

STRATEGIES TO IMPROVE BALI CATTLE IN EASTERN INDONESIA

STRATEGIES TO IMPROVE BALI CATTLE IN EASTERN INDONESIA

ACIAR



ACIAR PROCEEDINGS
No. 110

Livestock Improvement: Issues related to Autonomy

Kedi Suradisastra¹

Abstract

The effort to develop livestock production is strongly related to decisions made by institutions in various fields and sectors in a given area or region. The opportunity to develop animal production results from interactions between commodity, sectoral and location factors as well as between the proper use of human resources and related factors in development such as technology, socio-economic conditions and variations in ecosystems within a particular area. It should be sustained by appropriate policy, by infrastructure, by capital and investment, by appropriate technology and by the participation of stakeholders. Furthermore, the direction and objectives of livestock industry development should be guided by a national initiative in the form of a macro-policy to be adjusted and implemented at the local level.

Livestock Development: a Policy Overview

The stakeholders in livestock development

The stakeholders in livestock development, and its beneficiaries, consist of:

- local people and institutions;
- government and related institutions;
- private companies and industry, including domestic and foreign corporations;
- education and research institutions;
- development organisations.

These groups of stakeholders and beneficiaries interact one with another and, in turn, provide support and necessary input as well as producing output for policy makers and stakeholders in livestock development.

Determining factors in livestock production

In general, five inter-related determinants in the process of livestock development are recognised:

- the supporting policy on development;
- capital and appropriate investment;
- appropriate knowledge and technology;
- infrastructure and external factors;
- participation of stakeholders.

The supporting policy on livestock development

Coordination and cooperation among sectors, between both government and non-government institutions, to accelerate the growth and development of livestock industries in Indonesia requires a direction that can be adjusted according to various situations in the country. Indonesia's vast ecosystem and cultural and economic discrepancies require a flexible yet well-directed livestock industry development policy. To support this objective, a national initiative that functions as a broad guide to the process of livestock industry development is essential. The intended policy needs to be a product of inter-sectoral, inter-institution interaction and coordination. The key requirement is that the development of a livestock industry should be inseparable from national integrity — whether technical, biophysical, socio-cultural or economic — and needs to be delineated in the following strategies:

- expansion of livestock production centres to enhance employment opportunities and to add value through proper livestock industry investment and development;
- expansion of participatory cooperation between sectors to expand the industry;
- improved performance of livestock-related industries and institutions.

¹ Deputy for Investment and Finance, Office of the State Minister for Development Acceleration of Eastern Indonesia, Jl. Merdeka Barat No. 15, Jakarta 10340, Indonesia

Capital and appropriate investment

It is obvious that capital and investment are significant factors capable of accelerating livestock development. In the context of autonomy, local authorities are now responsible for expanding local development plans and seeking capital for their region's development. Yet, there are particular approaches that should be considered for livestock production:

- selection of capital and investment appropriate to the area in question;
- an approach to infrastructure development that supports development of the livestock industry;
- selection of appropriate livestock technology.

Appropriate knowledge and technology

The design and availability of livestock technology are key factors in livestock development at the regional level, from the point of view of both investment and the end-user of the technology. Technological support that is appropriate to the existing ecology, relevant to the goal of development, socially accepted, and suitable in competitive terms, is the ultimate key to better livestock development. The major problem is how to introduce such a technology in a package that serves the needs of a livestock enterprise in terms of both physical and economic size, and which is also sufficiently flexible and robust.

Infrastructure and external factors

Physical infrastructure and external factors — such as markets and marketing facilities, ports and harbours, transport and other communication infrastructures — all have a significant impact on livestock production and development. From the institutional side, it is imperative to note the significant roles of local and traditional institutional infrastructures. Local institutions usually possess social energy to accelerate livestock production and development. Examples of existing institutions relevant to livestock production are traditional sharing arrangements such as the *sumba* contract in East Nusa Tenggara, and *epawaa* and *iyooabai* in the Regency of Paniai, Papua.

Participation of stakeholders

The stakeholders in livestock development are both the subjects and the users of a livestock development program. They are the primary participants in the process of technology adoption and adjustment and in capitalisation and investment, and the primary users of infrastructure and other development facilities. Their participation is therefore essential as a major ingredient in local and regional development.

The participation of stakeholders in livestock industry development is inseparable from the existing policy and from the political and socio-economic situation and the level of 'operationalisation' of livestock technology. A policy that supports livestock development should be able to appeal to the values of the industry's stakeholders and beneficiaries. Such values vary among development areas, ecosystems and local economies and socio-cultures. In view of this variability, proper strategies and approaches are required to harness stakeholders' potential so that they can properly participate in local livestock industry development.

Autonomy Issues

The future of livestock development is facing various challenges, including:

- inter-relationships among sectors such as industry, trade and the environment;
- the need for sustainability of sub-sector development;
- the increasing and dynamic demand for livestock products;
- more market-oriented policies.

These challenges will affect both the behaviour and the situation of livestock producers. One of their consequences is that small farmers are expected to be directly involved in both domestic and global marketing activities. Yet the future direction of livestock development at the provincial level is a result of interaction between the determining factors and issues related to autonomy.

Governmental decree No. 25/2000 embodies both an autonomy policy and the strategies for implementing it. The transfer of authority from central to local government will be accompanied by a shift in the development paradigm, as well as a change in implementation of the development policy. The implementation of autonomy as set out in decree 25/2000 in the sector of agriculture has raised the following issues:

- Centralised management is changing to decentralisation in terms of the implementation of local policy, finance, and the decision-making process. The centralised mind-set is changing into area-specific patterns of thought in terms of technosocio-economy and cultural issues, so that the future decision-making process involves all elements in a designated system of development. Therefore, given their knowledge of the genetic potential and variation of animals, involving local and traditional communities in such a process may help accelerate and direct the process of genetic improvement.

- The function of the bureaucracy, which often appears obstructionist, will change to a form of regulation that is more facilitating in nature. Within this context local government is expected to develop local initiatives to select animal breeds, determine numbers, and invite experts and investors in the livestock industry to participate in an improved way.
- Material needs in terms of labour will be transformed from a mere number of units into a requirement for knowledgeable manpower. Consequently, the management style should also be shifted: from quantitative management to qualitative supervision. This could provide qualified experts in animal production and genetics with a great opportunity to design and develop appropriate genetic improvement programs.
- The decision-making process in the management of agricultural development will become a competitive management arrangement. The monopoly of central government change to a more facilitating process that will suit specific situations, be more populist, and be directed towards positive competition in terms of opting for decisions that provide greater advantages for the system.
- The use of telecommunication infrastructure will be replaced by the use of information technology infrastructure — the outcome of convergent interaction between telecommunications and computer, and information technology. The new paradigm is that local government will have more freedom to seek information and technology related to its specific needs, including information on technology for livestock production.

A further implication of these paradigms for livestock development is a requirement for a regulatory arrangement that can anticipate possible changes in both production and market situations. The transformation of these paradigms will emphasise the uniqueness and specific needs of the locality (e.g. at the provincial or regency level). As a consequence, a transformation from a decision-oriented management style to coordinated management will take place. The central government (e.g. the Directorate General for Livestock Services) will play a more coordinating role to anticipate the needs of livestock development at the provincial level. The future role of the central government will be to produce macro-initiatives instead of merely developing standardised livestock and genetic improvement policies. Such macro-initiatives are required to anticipate specific situations that cannot be resolved by local government.

At the local level, the shift of the development paradigm in the agricultural sector changes the measure of sectoral development. The inter-sectoral approach will change for the strategy for individual

commodities, due to the different targets at the local level. Agricultural development at both national and local levels will aim at a system equilibrium in relation to other sectors, other development systems or other provinces. Both inter-insular and inter-regional links will increase. Competition in production, motivation and inter-sectoral enterprises will sharpen.

The concept of development components will also change, in accordance with the goal of local development. The old paradigm assumed that job opportunities were quantitatively related to the capacity of the development activity, the type of project, and the number of companies or local development institutions involved. The greater the number of projects, the better the possibility of generating employment.

On the contrary, the new paradigm emphasises rather the quality of available resources. In the context of autonomy, the human resources currently available cannot be channelled into particular development activity; local development policy should be adjusted to take account of the available resources and potential. The consequence of such a shift is that the speed of the development process will not be the same for each locality due to the differences in local resources and potential.

The new paradigm also brings about changes in strategy for each sector of development. In the agriculture sector, single-sector or single-commodity approaches will be transformed into an approach where biophysical elements, technology and socio-economic issues are all considered in an integrated and holistic fashion.

At the same time, technical approaches to local assets and potential that have relied on comparative advantage will change into approaches based on competitive advantage. The perception of competitive advantage should be founded on an inter-sectoral and inter-commodity approach, both vertically and horizontally.

The Approach

The partial development approach that has been employed in livestock development so far has widened socio-economic gaps between farming communities. It also contributed to the existing institutional competition and institutional imbalance. This pattern needs to be converted into a holistic, inter-sectoral and inter-institution approach embodying shared objectives to develop particular areas and regions in a system of development. In such an approach, livestock should be viewed as an element of the system. Its potential should be evaluated and systematically analysed so it can be given either a supplementary or a complementary function within a development area, or even play a substitute role to

other elements in a development system. The system approach that includes physical, technical, socio-economic and institutional elements based on real needs could bridge the gap between a number of points of view and help bring about optimum development output.

Since local policy and issues of autonomy play important roles in the implementation of technical know-how, a shared understanding of the philosophy and policy strategy behind livestock development is required. Shared understanding is needed of the following issues:

- The area or region to be chosen for development: An area envisaged for development should be selected and carefully defined, based on the technical and biological requirements for livestock development. Cognisance should be taken of the existing ecosystem, the livestock commodity to be developed, the genetic variability of the animals involved, and stakeholders' knowledge and command of technology related to livestock development. An area of development should be viewed as a total system that consists of physical, technological, socio-cultural and economic elements.
- An integrated approach: The approach should apply the philosophy of a total system with holistic, inter-sectoral and inter-institution methods embodying shared objectives to develop the area or region as a system. In relation to the genetic improvement of cattle, the primary concern should be to establish a process for mobilising livestock-related sectors to review and to analyse each sector's partial estimate of the likely goals. It is also important to scrutinise the possible inter-sectoral effect of a genetic improvement program in a development area.

- The need for affirmative action: Since livestock rearing is often considered a slow-return activity, it is important to adopt an affirmative policy to accelerate livestock production in particular production pockets, through genetic improvement. In many parts of the country, social conditions are generally less supportive of livestock breeding, for understandable reasons. Therefore, it is imperative to apply a tailored social reconstruction strategy through farmer education programs. It is also important to approach livestock production problems from an institutional point of view and to use the views of institutions as a basis or direction for genetic improvement in the area. Local institutions are generally able to accommodate farmers' aspirations and are also capable of transformation into new and better organisations serving the needs of local people.

References

- German Advisory Council on Global Change. 1997. *World in Transition — The Research Challenge*. Springer Verlag, Berlin.
- Keputusan Menteri Pertanian Nomor 798/Kpts/OT.210/94 Tentang Organisasi dan Tata Kerja Balai Pengkajian Teknologi Pertanian dan Loka Pengkajian Teknologi Pertanian.
- Peraturan Pemerintah Republik Indonesia Nomor 25 Tahun 2000 Tentang Kewenangan Pemerintah dan Kewenangan Propinsi Sebagai Daerah Otonom.
- Undang-undang Republik Indonesia Nomor 22 Tahun 1999 Tentang Pemerintahan Daerah.
- Undang-undang Republik Indonesia Nomor 25 Tahun 1999 Tentang Perimbangan Keuangan Antara Pemerintah Pusat dan Daerah.