

STRUCTURED SUMMARY

TRANSFORMING PASTORAL LIVELIHOODS THROUGH MARKET INTERVENTIONS

Does the impact match expectations? Lessons from a decade of investments in Somali Region, Ethiopia

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Motivation

Models that seek to drive transformation of rural economies by greater market orientation have been widely used, including, over many years, in pastoral economies. Even where evaluations have shown successful implementation, little has been studied about their contribution to change because studies have not sought to trace the impacts down to the intended 'beneficiaries', the small-scale rural producers. This is compounded by the problem of learning being restricted to project timeframes, whereas sustainable change can be seen only in much longer timeframes. As a result, we know too little about how best to support resilience in pastoral economies.

Purpose

The report is based on an internal impact assessment of market-based development programmes implemented over the past decade and more in Somali Regional State in Ethiopia. It looks only at general lessons about the development model and theory of change, and its appropriateness for pastoral economies. Using the programmes as a case studies of resilience-building, it offers lessons of wide applicability on approaches that could make investments in resilience more effective.

Approach and methods

The research followed a 'process-tracing' approach, which started by drawing out the implicit steps in the theories of change underpinning the projects.

The study included interviews of people in Jijiga town (the regional capital) and in three districts, ensuring a diverse range of rural, urban and peri-urban environments. In-depth individual interviews were held with 36 people, including producers, traders, agents, microfinance institution (MFI) branch managers and loan clients; 12 focus group discussions were held, with men and women, including young adults.

Findings

Successful efforts to improve the trading networks of larger-scale traders did not bring changes to local livestock market dynamics. There were no changes in how pastoralists produced animals nor in their market behaviour.

The creation of a Sharia-compliant MFI has created a successful business with thousands of clients. However, few loans are in remote or rural areas. Loans are taken for a variety of businesses and consumption, but not for investment in agriculture or livestock production.

Support to the creation of a mobile money service has created a sustainable business that is widely used, including by pastoralists. Making payments from remote areas makes it easier for them to practise their current mobile livelihood strategies.

Policy implications

The underlying development model of transforming livestock production by 'layering' changed market conditions and ensuring greater access to investment capital has not worked. Behaviour can never be predicted on the basis of market theory alone, and an understanding of pastoralist livelihoods would always have made the theory of change seem implausible. Development efforts in pastoral areas must engage with the economic logic and social realities of pastoral livelihoods.

External interventions need to recognise, understand and engage with informality. This is a good test in assessing the merits of any proposed programme and its theory of change.

More attention needs to be given to the potential risks of increased inequality resulting from ideological development approaches based on the perceived superiority of market-based societies.

Entrenched approaches to monitoring and managing information, even when done well, are not capturing the right information for learning about impacts on the lives of the intended beneficiaries. It was relatively simple for the study to reveal some fundamental flaws in the development model being examined, meaning this should be relatively easy to put right – if there is agreement to change the incentive system in aid financing that currently rewards over-promising.

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