

Livestock services to family farmers: free or fee?

Livestock services are crucial for a healthy, resilient stock of animals. Small-scale family farmers need these services too, but how do they profit best and how can service delivery become most sustainable? Should it be “public good”, financed and organized by the state, or can private corporations do a better job? Two views...

Private providers serve farmers best



Economic theory argues that private markets serve people's individual needs best. For livestock services, this means that private providers are most efficient at delivering services such as artificial insemination and clinical veterinary care, (“private good” services). The government should manage areas such as surveillance of contagious diseases, food safety and overall policy development (“public good” services).

Recent evidence suggests that the poor do not necessarily benefit from subsidised services; poor people are even willing to pay for good services for their cattle and; commercialised private practice reaches more farmers, more equally, and at lower cost. Then, why should private providers not deliver good quality services? Firstly, many services may require high investments for private parties. Next, given the generally low education of poor livestock producers in developing countries, public veterinary authorities often make the point that private veterinarians are likely to resort to exploitative practices. This does illustrate the importance of strong institutions in regulating behaviour, enforcing ethics, disseminating information and providing an effective regulatory and legal framework.

In poor, marginal areas, the demand is too low to sustain profitable private services. Possible alternative models are the community based delivery systems which tend to be far more responsive to local requirements than are government services. Thus, the recommendation to governments to privatise livestock services is too simple. There is a need for task sharing between the private and public sectors. A strong and accountable state can be responsible for policy development, pay for “public good” services, and regulate the delivery of “private good” services by the private sector. The debate on livestock service delivery is therefore embedded in the larger debate on institutional development and political economy that are part of larger economic reform agendas.

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Not private, but democratic Veterinary Health Services!



During the past two decades, global financial institutions such as the IMF and World Bank have imposed neo-liberal economic reforms upon developing countries, which has meant a uniform “development prescription” to privatise and dismantle vital public services (healthcare, education, sanitation, water, and energy), including animal services. International institutions such as FAO and IFPRI advocate so-called “pro-poor” reforms for veterinary health care by creating private, self-supported community animal health workers. “Pro-poor” reforms place the responsibility for health services on the individual's capacity to buy and sell these services. He is supposed to enter the “business” of healthcare.

Pushing veterinarians into privatisation leads to less accountability and not more, because they are forced to practice “health for profit” and not “health for all”. The oft-used argument that the “poor can pay” is flawed. Often, poor households go into debt in order to avoid losing a cow: what is then the impact of the debt on the household economy? What food do they have to miss? What unjust survival choices are they forced to make? If the poor could pay, they would not be poor! The impact of privatisation in India is illustrative. There is a sharp decline in livestock ownership amongst the landless from 16 per 100 households in 1971-72 to just 1 in 2002-03, while the number of livestock increased only amongst the households owning more than 10 hectares of land.

Such figures show that the poor have been pushed out of livestock rearing, and profits have flown to the pharmaceutical and insurance companies. The nexus of government and private interests makes the former accountable to corporations rather than to its citizens.

The existing public veterinary health care system is far from perfect. Democratising the services would involve decentralised governance, appropriate extension work, prevention, accountability and transparency to farming communities. This demands greater public investment and not less, to enable a more effective and farmer-owned “free” service.

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