



Manoeuvring through difficult terrain: How local traders link pastoralists to markets



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ABSTRACT

Trade in livestock is the major source of income for pastoralists, traders, brokers, transporters and other actors in pastoral meat supply chains. Projects to 'link pastoralists to markets' in rural northern Kenya, place an emphasis on pastoral producers without adequate understanding of other inter-related actors whose activities and relations make up the connection to primary, secondary, regional and terminal markets. In this article, sheep and goat supply chains originating in Marsabit South are analyzed as a human activity system composed of the actions of supply chain actors and shaped by the relations between them. The geographically confined areas from which local markets receive the supply of sheep and goats are conceptualized as a "producer catchment area" depicted as finely branched tributaries through which livestock are moved towards terminal markets. A stakeholder analysis resulted in the identification of six categories of local traders who connect with other actors in both local and long distance supply chains to sustain the movement of sheep and goats to markets. The categories of traders are distinguished by different demands in travel, labour, working capital, risk exposures, and relations with other actors. In order to deal with variable and uncertain supply, local traders harness their social relations with other actors in the supply chain. However, local traders are at the highest risk for loss due to fluctuations in demand at the terminal market, as they depend on market information through brokers and lack relations to clients at the terminal market. This research demonstrates how systematic analysis of activities performed by actors, the interconnected activities linking them, and their relationships can offer insight for improved supply chain coordination.

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1. Introduction

Rural northern Kenya is part of the Arid and Semi-Arid Lands (ASALs) where communities rely on pastoral livestock production for their livelihoods. With intimate knowledge of their rangelands, the pastoral communities manage their landscape to enhance livestock production, through strategic mobility to take advantage of patchy and ephemeral rangeland resources (Wario et al., 2016; Krätli et al., 2013).

The importance of livestock trade in light of poverty reduction

and food security goals has attracted considerable academic research in northern Kenya, particularly from the 1990s onwards (Kerven, 1992; Ensminger, 1996; Barrett et al., 2006; Barrett et al., 1998; McPeak and Little, 2006; Barrett and Reardon, 2007; Mahmoud, 2008; Iruata et al., 2015; Rich et al., 2011; Bailey et al., 1999).

Although well-functioning livestock markets can offer opportunities for better returns and reduced vulnerability among pastoral households, this is not without challenges. Multiple structural issues affecting livestock trade have been identified such as high transaction costs (Barrett et al., 2006; Bailey et al., 1999; Ensminger, 1996), information asymmetries and weak physical infrastructure (Bailey et al., 1999; Barrett et al., 2006), and weak livestock marketing policy (McPeak, 2006). Recommendations include better market coordination through improved market information on

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animal-characteristics (Stuth et al., 2006; Radeny et al., 2006) and timing of market days or auctions (Green et al., 2006).

These challenges and various government and international development interests to resolve them, gave way to development projects in northern Kenya to 'link pastoralists to market', particularly, in recent context of shifting donor priority away from food aid and direct-cash transfers. An example of a project with activity in northern Kenya is a USAID-sponsored development program (worth 20 million USD) launched in 2013, "Resilience and Economic Growth in the Arid Lands—Accelerated Growth".¹

However, the success of these projects to link pastoralists to markets remains limited. They tend to fail in both 'macro' and 'micro' dimensions; from the macro due to limited contextualization of how the livestock supply chain functions in the broader political economy, and from the 'micro' due to lack of understanding of the specific activities of actors and relations between pastoralists and local traders who shape the supply chains. The emphasis on marketization must be embedded within the broader social context in which both formal and informal exchange create an interplay of social and material practices that ultimately constitute economic processes within pastoral systems (Gertel and Le Heron, 2011).

Livestock traders play a key role in linking the communal subsistence and market economy in pastoral areas (Konaka, 2001, p.63). In the past, livestock traders in Kenya were mainly from the Somali ethnic group, operating in both the Northern and Southern rangelands. Only more recently, members from the local ethnic groups became traders, such as Maasai traders in Kajiado (Van Ufford and Zaal, 2004, p.128). Based on a historical review, Van Ufford and Zaal (2004) found that shared ethnicity and social group among the Maasai traders are used as social and cultural capital to build cattle trade networks based on trust. Similarly, based on empirical research with Burji cattle traders in Moyale, Marsabit County, Mahmoud (2008, 2011) found that trust is leveraged in social relations to enable them cope with diverse trade risks. He identified trust-based relationships, individually-based trading partnerships, informal cash transfer systems and membership in livestock trader associations as strategies used by the traders. Based on anthropological fieldwork with Samburu traders, Konaka (2001) differentiated market traders who are mainly from the Kikuyu ethnic group and local traders from the Samburu. Among four strategies for profitability identified by the local traders, was a temporal shift between the herding and trading activities to minimize losses during different climatic seasons and varied market conditions (Konaka, 2001). Most studies of pastoral livestock traders focus on the cattle traders, including the recent study of (Little et al., 2014). With specific attention to sheep traders in Kajiado, Mtmet et al. (2014) evaluated decision-making and found that breed was considered to be the most important attribute for profitability. In their conclusions, they asserted that, "traders role is vital in the development of the value chain" (Mtmet et al., 2014, p. 71).

Previous studies in pastoral regions of Kenya have focused on either a specific market or on a segment of the pastoral livestock supply chain without considering the connections of the entire chain. To address this gap, the aim of this paper is to examine the activity system of traders and to differentiate the roles of different types of local traders in linking pastoralists to markets. We identify activities performed by different categories of traders and their relationships with other actors that facilitate and sustain the activities. This study shows how the chain is currently

functioning and reveals key challenges identified by different chain actors.

2. Theoretical framework

For our action research to be scientifically grounded, we needed a theoretical framework that place an emphasis on the views of the people with whom we would collaborate in order to identify improvements that they considered actionable in their specific context. We chose an actor-oriented approach to systems theory with an emphasis on the activities and relations that link different supply chain actors into a functioning system.

Systems theory is used to analyze the interactions between parts in order to understand the relations that form an entity (Von Bertalanffy, 1972; Chikere and Nwoka, 2015). Checkland (1985), described a human activity system as composed of interacting activities performed by individuals and groups of individuals. Human activity systems are established and maintained by human actors through their activities (Argyris and Schön, 1978; Mingers, 2006; Kaufmann et al., 2013). Human activity systems specific to professions in the livestock supply chain include livestock rearing (i.e. the activity system of a livestock producer), trading (i.e. the activity system of a trader) etc. A supply chain represents a complex network of business entities linked across production and consumption boundaries (Liu and Guan, 2014) spanning across rural and urban areas. When considering such business entities as an activity systems, the supply chain can be analysed as a human activity system (Vrijhoef and Ridder, 2007; Rigby et al., 2000).

An actor-oriented perspective lends itself to bringing forward the views, interests and values of the actors involved in a system and to identify the room of manoeuvre that they perceive within the structure. According to Giddens (1984), actors draw from specific structural rules and resources to produce social systems. Within these, we find, for example business networks composed of actors and sets of political-economic structures that influence market rules. Building on Giddens' argument, Long (1990, 2001) combined structural and actor perspectives to develop an actor-oriented approach, with a focus on the agency of the involved actors. An actor-oriented approach places emphasis on the central role of human action and understanding of the "lifeworlds of different social groups" (Long, 2001, p.23), thereby drawing attention to: i) how actors are organized in social groups and networks (Long, 2001), ii) actor strategies and ways to interpret choices in complex negotiations between individuals and groups with different interests (Long, 1990), iii) the structural factors that constrain or enable choices pursued by actors (Long, 1990 in Long, 2001). In the supply chain, each actor has a specific social-economic position, function and interest such as in their production and marketing activities (Osei-Amponsah and Visser, 2016). Drawing on stakeholder theory, we have differentiated actors into primary actors whose activities directly constitute the system (these actors have their hands on the product) and secondary actors who influence the room of manoeuvre of the primary actors.

However, each actor operates in connection with others to create a network that defines the types of relationships and exchange that emerge (Long, 2001). Håkansson and Snehota (1995) connected the activity system with closely related aspects of the actor relationship across business networks. They conceptualized markets-as-networks by integrating actors and activities for

¹ <http://acdivoca.org/our-programs/project-profiles/kenya-resilience-and-economic-growth-arid-lands-accelerated-growth>, Accessed May 13, 2016.

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