

**Liberalization and Domestic Politics:
The Case of Livestock Policy Reform in India¹**

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Introduction

This paper explores the dynamics of livestock policy reforms in two Indian states, Andhra Pradesh and Orissa. Livestock policy reforms have been shaped by the intersection of domestic politics and power relations, international actors—especially foreign governments and development organizations, and international trade regimes. The international policy environment and global trade regime has set the context for India's market-oriented reforms, but it is largely domestic political leaders, institutions, bureaucratic structures, and organized interests that have shaped the form and extent of reform in this sector. Marked differences in the reform trajectory of different livestock sectors in the neighboring states of Andhra Pradesh and Orissa show how domestic politics can shape the implementation of global reforms. This paper focuses on the politics of reform in the large ruminant (cattle, buffalo) and animal health and breeding subsectors. Cattle, buffalo, goats, sheep, and chicken are the most important livestock animals in Andhra Pradesh and Orissa. Cattle and buffalo are raised for milk and used for draught power, goats and sheep provide meat and fiber, and poultry provide meat and eggs.

Although the livestock sector has rarely been the focus of political scientists' attention, the livestock sector plays an important role in livelihoods of poor rural people in India and many other parts of the world. In India, rural poverty is closely linked to land ownership, which is highly unequal. Many rural households own or operate too little productive land to rely solely on its products for subsistence. Because livestock ownership is distributed less inequitably than arable land, it may compensate somewhat for land inequality. The majority of livestock are held by households that operate less than 2 hectares of land. Livestock comprises 30 percent of household income in Orissa (Kurup 2003), complementing income from agricultural or wage labor. Dairy animals can provide regular income throughout the year, and meat animals provide a ready source of cash on demand. The livestock sector also has national economic importance. Livestock comprised 5.5 percent of India's gross domestic product (GDP) in 1999-2000 (Government of India. Ministry of Agriculture. Department of Animal Husbandry & Dairying 2003a, b, c, d, e). Dairy products and meat and meat products comprise the majority of output value. Additionally, analysis of the livestock sector can help us to understand the dynamics of market reform outside the high-profile sectors. Because livestock is not a priority issue for politicians and most aid agencies, this sector may be more typical of liberalization processes than sectors such as telecommunications and power which are commonly studied.

Three characteristics of the Indian political system set the basic context in which reform occurs. First, India has a federalist system. The central government is responsible for trade policy and foreign relations, but states exercise substantial power in certain areas, including agriculture and livestock. The states vary dramatically in their ecological, linguistic, religious, and economic composition. Second, electoral politics are highly competitive. The Congress Party has been dominant but not hegemonic since Independence. Hindu nationalist parties like the Bharatiya Janata Party, Communist parties, and state-based parties like the Telegu Desam Party of Andhra Pradesh influence state and national elections. Coalition-led governments are fairly common. Since 1991, national government has been led by the Congress Party (1991-96), United Front (1996-1998), National Democratic Alliance (1998-2004), and now the United Progressive Alliance (UPA). Third, India has a large bureaucratic infrastructure heavily influenced by British colonialism. The bureaucratic elite are drawn from national and state corps such as the

Indian Administrative Services (IAS) and the Indian Forestry Service. Individuals enter the Services at the beginning of their career through an extremely competitive process. Officers remain with the IAS throughout their public career, but are posted to different positions as needed. Transfers between departments and parastatal posts occur fairly frequently. Members of the administrative services serve as general managers, while technically trained civil servants occupy the lower ranks, rarely rising above Director of a department.

The livestock policy trajectory reflects shifts in the Indian state's broad policy orientation. Government was highly interventionist for several decades following Independence. Many aspects of economic life were highly regulated. State subsidies and protective regulation were common in important sectors. In 1991, the Indian government embarked upon a liberalization process, which has involved trade policy reform, market reform, and privatization.² The Government of India signed the Uruguay Round Agreement of the General Agreement on Tariffs and Trade (GATT) in April 1994 and joined the World Trade Organization (WTO). Since then, it has altered the customs, trade, and tariff structure substantially to comply with global regulations. The state also has privatized some parastatals and opened domestic services to more extensive private sector competition in areas such as electricity and telecommunications. This reform commitment has been maintained through three governments; it remains to be seen what path the new Congress-led United Progressive Alliance government will follow.

Shortly after the Government of India decided to liberalize, two amendments to the constitution began the process of decentralizing governance. The 73rd Amendment of 1992 provided local governments—the Panchayati Raj institutions (PRIs)—with substantial formal authority over policy, including natural resource management. The PRIs are elected, and a proportion of seats reserved for 'weaker sections' (women, adivasis, dalits). To date, the PRIs have not garnered sufficient control over financial resources in most states to have substantial authority. If the PRIs manage to secure actual control over constitutionally allocated powers, however, these institutions will control access to common lands, water, and forests. Some believe that PRIs have the potential to increase local democracy and accountability, and that the Gram Sabha—the collective of all voters—for democratic, equitable decisions. Others contend that the Panchayati Raj institutions could provide a new mechanism for clientelism, as individuals appointed to PRI posts reserved for underrepresented groups may be accountable to their appointers rather than the group they ostensibly represent.

Livestock producers are not an organized political lobby at the state or national level. As a result, policy is driven by broad policy trends and the agendas of more organized groups. Hindu Nationalist politics contribute to a policy focus on cattle and buffalo to the neglect of meat animals, and they constraining policy options in this area. Because Hindu Nationalist groups have been active in Indian politics since shortly after Independence (Graham 1990; Jaffrelot 1996), politicians and bureaucrats have been reluctant to strongly advocate or adopt policies that conflict with the conservative interpretations of Hinduism nationalists deploy.³ Hindu beliefs accord symbolic importance to cows, and vegetarianism has been associated with purity and high

² The reasons for this reform are beyond the scope of this paper (but see Pedersen 2000).

³ This discussion draws from Robbins (1999) and field observations and interviews.

Scriptural and historical analyses indicate that the relationship between Hinduism and meat consumption is more complex than Hindu nationalists suggest (See citations in Noronha 1994; Robbins 1999).

caste. Some believe that cow slaughter is contrary to religious dictates and regard beef consumption as sacrilegious. Thus, cow slaughter often serves as a useful symbolic issue. Hindu nationalist groups have repeatedly sought cow slaughter bans in each state and at the national level. These attempts meet with little open opposition—there is no organized constituency for cow slaughter—but frequently die in the legislature once they have received sufficient media attention.

While there is little evidence that cow slaughter bans prevent beef consumption—enforcement is lax—social and legal barriers to cow slaughter have important consequences for the livestock sector. Cow slaughter bans reduce the incentive to raise cattle (Noronha 1994; Robbins 1999). Profitable use is limited to dairy and draught power, it is difficult to dispose of useless animals, and sanctions have prevented emergence of a bovine meat market in most states (Government of India. Steering Group- National Livestock Policy. 1996). (There are illicit beef trade routes and markets but these don't seem to be highly profitable for producers.) These bans also pose a barrier to breed improvement and population control by making it difficult to select for superior animals. Additionally, people who handle dead cattle are subject to social stigma and major health risks that receive little attention from veterinarians and human health professionals. Dalits (untouchables) have traditionally been held responsible for disposal of dead cattle. In Orissa, there are recurrent outbreaks of anthrax among dalits.

Historically, government activities in the livestock sector have focused on dairy, animal health, and breeding services. Government involvement in extension services, meat, and feed and fodder provision has been limited. Government intervention in dairy has sought to support cooperative provision of milk and milk products. In contrast, the state took responsibility for provision of animal health and breeding services. This difference in approach has affected the constellation of interests and actors involved in reform efforts.

States & Markets in the Dairy Sector

In contemporary India, the route from dairy producer's household to the store or milk stand is mediated by cooperatives, traders, and private companies. Extensive state involvement in dairy began in the late 1960s when the government embarked on an effort to expand milk production and increase the supply to urban markets. The state sought to do so by replicating the Anand cooperative model on larger scale. By that time, the Anand Milk Union Ltd. (AMUL) consisted of a three-tiered structure of village societies, district unions, and a state milk marketing federation that covered the state of Gujarat. This member-run cooperative organized milk collection, quality testing, processing, and distribution to markets in Gujarat and Bombay (now Mumbai). AMUL provided safe milk—all milk was tested at multiple points—and members received regular payment at stable prices. Operations Flood I, II, and III (1970-1996) sought to expand this model across the country. Each phase targeted a set of states and districts within each state. Andhra Pradesh participated in all phases, and Orissa entered 1981. Operations Flood was developed through a partnership between AMUL, the government of India, the World Bank, and other international donors. The National Dairy Development Board (NDDB) and the Indian Dairy Corporation (IDC) were created to lead Operation Flood; the IDC was later merged into NDDB.

Three aspects of Operation Flood affected the future development of the dairy sector. First, Government policy and practice established a highly protected market for cooperative dairy. Until 1991, the formal dairy sector was reserved for cooperatives through a licensing process. New private companies were required to obtain licenses to enter the sector; few were granted.⁴ The cooperative sector came to dominate the formal milk market. This licensing process had little impact on the large informal market for dairy products. Many producers sell their milk to traders who then market the milk or sell it to processors. About 88 percent of marketed milk is sold on the informal market (Sharma and Sharma 2002). All dairy food aid was routed through the Indian Dairy Corporation; revenues from sales were directed to the cooperative infrastructure. Operation Flood funders also directed substantial financial, technical, and material assistance to societies, unions and federations in target areas. Since the end of Operation Flood III in 1996, the Government of India and the European Union have continued to provide financial assistance to dairy cooperatives through NDDDB, but the magnitude of assistance is smaller.

Second, Operations Flood leaders worked through state governments to replicate the Anand Cooperative model in new areas. As a result, new dairy societies, unions, and federations were much more closely tied to government than AMUL. In Andhra Pradesh, Orissa, and most other states, state officials appoint the managing director of the state federation. These appointees are often members of the Indian Administrative Service or the state equivalent who lack experience in dairy business management. Government-appointed directors are accountable to the state rather than to the cooperative members most directly affected by their competence or lack thereof. The large number of inactive dairy societies and loss-making cooperative organizations shows that many cooperative organizations are poorly managed.⁵

Third, government support for cooperative dairy produced a highly organized sector. Two organizations, the National Dairy Development Board (NDDDB) and the Gujarat Cooperative Milk Marketing Federation (GCMMF) exert national influence. NDDDB has substantial assets, expertise, and connections to national policymakers as well as dairy cooperatives. GCMMF's influence stems from its position as originator of the Anand model, its continued success, and the involvement of Dr. Kurien,⁶ a leader in the cooperative movement. Both organizations are linked to government, but they have substantial autonomy.

Dairy policy reform began in the 1990s. After signing GATT and joining the WTO, India reduced tariffs on dairy products, removed restrictions on dairy imports, and ended the canalization of dairy imports (NDDDB).⁷ The Government of India has continued to monitor imports of milk, milk products, and other livestock products. To date, domestically produced milk dominates the Indian market. A more substantial change was the decision to delicense the

⁴ There are some private dairy companies (e.g. Nestle) that have long had a presence in India.

⁵ One report estimated that 70 percent of district milk unions were operating at a loss in 1998 (Government of India. Planning Commission 2002).

⁶ Dr. Kurien worked at the Anand cooperatives and led NDDDB throughout Operation Floods I & II. He has retired from leadership of NDDDB.

⁷ GATT and WTO also require reduction in agricultural and livestock subsidies. Indian livestock sector subsidies are not substantial—in most areas there were none—and thus little change was required. See Sharma and co-authors (2003; 2002; 2002) for extended discussion of dairy trade issues.

dairy sector. In 1991, the government opened the formal dairy market to private (non-cooperative) actors by removing the license requirements through which the government has kept out private companies. In principle, this reform ended the effective cooperative monopoly over the formal dairy sector. However, the government rapidly retreated from this opening by issuing the Milk and Milk Products Order (MMPO). The 1992 MMPO required new dairy sector entrants to procure milk from new “milk sheds,” that is, milk collection was prohibited in areas with a cooperative.⁸ This provision prevented companies from going to members of dairy societies and offering a better price. While advantageous to cooperative leaders, it is contrary to producers’ interests. In many cases, the new milkshed areas were less attractive or uneconomic and cooperatives continued to dominate the formal milk market. In 2001 and 2003, ten years after liberalization began, the MMPO was amended to allow private companies to purchase milk from areas where cooperatives are present.

Nongovernmental organizations (NGOs) and cooperative societies initiated a second set of reforms. Several microcredit-focused NGOs lobbied for reforming cooperative law to make cooperatives accountable to their members rather than to governments. These efforts have led to the passage of new legislation concerning cooperatives such as the national Amendment to the Companies Act (2003), the Mutually Aided Cooperative Societies Act of Andhra Pradesh (MACs, 1995), and the Orissa Self Help Cooperatives Act (2001). When cooperatives register or reregister under these new laws, the resulting societies are solely accountable to their members, who have the power to hire and fire their management. As of summer 2003, existing cooperatives seeking to re-register in order to benefit from the new laws have faced substantial barriers. In many cases, these cooperatives must secure the consent of a government registrar to re-register. Registrars enjoyed substantial influence over cooperatives under the old laws; securing consent is not always possible. Orissa has been slow to implement the new law. Re-registration is particularly complex for dairy cooperatives that participated in Operation Flood. These cooperatives frequently face disputes regarding ownership of existing infrastructure as the government-controlled federation seeks to retain the property secured under its aegis (usually through central government or NDDDB programs) or to garner compensation for it. Although these issues have not been fully resolved in Andhra Pradesh, 3,033 dairy societies had registered under the MACs law as of 31 March 2003 (Cooperative Development Foundation, personal communication).

While cooperatives have been able to maintain their dominance over the formal dairy market, it is not clear how well they will be able to compete in a fully open market in which government subsidies are smaller, private companies can procure milk in cooperative areas, and federations can market milk in other states. The most influential cooperative dairy organizations, NDDDB and GCMMF, disagree on the proper response to the new environment. NDDDB advocates improved marketing and reduced political interference through a joint venture model (Patel 2003), but Gujarat Cooperative Milk Marketing Federation opposes this approach (GCMMF 2003). The chairs of NDDDB and GCMMF have pressed state federations and district unions to take sides, but observers worry that the smaller organizations will suffer in this debate. “When elephants fight, the grass suffers.”

Retreating from Direct Provision: Reforming Animal health and breeding services

⁸ Processors were permitted to procure milk from cooperative unions and federations if they had a shortage.

For most of the post-Independence period, provision of veterinary and breeding services was a state responsibility. With support from the Government of India, Andhra Pradesh and Orissa invested considerable resources in developing the infrastructure to provide free veterinary and breeding services. Veterinary services were provided through hospitals, clinics, and centers staffed by state employed veterinarians and paraveterinarians. The central and state governments also developed a network of animal breeding facilities, including livestock breeding farms, frozen semen stations, liquid nitrogen plants, and semen banks. These facilities were meant to provide the materials for genetic upgrading of local animals through frozen semen or bulls.

Government services were administered through state animal husbandry departments. As with other Indian government agencies, a political appointee (the Minister) oversees the animal husbandry portfolio, a Secretary serves as the top departmental civil servant, usually assisted by a Director or Joint Director. Animal husbandry is not a high profile political post and sometimes it is combined with other portfolios. Ministers are attuned to the political implications of departmental activities but often have little interest in managerial and policy details. The top animal husbandry departmental civil servant, the Secretary, is usually an Indian Administrative Services (IAS) or State Administrative Service officer who reports to the Chief Secretary. The Secretary presides over a staff overwhelmingly comprised of technically expert veterinarians and paraveterinarians. Technical staff are promoted from within the department, and appointments to the highest posts (e.g. Director, Joint Director) often occur at the end of one's career. Most technical staff begin their careers as field veterinarians or inspectors and then circulate among posts before moving, in some cases, to non-service work in the department. Promotion for veterinarians and paraveterinarians is largely dependent on seniority; paraveterinarians have very little career mobility.

Government investment in animal health services has ensured that many livestock producers have access to state subsidized care. However, animal health services are not free – producers routinely pay government practitioners for animal care, absorb considerable transportation costs, and purchase prescribed medicines—and services often are concentrated in wealthier districts (Ahuja, Morrenhof, and Sen 2002). In Orissa, the average of roughly one veterinary centre per 45 square kilometres, masks a range in area covered per center from 16 square kilometres in one coastal district to 125 square kilometres in 2 interior districts. For the most part, the success of government breed improvement efforts has been minimal.⁹ Although government crossbreeding efforts began in 1962, evidence indicates that the proportion of crossbred cattle, buffalo, and sheep remains very low. Crossbreeds comprise just more than 10 percent of milch cattle and about 6 percent of all milch bovines in India (based on Ahuja et al 2000: Annexure Table 2.3)

Government efforts to provide free animal husbandry and breeding services have benefited the veterinarians and paraveterinarians in its employ. The 1996 Livestock Sector Review estimated that about 22,500 veterinarians and 45,000 paraveterinarians were in state or Union Territory government employ in 1989. About 90 percent of veterinary graduates worked for the government. State employ has offered reasonable salaries, security, some infrastructure, and substantial opportunity for private gain through charges for services. Oversight and

⁹ Breeding initiatives have been more successful in Kerala, a largely Christian state in which beef slaughter and consumption is legal and artificial insemination coverage is good (Ahuja et al. 2000).

accountability to producers has been quite limited. State veterinarians and paraveterinarians have a vested interest in government provision of services.

Reforms in animal health and breeding services have primarily sought to inject market forces into service provision and to increase the role of community paraprofessional animal health service providers. The most dramatic proposed reforms have met with resistance from organized interests and have not yet been implemented. At the national level and state-level, the reform process has been driven by politicians, civil servants, veterinarians, bilateral organizations and NGOs. Poor livestock producers have not been central agents in the reform process. Although there are active livestock producers' organizations in Andhra Pradesh, they have largely been engaged in defenses struggles around grazing discussed in a subsequent section. The most consistently involved international actors have been Swiss aid and development organizations—the Swiss Agency for International Development (SIDA), Intercooperation, and several state-based bilateral agencies (Indo-Swiss projects); the World Bank and British Department for International Development (DFID) have also been involved.¹⁰ These organizations supported efforts to reform the livestock sector.

During the early 1990s, the Government of India undertook a comprehensive review of the livestock sector with the aim of developing a new policy framework; foreign donors supported this effort. After a long consultative process and drafting of many reports, a new policy framework was proposed in 1996 (See Government of India. Steering Group- National Livestock Policy. 1996). There had been little visible progress towards a national policy as of 2003, but a few specific recommendations had been implemented. The framework proposed the transfer of the government breeding infrastructure to state livestock development boards and the privatization of breeding service delivery. The Government of India established a National Project on Cattle and Buffalo Breeding based on this approach and has channeled funding to states that establish these boards.

Divergent Reform Trajectories in Orissa and Andhra Pradesh States

Although Andhra Pradesh and Orissa are neighboring states with fairly similar ethnic composition—both have large adivasi (tribal Forest dependent) populations—the political dynamics of the two states differs markedly. Andhra Pradesh has vibrant politics with electoral competition between national parties (Congress Party, Communist Party of India, Communist Party of India-Marxist) and state parties (Telegu Desam Party) while the state branches of the national parties dominate electoral politics in Orissa. Contemporary observers describe rural Andhra Pradesh as highly politicized (Manor 2000; Powis 2003). Andhra Pradesh has had sustained peasant and radical movements that mobilized segments of the rural population. There are active social movements, several people's organizations and adivasi organizations, and some radical leftist organizations that have resorted to violence. Additionally, there are at least a few livestock producers' organizations. Sheep and goat rearers' associations have a presence at the village, district, and state level in Andhra Pradesh. At least one association has links to members of the state legislature, and thus some capacity to have its concerns raised. Some rearers'

¹⁰ The Swiss government has been involved in the Indian livestock sector for more than 40 years, and Swiss organizations have funded local organizations, provided technical assistance, and initiated projects (Intercooperation 2000).

associations regularly engage in political protest, using direct action tactics—such as bringing their sheep to fill the offices of targeted officials—to garner attention and response. In contrast, Orissa is known for its “exceedingly quiescent civil society,” and the long dominance of a narrow elite (Manor 2000). Livestock sector reforms also have followed distinct trajectories. Orissa’s reform process has followed the pattern established by the attempt at national sector reform. Reforms in Andhra Pradesh were influenced by state politics and reforms in related sectors.

Orissa Livestock Sector Policy

In 1998, the state of Orissa embarked on a livestock sector policy process modeled after the national one. The state established a steering committee, the committee undertook a broad review of the livestock sector (Kurup 2003), using consultants to synthesize available research and collect original data when necessary, findings were presented to stakeholders in a series of workshops, and recommendations were drafted. The consultation process included scientists, veterinarians, NGOs, and farmers. This effort received financial and organizational support from Indo-Swiss Natural Resources Management Program, whose staff worked closely with appointed officials and line staff in the Department of Fisheries and Animal Resources Development (FARD), and the Directorate of Animal Husbandry and Veterinary Services. After the steering committee developed a proposal, departmental staff drafted a policy, took it through the internal consultative process and eventually secured Cabinet approval in 2002.¹¹

The primary reforms adopted in the Orissa Livestock Sector Policy were the following: 1) the marketization¹² of veterinary services and artificial insemination, 2) capacity-building of small holders,¹³ 3) promotion of linkages between grassroots organizations and the animal husbandry department,¹⁴ 4) re-orientation of the directorate towards disease control, prevention and eradication, and livestock sector development. Two of these reforms had been implemented by 2003. The state established user charges for veterinary and breeding services (in most cases these fees were quite low). As mentioned, most producers were already paying for services. The fees provide FARD with discretionary funds. Orissa also created a formally independent agency, the Orissa Livestock Resource Development Society (OLRDS), which will assume ownership of the breeding infrastructure. Creation of the OLRDS made Orissa eligible for financial support from the National Project for Cattle and Buffalo Breeding; user charges were also being routed to OLRDS. This reform relieved the fiscal burden on the state and may allow for closure of some breeding facilities. As of July 2003, the state had not ceded authority over OLRDS; the transitional governing task force was comprised primarily of civil servants. After the new policy was adopted, the Indo-Swiss program began an initiative to link NGOs with the Directorate of Animal Husbandry and Veterinary Services.

¹¹ The draft was examined by the department, who sought expert opinion on some technical matters, circulated to other departments—approval of the Finance Department was critical—and then went to Cabinet.

¹² Marketization is used to describe a general shift towards subjecting health services to market forces. This may include full privatization, but also encompasses more limited reforms such as user fees.

¹³ These initiatives were intended to increase productivity and reduce reliance on state services. The policy mentions veterinary first aid, vaccination, parasite control, feed supplementing, sheltering, innovations and candling (Section 3.1(b)).

¹⁴ “These organizations can form the organic link between the department and the small holders as well as the conduit for transfer of technologies, skill training, extension support and even inputs.” (Section 3.1(c)).

The more difficult reforms involve re-orientation of the Directorate of Animal Husbandry and Veterinary Services and withdrawal from direct service provision (in most areas). These reforms conflict with the vested interests of most departmental employees. They reforms would require veterinarians and livestock inspectors to forfeit income security and become fully or mostly reliant on the fees received from livestock producers and would increase the stature of community service providers. At present, the Directorate is comprised primarily of veterinarians and paraveterinarians who receive a salary and benefits, are paid by users for their services, and face few sanctions for poor performance. “A veterinarian enters Government service at around the age of 23-25 years, with an assured tenure of some 35 years in Government service until superannuation” (Government of India. Steering Group- National Livestock Policy. 1996). Retired veterinarians have been the most vocal critics of the new policy; while receiving benefits from the department, they do not risk undesirable postings as retaliation for speaking out.

State-employed veterinarians and paraveterinarians have considerable ability to resist these changes. State employees have considerable security of tenure, and Orissa cannot privatize veterinary practice without rewriting long-established civil service rules that affect most government employees. To do so would require expending serious political capital and alienating most civil servants for limited rewards—it is unlikely that livestock producers would reward reforms with political loyalty. One observer of national reform noted that this type of civil service reform is unprecedented in India; it is unlikely that the low profile livestock sector will lead in this area. The new policy seeks to lessen the resistance from veterinarians by implementing the changes in veterinary service over a 25-year period in which current employees will be allowed to become mobile practitioners in some areas but will not lose their benefits. This approach could facilitate reform, but it requires that departmental leadership maintain their commitment to reform over a long period and that the state avoid hiring new staff with the same rights. While line staff and field staff will probably stay with the department until retirement, it is highly unlikely that the top department officials—secretary, commissioner, etc—will remain in their positions for 25 years. There is a substantial risk that reform will simply grant formal recognition to the old system of state funded private practice, providing few benefits to livestock producers.

Reshaping Livestock Policy in Andhra Pradesh: State Politics, Forestry, & Decentralization

Livestock sector reforms in Andhra Pradesh have been driven by the reform efforts of the state governor and by changes in the related sector of forestry. Until the May 2004 elections, Andhra Pradesh was led by Chandrababu Naidu of the Telegu Desam Party (TDP). Naidu was known as a dynamic reformer, and he sought to make several changes in state government practice. In early 1999, the government released a broad vision and strategy document presenting Naidu’s reform vision. Vision 2020 adopted a broadly liberal and business focused approach; policy proposals emphasized large-scale private sector involvement and measures to create an enabling environment for investment. Initiatives to attract private investment include infrastructure improvement, facilitation of economies of scale, removal of regulatory barriers and disincentives, and targeted research and development. Unlike the policy proposals issued by the Government of India and Orissa, Vision 2020 placed little textual emphasis on poor and marginal communities in its economic development proposals. Instead, most livestock sector proposals focused on large producers and “historically strong” areas.

While Naidu's approach was supported by some international lenders—Andhra Pradesh secured funding from the World Bank for its proposed reforms, some state residents took issue with the approach. The reaction to Vision 2020 demonstrates the higher level of social mobilization in Andhra Pradesh. Several community organizations and NGOs criticized Vision 2020 for its neoliberal outlook and proposals (See, for example, ANTHRA; Reddy 1999). The state, they argued, should not abandon its responsibility for meeting the fundamental needs of its people. A coalition of NGOs organized a citizens jury on Vision 2020 in which a number of experts and advocates made presentations to a panel of farmers and ordinary people (2001). Activists also mobilized to prevent implementation of particular policies. The most controversial proposals, such as land consolidation, had not been implemented by 2003. However, these organizations had little success in changing the broad policy orientation. Chief Minister Naidu's general approach enjoyed support from leading political actors at the national (BJP) and international levels (international financial institutions and donors). Because there has not been a broad popular mobilization against Vision 2020 in Andhra Pradesh—perhaps because the changes to date had had little impact on the ground—radical organizations had little leverage. It remains to be seen what approach the new government will adopt.

Vision 2020 targeted several sectors that were to serve as “growth engines,” including dairy farming, commercial poultry, and agro-industry. Other sector-specific reforms proposed were reduction of government interference in dairy cooperatives,¹⁵ selective privatization of animal health and breeding services, increased investment in public goods services, and a feed and fodder development program. Vision 2020 argues that the animal husbandry department should privatize private good services such as health and breeding services while continuing and augmenting provision of public goods—disease eradication, extension, programs for weaker sections. The government already has implemented user fees. It also created an Andhra Pradesh Livestock Development Agency for breeding services and trained paraprofessionals (“Ghopal Mitras”) to provide fee-based breeding services, thus qualifying for funding from the National Project for Cattle and Buffalo Breeding. As in Orissa, the Livestock Development Agency is operated by government officials.

Under Chief Minister Naidu, the government of Andhra Pradesh developed several state initiatives to bypass reforms that might lessen the authority of state politicians, state bureaucrats, and their local allies. One of these initiatives was the Janmabhoomi Programme, which sought to circumvent the newly empowered Panchayati Raj institutions (PRIs) (Manor 2000; Powis 2003). In Andhra Pradesh, the PRIs are highly politicized and party competition for the gram panchayats is the norm.¹⁶ Naidu's Telegu Desam Party (TDP) was not able to prevent other parties from securing some representation in the gram panchayats and thus the Telegu Desam Party could not fully control PRI activities. Despite the constitutional amendments, the state government avoided devolving substantial powers to the PRIs. Janmabhoomi is a “people-centred participatory development process” through which villagers are supposed to express their

¹⁵ Vision 2020 commits the government to implementation of the Mutually Aided Co-operative Societies Act (MACs) to remedy the politicization of cooperatives. Vision 2020 recommends the amendment of the Milk and Milk Products Order (since lifted) to reduce licensing requirements and suggests the disallowal of procurement from existing milk sheds. If corporations were to set up farms or develop new milk sheds, Vision 2020 argues, they would assist in the expansion of the formal dairy sector.

¹⁶ The degree of party politicization of the PRIs in Andhra Pradesh may be exceptional (Powis 2003).

needs through the Gram Sabha, identify solutions, and then mobilize to implement them.¹⁷ The Janmabhoomi—community mobilization—takes place about every three months. Informants indicated that the “people-centred” Janmabhoomi is highly politicized and tightly controlled by local bureaucrats. While Janmabhoomi may serve as a mechanism for service and resource delivery, there is little evidence that local communities are driving this process (Powis 2003).

Poor livestock producers in Andhra Pradesh have been threatened by reform processes in the forestry sector. The majority of Indian livestock forage for fodder in post-harvest fields, common lands, and forests (Jodha 1986). Adivasi communities are particularly dependent on forest resources, and there are large adivasi populations in Orissa and Andhra Pradesh. While the use of these resources often was governed by local institutions, many common lands and most of the forests are owned and controlled by state or national governments. Policymakers have frequently blamed sheep and goat grazing for the declining condition of common areas, but research suggests the causes are much more complex.¹⁸ Since the 1980s, forest ministries have sought to restrict livestock grazing in the forests. Despite policy language that the needs of forest-dependent people and conservation should be balanced, forestry departments have asserted the right to determine “carrying capacity” and resource use.

The Forest Department of Andhra Pradesh has been particularly aggressive. In 2001, the Department issued a notice of a draft policy that would dramatically reduce grazing in the forest, forbidding grazing entirely in one category of forests, “interior protection forests,” and closing “open forests,” to grazing for four months each year. The policy also restricted grazing to a certain number of “cow units,” granted villages adjacent to forests preference, and introduced grazing fees for the first time since 1968. Goats were to be allowed into the forest only in the company of sheep, with a maximum of 4 per group of 100 or more sheep. This policy would clearly have had adverse impacts on several categories of poor producers, including adivasis, and sedentary or pastoral producers with large herds of sheep and goats. The Forestry Department estimated that 50 percent of cattle frequent the forest and acknowledged that most goats and sheep graze on common land.

Several of the adivasi organizations, multiple sheep and goats rearers’ associations, the community animal health workers’ association and the traditional healers association mobilized rapidly in response to the draft policy. Anthra, a regional NGO that works with poor people in rural areas on livestock issues, coordinated the response. The proposed policy was discussed at a forum on fodder and grazing issues that brought together livestock rearers, NGO staff, and representatives of people’s organizations (senior government officials were invited but did not attend). Subsequently, sheep and goat rearers convened at a state-wide meeting, discussions were held in several districts, and a critique of the logic behind the policy—particularly the focus

¹⁷ Janmabhoomi was launched in 1997. The core areas are community works, primary education, primary health and family welfare, environmental conservation, and responsive government. (<http://www.aponline.gov.in/quicklinks/programmes/janmabhoomi/janmabhoomi.html>). Several Janmabhoomis have included “free” veterinary camps. Informants indicated that a substantial proportion of veterinary camp vaccines and medicines were sold.

¹⁸ The Hanumantha Rao Commission (1987) evaluated the impact of sheep and goats on fragile ecological zones and concluded that small ruminants did not pose an ecological threat. Many researchers argue that forest management policies, insufficient staffing, corruption, and local ingenuity are at least equally important. Historically, the forest department has found it difficult to monitor and control forest extraction (Agrawal and Ostrom 2001).

on goats—was issued (Fodder and Grazing Forum n.d.). Individuals also used their connections with elected officials and civil servants to ensure that the issue was raised; official correspondence between the Principal Secretaries of Animal Husbandry and Forestry then ensued.

This mobilization led to the withdrawal of the policy and the formation of a committee to examine the issue. While this committee was initially comprised solely of senior government officials from each department and the director of Anthra (as a representative of the Grazing and Fodder Forum of Andhra Pradesh), it was later revised to include representatives from the sheep and goat rearer and adivasi communities. As of 2003, the Forest Department grazing policy is “to have no policy.” This incident demonstrates the ability of Andhra Pradesh livestock producers and their advocates to organize in defense of their interests, but it also shows their vulnerability and relative marginality—it is unlikely the Forest Department would have issued a policy ending commercial timber extraction without prior notice and consultation with the industry.

Chief Minister Naidu also encouraged the creation of user groups for watershed management, forest management, irrigation and other areas. Forest Department officials have sought to enlist communities in forest monitoring and protection through Joint Forest Management, now called Community Forest Management.¹⁹ Local participation initiatives have generally involved the creation of user groups that are granted some authority over nearby areas and given limited rights to extract resources in exchange for monitoring and enforcement of access rules. In some places, these local user groups have provided monitoring and enforcement where there was little before (Agrawal 2001). Unfortunately researchers have found that many of the costs of reduced extraction have been imposed on the poorer segments of communities—including livestock producers—while local elites have captured the benefits (eg, Ramdas). Agrawal (2001) argues, “Allocation rules, even when they are seemingly equitable, produce outcomes that are systematically biased against those who are marginal and less powerful.” Restrictive livestock access rules, for example, hurt the poor disproportionately, for they are most dependent on common areas and least able to pay fines or bribes. If officials and user groups continue to restrict livestock grazing without compensation, the ability of poor producers to maintain their livestock will decline. In some cases, Forestry officials have encouraged producers to sell their goats (Rao 2001). Research on community watershed management indicates that these concerns are valid there as well (Kerr 2002). The extent of local control of user groups is unclear. Officials enjoy substantial discretion in determining which areas are suitable to community management and in approving access rules. Some contend that the many user groups in Andhra Pradesh have been politicized and serve as a vehicle for political patronage.

Conclusion

Since the Indian government committed to liberalization in 1991, government officials, foreign donors, and civil society actors have attempted market-oriented livestock policy reforms at the

¹⁹ See the following for extensive discussion of these initiatives (Khare et al. 2000; Poffenberger and McGean 1996; Sundar 2000). International donors and financial organizations have supported forest conservation and joint forestry initiatives, but they have sought to distance themselves from displacement issues. The World Bank funded forestry initiatives in Andhra Pradesh between 1994 and 2000;

state and national level.²⁰ Policy in the areas of dairy and animal health and breeding services, and in the states of Andhra Pradesh and Orissa, has followed divergent trajectories. The types of reform attempted and implemented were shaped by prior modes of state involvement, the constellation of organized interests, and state-specific politics. Government support for cooperative dairy contributed to the emergence of independent national cooperative organizations and government-managed state federations and district unions. Liberalizing this sector would require government officials to cede the power to appoint managers. Direct government provision of animal health and breeding services created a cadre of animal health service providers accustomed to receiving salaries and fees for service. To fully privatize animal health and breeding services, reformers would have to counter these entrenched interests.

Reform processes in Orissa and Andhra Pradesh illustrate the importance of state politics and interests. Livestock policy reform in Orissa was driven by a committed bilateral organization—the Indo-Swiss Natural Resource Management Program—and departmental bureaucrats who sought to involve others through consultation. There was little social mobilization by livestock producers or local NGOs, but retired veterinarians were vocal opponents of reform. While the state has implemented some reform measures, the approach taken to implementing the most difficult reforms (privatization) will require sustained commitment by departmental leaders. As the tenure of Secretaries and Directors is short; the long-term outcome is uncertain. In Andhra Pradesh, the reform-oriented Chief Minister clashed with producer-focused NGOs and mobilized livestock producers. Advocates were able to stop or stalls some initiatives—such as the closure of the forests to grazing—but they could not change the overall direction of reform. NGOs supporting market-friendly reforms, such as those concerning cooperative law, had greater success in getting legislation passed and partially implemented. Although the Indo-Swiss Natural Resource Program was also active in Andhra Pradesh, as were DFID and the World Bank, these organizations did not play a public role in the contention over reform. The case of Indian livestock policy reform illustrates how global trends such as liberalization are shaped by place-specific politics, power relations, histories and interests. International and global factors power relations, international actors—especially foreign governments and development organizations, and international trade regimes.

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²⁰ The implications of these reforms for poor rural livestock producers are discussed extensively in Turner (2004).

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