

Decentralised Governance and Development in Tribal Areas in Odisha, India

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By

Bishnu Prasad Mohapatra

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PREFACE

This book is a product of the Doctoral (Ph. D) Research Work carried out by Dr Bishnu Prasad Mohapatra for the award of the Degree of Doctor of Philosophy in Political Science. This is a result of a piece of field-based research that discusses the institutional arrangements and workings of the Rural Local Governments otherwise known as the Panchayati Raj Institutions (PRIs) in rural and tribal areas (scheduled areas) in the context of the enactment of important constitutional and legal provisions. It focuses on understanding decentralised governance through political structures and the functioning of Rural Local Governments, and the contributions of these institutions in shaping the political economy of the tribal people in India, through research in Odisha. It highlights the PRIs, which have been instrumental in strengthening local politics and governance as well as in propelling the economic development of tribal communities in rural areas. It demonstrates that effective implementation is tantamount to strengthening the livelihoods of the poor tribal people.

In recent years, few studies have been carried out to examine the relationship between decentralised governance and development. Even under the broad framework of governance and development, scholars have attempted to understand the relationship between governance and development, while focusing on how outcomes of the governance policies have affected the processes of development. In this context, many of them have focused on the process of institutional arrangement, the participation of members in the decision-making processes, the venturing of empowerment and inclusion, and, above all, the formulation of local development plans and the implementation of development programmes. However, this book has focused on the case of decentralised governance in tribal-dominated areas with special reference to the PRIs (as a unit of decentralised governance) in the scheduled areas of Odisha, a state located in the eastern part of India.

This book highlights the institutional arrangements and work of the PRIs, as an instrument of decentralised governance in the rural and scheduled areas of Odisha in the context of the enactment of the Provisions of the Panchayats (Extension to the Scheduled Areas Act 1996) and their performance and constraints in promoting tribal development in the state.

The objective of this research work was to unravel three broad areas of decentralised governance and tribal development: (i) examining the working of the PRIs as an instrument of decentralised governance in the tribal areas, (ii) exploring the process of the formulation of decentralised development plans while understanding the role of the PRIs in formulating such plans, and (iii) examining the nature of the socio-economic development programmes that are being implemented by the PRIs in these areas and their overall implications on tribal development in the scheduled areas of the state. Considering the objectives and scope of the research, three analytical models based on the theory of decentralised governance and tribal development are used for analysing and presenting the data. These are (i) the institutional model, (ii) the inclusion model and (iii) the development model. In the institutional model, the study relies on the model of “decentralised institutions,” while in the inclusion model, the study focuses on the “inclusion of the marginalised communities in the process of decision-making, planning and implementation.”

The field study and data collection process was carried out by employing the following methods: (i) household survey method, (ii) in-depth interview, and (iii) focus group discussion, covering both tribal and non-tribal households in rural areas of Odisha, India. Further, the functioning of the PRIs in the state and their potential contributions to promoting the socioeconomic development of the tribals at the household levels—in particular, socioeconomic development in terms of implementing the various schemes, projects and programmes (wage employment programme, self-employment programme, social security programmes, rural housing programmes and providing food security under the Targeted Public Distribution System) of the central government and the state government, and various other programmes implemented by the Panchayats—were examined to understand the performance and constraints of the Panchayats in improving the socioeconomic conditions of the STs in the tribal areas.

This book highlights the role of the Panchayats as institutions promoting socioeconomic development in the scheduled areas of the state. The work of the Panchayats in the state of Odisha and their presence in the scheduled areas in the post-PESA implementation era has been increasingly changed over the period of time. In the contemporary era of socioeconomic development, these institutions have occupied a unique place in the politics and economy of the tribal areas. The findings of this study from the two districts in Odisha provided various dimensions related to the functioning of these institutions and their gradual progress in creating political empowerment and economic transformation in the scheduled areas.

However, the implementation of the PESA Act in Odisha, over the last two decades, has become a major debate in strengthening decentralised governance and promoting tribal development in the scheduled areas of the state. A major discourse associated with this act revolves around its actual implementation. Though the state government has notified the implementation of the act, the field reality is different. In many cases, the state has not been able to comply fully with the provisions of the central PESA Act while modifying its state conformity acts. Hence, it is important to effectively implement the act. There is a need for a constitutionally backed, operationally easy and legally sound framework that is transparent and fair, as well as equitable, and that also caters to the most vulnerable and marginalised tribal communities.

The functioning of the Panchayats, in many cases, provided a model for promoting self-governance and fostering socioeconomic development in the scheduled areas. However, these institutions have faced many challenges despite their institutional arrangement and functioning in the scheduled areas in the post-PESA period. No doubt, the *Gram Sabhas* (Village Assembly) and the Gram Panchayats (Village Panchayats) in the scheduled areas have been provided with a set of mandatory and non-mandatory powers. However, the state governments and different departments are, in many ways, controlling these powers and ignoring the sanctum sanctorum of these institutions. In this context, there is a need for strengthening the functioning of the Panchayats in two ways: (i) resolving the unfinished power devolution agenda, and (ii) creating more space for the Panchayats by making synergy between the PRIs and the other line departments. There is also a need to acknowledge the traditional governance system and institutional arrangement, since they have contributed, in many ways, to making the Panchayats effective. This can be done by (i) recognising the existing traditional institutions as part of tribal area governance, (ii) nurturing their leadership ability and knowledge of local polity, as well as the economy, and (iii) providing importance to these institutions and leaders in the decision-making and implementation processes.

A decentralised planning process has been implemented in the scheduled areas. However, the changes that happened in the decentralised planning process are poorly linked with paths of promoting tribal development. So, there is a need of creating better convergence between the Panchayats and various tribal development departments such as the Integrated Tribal Development Agencies (ITDAs). It is possible to implement all the plans and programmes of the ITDAs through the Panchayats at various levels. In this context, the state government should review the existing provision and

the State PESA Rules and must take a clear and unbiased stand on this issue. As far as the matters of development programmes are concerned, many development programmes are being implemented by Panchayats in the scheduled areas. These development programmes have become a major source of livelihood for millions of tribal people. However, many of them are based on the schemes and programmes of the Central Government and the State Government. So, in this case, there is a need to address two critical issues.

In conclusion, the Panchayats have been quintessential in strengthening local governance and propelling tribal development which has been observed through the case study of tribal areas in Odisha. They are being assimilated and functioning in these areas and the provisions of the PESA Act in many cases have contributed towards such a process. These organizations have emerged as institutions of self-government while promoting socio-economic and political transformation in the scheduled areas. The rise of Panchayats and their position in scheduled areas in the post-PESA period has enhanced their role in many ways. The concept of 'Panchayat' has become synonymous with the concept of governance and the development of tribal areas. The implementation of the socio-economic development programmes and the impact of these programmes on strengthening the livelihoods of the tribal people have demonstrated that effective implementation is tantamount to strengthening the livelihood of people. However, one swallow does not make a spring. Though Panchayats have achieved many milestones in the process of economic development, still there is a long way to go in order to bring cheers among millions of tribal people. This is the ultimate way of making decentralised governance for tribal development.

FOREWORD

It is my pleasure to introduce the book entitled “Decentralised Governance and Development in Odisha, India” which is written by Dr Bishnu Prasad Mohapatra who is working as an Assistant Professor in School of Liberal Arts, Dr Viswanath Kard MIT-World Peace University, Pune, India. This is a product of the Doctoral (Ph. D) Research Work carried out by Dr Bishnu Prasad Mohapatra in Odisha, a state located in the eastern parts of India. Decentralised Self-Governing Institutions have been important instruments for promoting economic development and social justice in rural and tribal areas of India and in the case of Odisha, these institutions have been the epitome of economic development and social justice. Considering the trajectories of democratic decentralisation in India in the context of the enactment of various constitutional provisions such as the 73rd Amendment Act in 1992, and the PESA Act in 1996, it has been imperative to examine various aspects of such process. This scenario has contributed immensely towards the institutional arrangements of the Rural Local Governments otherwise known as the Panchayati Raj Institutions in India.

The working of the Panchayats has resulted in a greater emphasis on the needs of the excluded communities and groups such as the Scheduled Tribes (STs). The local development plans and programmes have evolved as a major thrust area of the Panchayats. In the case of Odisha, the PRIs (particularly the GPs) in the current development scenario have been playing a key role in the process of implementation of a number of development programmes with respect to the Scheduled areas, special powers and functions have been devolved to these institutions for strengthening local level democracy, promoting equity and inclusion, along with strengthening livelihoods of the tribals. Drawing on a field-based research study carried out in two districts located in tribal areas in India and data gathered from 300 households, this study points out three important issues which are closely linked with the working of Panchayati Raj Institutions (PRIs) in the state such as (i) prevailing Panchayati Raj System and institutional arrangements (ii) ongoing decentralised planning process and participation of the STs in such process and (iii) status of the implementation of socio-economic development programmes by the Panchayats (GPs) and their overall implications of improving the socio-economic conditions of the tribal people.

This book further points out that the work of the Panchayats, in many cases, has been a key way of deepening self-governance and promoting socioeconomic development in the tribal areas, despite challenges encountered by these institutions. It is important to address a few important issues, such as (i) designing special development programmes as per the provision of the PESA Act, which can promote better economic inclusion, and (ii) devolving more powers to the Panchayats of these areas for the implementation of various development programmes considering the needs and preferences of the STs. The study points out that the implementation of the socioeconomic development programmes and the impact of these programmes on strengthening the livelihoods of the tribal people has demonstrated that the effective working of PRIs is tantamount to strengthening the livelihoods of poor people; in particular, the STs.

I am sure this work will inspire others to work on this exciting area of decentralized governance and development, specifically focusing on the outcomes of local democratic institutions in promoting economic development and fostering social justice.

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LIST OF ABBREVIATIONS

BDO	: Block Development Officer
BPL	: Below Poverty Line
BRGF	: Backward Region Grant Fund
CC	: Cement Concrete
CFM	: Community Forest Management
CHA	: Cluster Housing Approach
DoPR	: Department of Panchayati Raj
DPC	: District Planning Committee
DPMU	: District Planning and Monitoring Unit
DPO	: District Panchayat Officer
DRDA	: District Rural Development Agency
DSWO	: District Social Welfare Office
FGD	: Focus Group Discussion
FRA	: Forest Rights Act
GGY	: Gopabandhu Grameen Yojana
GoI	: Government of India
GoO	: Government of Odisha
GP	: Gram Panchayat
GPEO	: Gram Panchayat Extension Officer
GS	: Gram Sabha
GSDP	: Gross State Domestic Product
HDI	: Human Development Index
IAY	: Indira Awas Yojana
ITDA	: Integrated Tribal Development Agency
ITDP	: Integrated Tribal Development Project
JFM	: Joint Forest Management
JRY	: Jawahar Rojgar Yojana
LSGI	: Local Self-governing Institution
LWE	: Left-wing Extremism
MADA	: Modified Area Development Agency
MFP	: Minor Forest Produce
MGNREGS	: Mahatma Gandhi National Rural Employment Guarantee Scheme
MLA	: Member of Legislative Assembly
MOPR	: Ministry of Panchayati Raj
MOTA	: Ministry of Tribal Affairs

MP	: Member of Parliament
NFFWP	: National Food for Work Programme
NRLM	: National Rural Livelihood Mission
NSTBF	: Non-Scheduled Tribes Beneficiaries
NSTNBF	: Non-Scheduled Tribes Non-Beneficiaries
NTFP	: Non-timber Forest Products
OAP	: Old Age Pension
OBC	: Other Backward Category
OLM	: Odisha Livelihood Mission
PDS	: Public Distribution System
PEO	: Panchayat Executive Officer
PESA	: Provisions of Panchayats (Extension to Scheduled Areas) Act
PRI	: Panchayati Raj Institutions
PS	: Palli Sabha
PS	: Panchayat Samiti
PVTG	: Particularly Vulnerable Tribal Groups
SC	: Scheduled Caste
SEC	: State Election Commission
SFC	: State Finance Commission
SGSY	: Swarnajayanti Gram Swarozgar Yojana
SHG	: Self-help Group
SIRD	: State Institute of Rural Development
SMPTB	: Special Multi-purpose Tribal Block
ST	: Scheduled Tribes
STBF	: Scheduled Tribes Beneficiaries
STNBF	: Scheduled Tribes Non-beneficiaries
TAC	: Tribes Advisory Council
TPDS	: Targeted Public Distribution System
TSP	: Tribal Sub Plan
ULB	: Urban Local Body
VLC	: Village-level Committee
VLL	: Village-level Leader
VLW	: Village-level Worker
WP	: Widow Pension
ZP	: Zilla Parishad

CHAPTER-1

INTRODUCTION

1.1. Background

The increasing global discourse on decentralised governance has attracted many scholars of the world to explore various aspects of decentralised governance and its relationship with matters of development. It is widely believed that, in the contemporary era of development, decentralised governing institutions have been playing an important role while contributing immensely towards promoting the socioeconomic well-being of the marginalised sections of people. This argument has become a major source for developing new scholarships on the study of governance and development while focusing on aspects of the socioeconomic development of the marginalised, or the people that are left behind. In the context of the rapidly changing world economic order, with the emergence of a free-market-oriented economy, it is observed that this scenario has motivated many scholars to explore the effects of such changes while linking these with various aspects of governance, decentralisation and socioeconomic development. The much-debated issues of decentralised governance and development have also received considerable attention in the contemporary discourses of institutional reforms. The process of democratic decentralisation may ensure the institutional arrangement of the local democratic institutions, which are believed to be more sensitive towards the development of local areas and people. This argument has also enhanced the need for and the importance of decentralised governance as a key instrument in promoting and strengthening local institutions for effective development. However, international experience has suggested that the contribution of decentralised governance towards promoting development through the eradication of the regional and local dimensions of poverty has not achieved the desired result in many countries (Johnson 2003). For example, in the case of India, the poverty reduction programmes, through deepening local democracy, in many cases, have failed to achieve the desired result despite the institutional arrangement of decentralised governance.

Decentralisation has emerged as a dominant trend in world politics (Johnson 2003). Rondinelli (1981) defined decentralisation as “the transfer of planning, decision-making or administrative authority from the central government to its field organisations.” The increasing focus on decentralisation has expanded the discourses regarding the effectiveness of decentralisation on governance and development. Advocates of decentralisation in developing countries argue that “bringing government closer to the people will make it more responsive and hence more likely to develop policies and outputs which meets the needs of the ordinary citizens, the majority of them are the poor” (Crook and Sverrisson 2001). Being closer to the people, decentralised governance is assumed to meet the needs and preferences of the people (Islam 2007; Braun and Grote 2002). However, there is a disagreement among scholars regarding the effectiveness of decentralised governance in addressing the needs of the people, particularly the weaker sections of the people, such as the scheduled tribes (STs). Exploring the cases of various countries, Johnson (2001) argued that whereas democratic decentralisation has improved the levels of public participation and, in some cases, government accountability, its ability to address rural inequality and poverty has been relatively modest.

The present debate on the role of the local governments, which has emerged as an outcome of the process of decentralisation, is based on the assumption that “decentralised governance is better able to achieve what central government cannot manage to do.” Such debate has widened the scope of decentralisation as a key instrument of improving governance for promoting inclusive development. The assertion in favour of decentralised governance is based on its ability to make institutional arrangements effective to address local development needs through the strategy of local economic development under a socioeconomic development framework. The institutional arrangements are expected to be shaped based on the strategy of a greater degree of devolution, the process of empowerment and the allocation of funds to the local governments. Johnson (2003) argued that democratic decentralisation entails a system of governance in which citizens possess the right to hold local public officials accountable, through the use of elections, grievance meetings and other democratic means. Hadenius (2003) summarised that “a decentralised system is also more accessible to new political movements and minority groups in their attempts to influence politics. This is particularly important in ethnically divided societies, where political exclusion can have serious polarising effects.”

Decentralisation promotes participation and improves the controlling function held by the lower level of the political system. The major argument

for decentralisation is based on its ability to strengthen the local-level self-governing institutions for the effective implementation of socioeconomic development programmes. Decentralisation may also create a more open political system since it implies a division of power in society; many channels of representation and power-sharing become available among the different tiers of the self-governing institutions (Afzar *et al.* 1999). With regard to the participation of the weaker sections, such as the STs, decentralisation may become an instrument for creating a positive atmosphere in institutional arrangements and in promoting inclusive and participatory local development plans and programmes. Particularly, a development that is focused on reducing poverty and maintaining effectiveness in service delivery, which can be addressed effectively by the decentralised self-governing institutions. Furthermore, promoting development through maintaining equity in service delivery, equal access to resources and control over local development plans and programmes can be achieved effectively through these institutions.

However, some scholars have raised doubts regarding the effective working of the decentralised self-governing institutions towards addressing exclusion and promoting inclusive development. Further, with regard to addressing poverty through promoting socioeconomic development programmes, it is observed that it has not achieved the desired result in the countries where decentralisation has become an important policy. Against this backdrop, the strategies of inclusion (social, political and economic) have been gaining attention and have achieved positive results in many countries. The policies of inclusion have received prominence as inclusive development has been gaining significance, as sociopolitical and economic inclusion has become a strategy towards achieving the goals of inclusive development.

1.2. Rationale of Decentralised Governance

The effects of decentralised governance on development are enormous. In 1998, the World Bank estimated that all but twelve of the seventy-five developing and transitional countries with a population greater than five million had embarked on a process of political devolution (Crook and Manor 1998). Litvack *et al.* (1998) summarised that

“decentralisation can have significant repercussions for resource mobilisation and allocation and ultimately for macroeconomic stability, service delivery and equality.”

In most countries, decentralisation reflects a broader process of political and economic reform (The World Bank 1997). The political changes that have taken place worldwide have given voice to the local demands and the need to bring economic and political systems closer to the local communities. The most common theoretical rationale for decentralisation is to attain allocative efficiency in the face of different local preferences for local public goods (Rondinelli 1981). Bardhan (2002) summarised that “on account of its many failures, the centralised State everywhere has lost a great deal of legitimacy and decentralisation is widely believed to promise a range of benefits.”

However, in spite of that, the effects of decentralisation on promoting inclusive development have not been wholly appreciated by some scholars. Tanzi (1995) argued that “decentralisation promotes personalism and reduces professionalism.” He further highlighted that “the case of decentralisation is a strong one but it is based on various implicit and explicit assumptions.” Prud’homme (1995) also argued that “decentralised governance promotes inefficiency and scope for corruption due to an influence of interest groups and discretion of local officials. The long tenure of officials at the same place makes it easier to establish unethical relationships with the local people.” Johnson (2003) identified certain conditions on which democratic decentralised institutions could produce the desired result, like active participation, fiscal and political support, the existence of competitive political parties and deeper economic transformations.

The rise of decentralised self-governing institutions in different countries can be considered a failure of the long-prevailing centralised approach to planning and development. Rao and Raghunandan (2011) summarised the “dissatisfaction with the prevailing centralised systems of service delivery, transition from centralised planning to market economy, deepening democratic principles, focus on ensuring greater accountability and increasing need to recognise social, economic, and political diversities in different regions within the countries are some of the reasons cited for emergence of the decentralised governance” in different countries. The growing importance of effectiveness in the delivery of goods and services, coupled with the increasing demand for equity and inclusion in local-level decision-making and sharing of resources, has widely enhanced the need for decentralised self-governing institutions. This scenario has also motivated many scholars to examine the relationship between decentralised governance and socioeconomic development; particularly how the performance of decentralised institutions affects the promotion of the socioeconomic development of marginalised communities.

A decentralised governance structure can be considered a critical factor in reinforcing the participation of people in the planning and implementation of development programmes. It is believed that decentralised self-governing institutions, on the basis of their “time and place” knowledge, develop plans and programmes based on the local needs and preferences, and implement these plans and programmes considering the magnitude of the social and political marginalisation of the weaker section of the people; in particular, the STs (Johnson 2003). Decentralised self-governing institutions can promote the effective participation of the people in planning and programme implementation. Barnett *et al.* (1997) argued that “democratisation is an essential part of sustainable development because it facilitates the protection of human rights, informed participation and public sector accountability.” The strategy of enhancing the participation of people in the local level planning processes and decision-making bodies is the key to achieving equity in the distribution of goods and services, which are the major elements of promoting socioeconomic development.

There is a growing realisation that economic, political and social institutions are essential for reinforcing the economic progress of a particular area and people. In the context of promoting socioeconomic development, governance refers to essential parts of the broad cluster of institutions. In the academic world, exploring the various dimensions of institutional arrangement and the work of these institutions have immensely contributed to the study of governance and development, as a result of which, a large body of theoretical and empirical works are produced to examine the relationship between decentralised institutions and development. Governance requires the design of institutions to meet the demands of collective decision-making in increasingly complex circumstances. Haan (2006), in “the world development report,” mentioned that “institutions with participatory structure have a significant positive impact on development performance.” A decentralised governance framework can create such institutions, which enhance the participation of the citizens in development planning and management. Although decentralised governance does not automatically lead to developmental progress, efficient decentralised government and institutional arrangements are key elements for promoting development.

The role of the decentralised governing institutions in promoting the socioeconomic development of marginalised groups, particularly the STs, has received wide attention in different countries. Institutions created through the process of decentralisation can lead people from the path of socioeconomic marginalisation to socioeconomic wellbeing, through the

process of participation. This process of economic transformation can effectively take place through decentralised institutions as it is argued that decentralised institutions can create opportunities for ensuring the participation of the various interest groups—particularly the marginalised (STs)—and may be instrumental in reducing conflicts in society. The risk of conflict due to changes in power structures and the reallocation of resources must be identified and addressed as part of the decentralisation process. (German Development Cooperation 2008). However, Johnson (2001) summarised that “democratic institutions frequently embody an elite bias, along the lines of class, gender, religion, and other social groupings, and that this inbuilt bias discriminates against pro-poor policies.”

In India, many scholars have attempted to examine the working of decentralised institutions with respect to the socioeconomic development of the people. The ongoing development process and governance reforms in the scheduled areas of India, with the enactment of various legal provisions such as the Provisions of Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA Act), has motivated these scholars to explore the different aspects of this process. Based on this assumption, this study is designed to understand the working of the decentralised governing institutions and their contributions to addressing the socioeconomic development needs of the tribals while examining the case in Odisha. It was observed that the enactment of the PESA Act has also contributed towards the strengthening of the rural local government, otherwise known as the Panchayats, in the scheduled areas (areas defined under article 244 [I]) of the state in various ways. Further, the rapid expansion of the socioeconomic development programmes and their implementations through the Panchayats have also created ample opportunities for social science researchers to understand these trends. It is on this basis that this study has attempted to unfold these trends while examining the case of the scheduled areas of Odisha.

1.3. Decentralised Governance in Scheduled Areas of India

India has been witnessing the evolution and institutional arrangements of decentralised governance in rural areas since the pre-Independence period. The process of democratic decentralisation in India has witnessed a shift in the context of the evolution of local governments with the enactment of the Seventy-third Amendment Act, in 1992, and the PESA Act, in 1996. This has contributed immensely towards the institutional arrangements of the Panchayats as local governments in India. The Panchayats, in the