attention in national development policies and investment in the livestock sector is low given the sector's potential.

The livestock sector is negatively affected by the same factors that depress investment in other areas of the economy. For example, the border conflict with Ethiopia (1998-2000) killed over 70,000 people, displaced nearly a

third of the population, destroyed livestock, and ruined infrastructure. Ongoing tensions - resulting from the failure to implement the UN border commission ruling - continue to prevent cross-border livestock migration and trade, divert resources from development to emergency provisions and security, create labour shortages, delay decentralization and land reform policies, and reduce incentives for investment. The overvalued currency and other state interventions in the economy hamper exports, exacerbate macroeconomic imbalances, crowd out private businesses and create a labyrinth of regulations that slow economic activity and privilege the powerful. Current practices impede the flow of information, dampen civic organization, reduce stakeholder influence, and lower civil service performance. Deteriorating relations between Eritrea and the international community hinder the delivery of aid to populations in need.

In addition, the livestock sector is especially disadvantaged relative to other economic sectors. Government actions and policies extract resources from the dispersed, impoverished, isolated and powerless livestock producers in favour of the relatively more concentrated, affluent, and better-connected elites, urban consumers, and highland crop cultivators. Extraction from the livestock sector has increased since 1998 resulting in both absolute and relative declines.

● Strategic Entry Points

There are several of strategic entry points that can advance the interests of the livestock-dependent poor. In Chapter 10 of the Eritrean National Agricultural Development Strategy and Policy the Ministry of Agriculture makes a series of technical recommendations on how to alleviate constraints on the livestock sector. The recommendations are based



on consultations with stakeholders and available data and they should act as a blueprint for action and investment by the government, non-governmental organizations, and the foreign aid community. The following strategic entry points are designed to facilitate the successful implementation of the Ministry of Agriculture recommendations.

- **Plan and prioritize policies**

To regain the reform momentum The Ministry of Agriculture should plan for policy implementation under three different scenarios (the status quo, resumption of war with Ethiopia, and resolution of the crisis). In developing the three plans the Ministry of Agriculture and its partners should do cost-benefit analyses of provisions in the Eritrean National Agricultural Development Strategy and Policy and prioritize accordingly.

- **Cultivate allies and advocates**

Lack of attention to livestock issues is the most serious obstacle to implementation of the Ministry of Agriculture recommendations. There is a need to cultivate more powerful advocates for the livestock sector and especially for the livestock-dependent poor. Those who seek to assist livestock development should: 1) persuade influential individuals of the importance of livestock for acquiring foreign currency, food security, poverty reduction, and national security; 2) create a separate Animal Production Department within the Ministry of Agriculture; 3) decentralize government decision-making and service delivery in a manner that enhances the influence of producers and technical persons; 4) work with existing institutions at the village or community level; 5) strengthen independent producer associations; 6) encourage donors to target funding to livestock; and 7) enlist Eritreans in the diaspora in livestock development activities.

- **Upgrade information availability**

Improving the flow of reliable information will help persuade potential allies of the value of investing in livestock processes and facilitate the implementation of chosen policies. The National Agricultural Research Institute and Eritrean institutions of education should

act to ensure that the connection between research and education is not undermined by the closure of the University of Asmara. A livestock marketing information unit should also be created and there is a need for better cooperation between the Eritrean government and international agencies in data collection, analysis and dissemination.

- **Enact laws and systems for exports**

Eritrea can achieve a comparative advantage in the export of livestock and livestock products only if it has a credible animal health certification regime. It is essential that the Ministry of Agriculture work with the Ministry of Justice to speed up the enactment of legislation, so that Eritrea has an inspection and certification regime based on a solid legal foundation in harmony with international trade requirements. Such a regime also requires significant infrastructure investments.

- **Revise land policy**

The Ministry of Land, Water, and Environment and the Ministry of Agriculture should reconsider land policies with special attention to their effect on livestock production and pastoral and agro-pastoral lifestyles.

- **Reduce government interventions**

Demand for government services far outstrips supply and poor livestock producers are crowded out by those with more resources and influence. The state should subsidize private suppliers who deliver services and goods to remote areas rather than providing services themselves at below market prices. Services such as veterinary care, feed importation, and milk processing should be privatized and controls lifted. A fundamental first step in the process of reducing distortions is to allow a market-valued exchange rate.

Policy Brief based on:

The Political Economy of Pro-Poor Livestock Policy in Eritrea, Devra C. Moehler

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