

## LINKING DEVELOPMENT WITH DEMOCRATIC PROCESSES IN INDIA: POLITICAL CAPITAL AND SUSTAINABLE LIVELIHOODS ANALYSIS

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*This paper examines how far Sustainable Livelihoods analysis helps in understanding the complex power relations influencing the rightful access by the poor to assets and entitlements. These also influence the range of feasible livelihood options, and the type and level of benefits they generate. These power relations have political dimensions, and to consider them in terms of a sixth capital asset – political capital – provides the basis for a more structured and rigorous analysis of power than is generally achieved if they are merely considered part of the ‘policies, institutions and processes’ within the SL analytical framework.*

### Policy conclusions

- Access to assets and entitlements are widely governed by power relations which have political dimensions, but their workings are at times informal and concealed, and, in its current form, the SL analytical framework does not facilitate detailed or rigorous analysis of these;
- Whilst there is some scope for treating political power in ‘policies, institutions and processes’, it is also a capital asset which people can build up or draw upon in pursuing livelihood options, and should be treated as such in the SL framework;
- ‘Political capital’ is defined broadly here as the ability to use power in support of political or economic positions and so enhance livelihoods; it refers to both the *legitimate* distribution of rights and power as well as the *illicit* operation of power which generally frustrates efforts by the poor to access and defend entitlements and use them to build up capital assets;
- Examples of the illicit use of political capital are abundant and are found in the relations among village elites, local officials and elected representatives, and between them and “outsiders” such as contractors;
- Examples of how the poor can create their own countervailing political capital (and can be supported in this) remain rare, but include: pressure for the right to information; effective use of backward caste status to gain rights, and protest movements against corrupt officials and contractors. All these reflect enhanced capacity among the poor to use democratic processes to their advantage;
- Political capital is critical in moving the SL framework from analysis to action, especially in understanding why poverty-focused programs often fail to deliver benefits to the poor and how these are captured illicitly, but also, more positively, how the poor can be supported to enhance their own, legitimate, political capital.

### Introduction

New approaches to poverty eradication have sought to bring the poor themselves to centre stage, acknowledging and supporting their own capacity to articulate their needs. It is in this context of a renewed commitment by governments, aid agencies and NGOs that this paper re-examines certain features of Sustainable Livelihoods (SL) analysis.

To achieve sustainable livelihoods is a developmental *objective*. SL is also an *analytical framework* that provides a way of understanding the factors influencing people’s ability to enhance their livelihoods. It is also an *approach* to poverty eradication which pursues the developmental objective by combining the analytical framework with several core principles, e.g. that development support should be people-centred, participatory and dynamic.

The focus in this paper is on SL as an *analytical framework*, and particularly on the treatment of power and politics, which are widely thought to have been underrepresented in the framework (Farrington et al., 1999a). Its arguments are illustrated from the example of decentralised watershed management at village level in India.

### The sustainable livelihoods framework

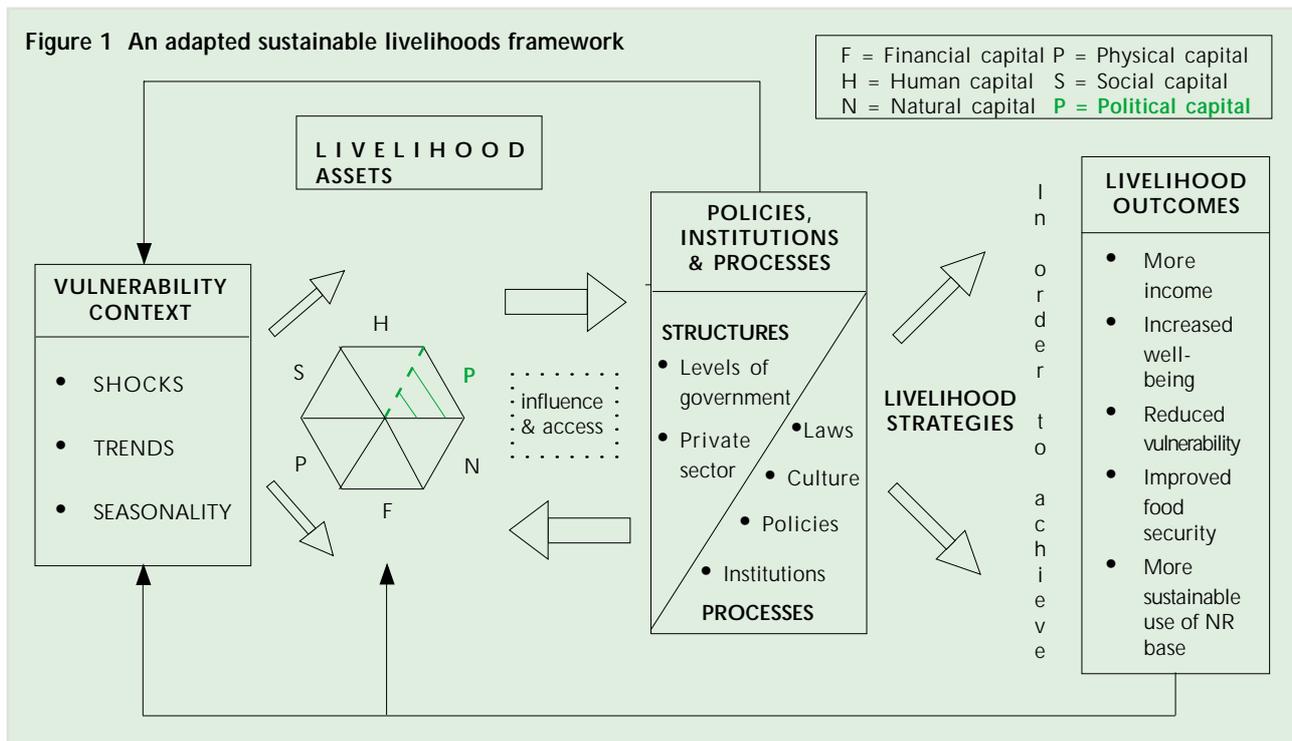
The rationale underpinning the framework is that people pursue their preferred livelihood outcomes by drawing on a range of capital assets to pursue a variety of livelihood strategies. The choice of livelihood strategy is driven in part by people’s preferences and priorities. But it is also influenced by the policies and by the formal and informal institutions and processes (PIPs) that impinge on people’s

everyday lives. The five capital assets normally presented in the framework constitute livelihood ‘building blocks’, and can be substituted or converted into each other to a limited extent. Thus, the poor may draw on social capital such as family or kin-based security mechanisms at times when financial capital is in short supply, or turn natural capital assets into financial capital. Indeed, part of their strategy may be to increase the substitutability and convertibility of one asset into another.

To test how adequately the SL framework treats politics and power, the authors drew on broad experience in community based natural resource (NR) management in India, and specifically on a field study of Kondkitunda village in tribal Orissa (Baumann et al., 2000).

The study was motivated by arguments that power relations influencing access to assets and entitlements have essentially political dimensions – administrators and members of local government have a key role in determining who benefits – and that this power is to some degree exogenous and so can be built up and used independently. If this is so, the arguments run, then power cannot be considered only in relation to specific ‘policies, institutions and processes’ (PIP) as is currently attempted by the SL framework. Instead, it is best considered as a sixth capital asset – political capital. Specifically, the ability of the poor to press their claims depends on how they can build up this power in relation to that of others, and deploy it in the face of countervailing and often illicit exercise of power by others (usually elites) who contest their claims.

Figure 1 An adapted sustainable livelihoods framework



### Field research background

We examined the effectiveness of the SL framework for analysing power in the context of programmes for micro-watershed development (MWD) in India. The rationale underpinning MWD is that the rehabilitation and development of NR (trees, grazing, farming and water resources) in an integrated manner generates sustainable and equitable economic growth within the watershed. The programme involves people in both the planning and management of interventions through local watershed committees. Government of India Guidelines for Watershed Development issued in 1994 formalise participatory approaches and decentralise significant decision-making powers to these committees. Substantial budgetary provisions (approximately US\$500 million per annum) have been allocated to MWD in recent years (Farrington et al., (eds.) 1999b).

MWD is taking place in the context of Constitutional Amendments, which in 1993 granted wide statutory powers to village-level democratic institutions of self-government called *Gram Panchayats*. The Amendment strengthened the capacity of local government to access entitlements, and took positive action in relation to women, scheduled tribes and scheduled castes, for whom seats are reserved on *Gram Panchayats*. *Gram Panchayats* also have powers over at least ten functions related to watershed development such as minor irrigation, management of the commons and drinking water.

Watershed committees and the three-tier hierarchy of panchayats – from District to Block to village level – provide different institutional frameworks for the decentralisation of natural resource management. In particular, the latter have statutory powers which the former do not. Yet they are potentially complementary, and to create links between them would be consistent with SL approaches.

### The SL framework and the analysis of decentralisation at the village level

Kondkitunda is a tribal village in Orissa, comprising 60 households in a micro-watershed of 203 ha of which 71 ha are arable land. A local NGO, Agramee, has been working for tribal development in the region since 1980. It perceives

four chief obstacles to secure livelihoods faced by tribal communities in this drought prone area of Orissa: (i) inadequate food security; (ii) degradation of the ecosystem; (iii) lack of an organisational base; and (iv) lack of entitlement to other means of sustainable development. The integrated approach to watershed management taken by Agramee seeks to address these obstacles.

MWD in Kontikunda comprised a number of livelihood-related interventions: establishment of new plantations; gully control; establishment of farm ponds and water harvesting structures; and construction of meeting houses. Incomes were generated by savings and credit societies, *kutumb panthi* (community grain bank and saving fund) and such programmes as bee-keeping, fisheries, oil extraction, poultry, crafts and mushroom cultivation. Some of these activities were short-term (e.g. employment created during the construction phase of MWD) but most of them were intended to be longer-term. The impact on capital assets is summarised in Table 1.

MWD also generated a marked increase in associational activity. These included women's associations to process and market minor forest products. More formally a Watershed Committee (WC) was established with support from Agramee to implement the various programmes and maintain assets; efforts by Agramee ensured that three of the seven members of the WC were women. The WC was given assistance in technical aspects of MWD, in consensus building, and in accounting and monitoring.

So far, so good: MWD promoted a number of livelihood-related activities and capacities, all of which can be captured in terms of contributions to the five capital assets. Two crucial sets of questions remain unanswered: first, who else (other than the intended beneficiaries) benefits from MWD? Second, how and how far do the activities of these unintended beneficiaries influence the capacity of rightful beneficiaries to voice their requirements and claim entitlements, and so *inter alia* permit livelihood gains obtained under MWD to be consolidated and expanded as part of a wider democratic process? The answers to these questions depend crucially on the relations between villagers and the wider institutional structure, specifically local civil servants responsible for MWD, and the panchayats at village, Block and District levels.

**Table 1 Enhancement of capital assets in Konkitunda**

Assets	Generation of Assets by MWD
Natural	Vegetative bunds; crop demonstration; plantations of various types; rejuvenated forests; farm forestry and agro-forestry; farm pond; vegetative check-dams.
Financial	Direct employment on project; processing of agricultural products for sale; enhanced income from purchase of land, livestock and material.
Physical	Cross-drainage work; earth and stone contour bunding; mechanical check-dam; oil processing machinery; poultry and goats.
Human	Skill development; less hard labour in gathering; more vegetables in diet; empowerment and less fear of strangers etc.
Social	Increase in associational activity (grain banks, women's groups, watershed committee, youth club).

The answers also depend on the relations between these and others concerned with local-level development such as construction companies and NGOs. Our concern is that the power of the poor in relation to these groups is weak and that the (often illicit) creation and use of political capital by outsiders limits the capacity of villagers to exercise their legitimate rights. It also poses limitations on the full utilisation of other capital assets.

### The SL framework and the analysis of power

A number of examples can be given from the field study of how the accumulation of power affects the poor. For instance, the watershed guidelines give local people the right to choose between different Project Implementing Agencies (NGOs, government or commercial) and different contractors for construction works. In practice, they are generally denied these rights: for instance contractors often convert financial capital into political capital, e.g. through 'donations', whether official or unofficial, to ensure that they are given preferential access to construction work. Political capital built-up and deployed in this way is difficult for the state to dismantle given the reliance by administrators and local elected representatives on the funds gained in exchange for favours. This also means that, to regain the right to choose among different PIAs, local watershed committees would have to accumulate and use political capital of their own in order to challenge these illicit processes. To take another example, bureaucrats may convert funds into political capital in order to secure transfers to favourable posts. Much of the financial capital for this purpose may be extracted from villagers in the form of extortionate payment for water, trees and seeds. Local people may therefore be losing natural and financial capital, which others are converting into political capital and using for their own ends. A third example is provided by agencies having monopoly rights over the sale of non-timber forest products – primarily herbs and leaves – the production of which is intended to expand under MWD. These have created considerable political capital with state-level legislators, which again is impeding access by poor people to enhanced financial benefits.

The rural poor may well be producing more surplus than is assumed – in this case, in natural or financial capital – but their lack of power in such micro-interactions restricts the extent to which they can invest it to enhance other assets or

to secure livelihoods. This process is critical to reproducing poverty, yet it is not transparent and cannot easily be captured within the SL notion of policies, institutions and processes. For example, the *Gram Panchayat* in Konkitunda has no independent financial base and has to pay officials up to 20% in informal commissions to gain access to grants which are rightly theirs. In this way, the relation between villagers and rent-seeking officials diverts capital away from livelihood pursuits. The gains observed so far in enhancing livelihoods are primarily through employment in the rehabilitation phase of MWD and therefore are short term. The WC and *Gram Panchayat* remain structurally subordinated to the State administration (via the block development officers and the village level workers) and to other levels of the PRI, and ultimately (and crucially) to the state legislature. Konkitunda has neither 'real' direct rights (over economic assets, such as a tax base, or over natural assets, such as non-timber forest products) nor indirect ones (over the flow of finances and other benefits from the state).

Villagers in Konkitunda at this time are not able to make effective use of new institutions to make their livelihoods more secure and sustainable. Partly, this is because these institutions are new and villagers have not yet gained experience and understanding of the 'rules of the game' or, indeed, what games are possible. But there are deeper reasons: the political power which they lack is crucial for villagers to convert rights and assets into capital for achieving SL objectives. Villagers' lack of political capital in relations with state officials and elected representatives limits how, and how far, they can make livelihood choices, even when they have the formal right to do so. Such relations, and the institutions on which they are based, form the locus of political strategies. SL analysis must therefore consider options and choices not merely as institutional and technical matters, but also as political ones.

The above discussion suggests that SL's view of institutions, structures and processes as independent of the way in which the five capital assets are constituted is inadequate. Political capital is an essential link between them: it can be built up by drawing on other assets (such as financial and human), and can help in deploying assets to maximum effect, but much of its use is intended to influence the stream of entitlements available through policies, institutions and processes – either to gain access legitimately or illicitly to such entitlements, or deny others access to them. The SL framework currently addresses these issues inadequately.

### Integrating analysis, approach and objectives in the SL framework

Returning to the questions posed earlier: first, it is clear that the building of political capital by 'outsiders' allows them to undermine the institutional arrangements intended to benefit the poor and themselves become unintended beneficiaries. To examine this as political capital focuses explicitly on how power and political favour are 'bought' by the better-off. As experience in Konkitunda also shows, intended beneficiaries must themselves be able to generate and use sufficient political capital if they are to access and convert other capital assets – especially natural capital – to pursue livelihood strategies.

Second, the long term sustainability of benefits from interventions such as MWD depends on a strengthening of associational activity by the poor, and a consequent increase in their capacity to take joint action, to voice their requirements and to claim their rights. It is clear that the illicit exercise of political power by outsiders diminishes this prospect, not only by expropriating a share of the financial benefits which should rightly accrue to the poor,

but also by keeping them in a relationship of subservience to administrators and higher level (Block, District) elected representatives, and preventing their rightful accumulation of political capital.

In the context of these findings, the challenge for SL as an operational tool is to identify how it can create new forms of political capital and increase access to it by the poor. Examples of how the poor respond by creating political capital of their own are rare. However, although the evidence is still fragmentary, there appears to have been increased awareness of, and agitation for, entitlements by the poor in relation to MWD. This is no doubt facilitated by formal provisions in the Watershed Guidelines and reform of the *Panchayati Raj*, and in some cases has been assisted by NGOs. Some would argue that democratic processes have in general become more participatory: whilst reservations for women and for scheduled castes and tribes largely remain under-utilised, higher castes have to respect the political capital held by the poor and can no longer automatically expect their votes. The politicisation of watershed management programmes and committees in Andhra Pradesh is partly a consequence of the distribution of political capital to the marginalised ([www.panchayats.org](http://www.panchayats.org)).

One of the ways in which the poor have used their political capital is through public action. Recently, a clash between villagers and the government over forest resources in Dewas district of Madhya Pradesh has led to the constitution of a high level committee of enquiry, and potentially a move to 'democratise' Forest Protection Committees set up by the state in order to give democratic institutions a greater role in their operation. The conflict had started because an organised group of villagers decided to stop paying bribes to the Forest Department and the police to access resources to which they were in fact entitled. Also in Madhya Pradesh, a public hearing was organised by villagers in Harda to voice the forest-related demands they perceived as legitimate. An account of these movements and the debates and developments surrounding them is ongoing at [www.panchayats.org](http://www.panchayats.org).

To include political capital in the SL framework not only strengthens its analytical value, but also makes the link between livelihoods analysis, approach and objectives more immediate and transparent. Power and politics are routinely blamed for development failure, but unless political capital is considered explicitly, discussion is unlikely to progress beyond vague allusions to 'elite dominance' or 'corruption'.

Political capital further strengthens the link between analysis and approach because it draws attention to the transition costs of particular interventions. We have noted that programmes to eradicate poverty must consider the political capital that the poor have in relation to other groups. Policies that aim to change this balance, for example by supporting claims by the poor to manage common land, or by improving access to information or knowledge of rights, may meet resistance – at times life-threatening – from those who stand to lose. An understanding of how political capital is locally situated allows a judicious analysis of risk and of possible human costs before interventions are made.

Methodological considerations also argue for an explicit treatment of political capital: the SL framework draws heavily on participatory approaches but there are limits to the information that can be gathered from participatory fieldwork for several reasons. One is that poor information limits people's understanding of wider institutional structures; a second is that they do not wish to risk placing certain types of information in the public domain. To focus on the external institutional environment (NGOs, governments, banks etc.) and local relations with agents from these institutions – as is current practice in SL studies – may not be sufficient.

Understanding the location of political capital contributes to an understanding of the constraints and risks faced by people in associating with such agents when they choose and pursue livelihood options. Sensitivity to these risks and therefore the creation of opportunities for people to overcome them, is critical in meeting SL objectives.

Evidently, it is important not to be dogmatic in drawing connections between cause and effect based on political capital. As is the case with the other five capital assets in the SL framework, an understanding of how political capital operates is contingent and will emerge gradually. However, there is plenty of evidence of the contours and operation of political capital in the distribution of power and resources in India. The SL framework provides a good tool for a practical and intervention-oriented examination of power and politics, and the inclusion of political capital in the framework will enhance an understanding of how local capital assets contribute towards livelihoods.

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## Acknowledgements

Fieldwork for this study was funded by the Department for International Development and conducted in collaboration with Agramee in the context of watershed rehabilitation funded by German Agro-Action. The authors benefited from the discussion platform ([www.panchayats.org](http://www.panchayats.org)) within a study on decentralised NR management funded by the Ford Foundation. The authors alone are responsible for the interpretations presented here.

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ISSN: 1356-9228

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