

SDC's Sustainable Land Use Programme, Bangladesh
Programme Management & Support Unit



Local Governance and Decentralisation -Strategies for Local Development to Improve the Livelihood of the Poor

Intercooperation Regional Local Governance
Workshop in South Asia
November 28th to December 1st 2005
Bogra, Bangladesh

SDC's Sustainable Land Use Programme, Bangladesh

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Intercooperation (IC) is a Swiss foundation specialised in development and international cooperation. IC's principal working domains are: natural resource management (forestry, agriculture, environment), rural economy (savings and credit, small enterprise promotion, marketing of agricultural and forest products), and local governance and civil society (promotion of self-help groups and professional associations, municipal development, decentralisation). IC is a knowledge organisation and an executing agency, supporting partners in more than twenty countries in the South and the East. IC's principal mandator is SDC, the Swiss Agency for Development and Cooperation. Additionally, IC works with and for many other government and private, Swiss and international organisations.

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Editors:

Pascal Arnold, Alain Cuvelier, Hosneara Khondker, Hilmar Stetter

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Workshop process

Synthesis of the working
groups and main Learnings

1. Introduction and workshop process

The four days regional workshop organised by Intercooperation (IC) was held in Bogra, Bangladesh. 34 participants from IC and SDC affiliates in South and East Asia (India, Pakistan, Bangladesh, Nepal, Bhutan, Vietnam, Laos, Kyrgyzstan) and Switzerland attended this learning and sharing event.

The workshop provided contemporary information on local governance and related topics. The objective was to exchange experiences and good practices among IC programmes and national partners to reach a common understanding on local governance as a strategy for poverty reduction and local development in countries in South and East Asia going through a decentralisation process.

The detailed programmes and the main topics for the working groups were decided in a consultation process among the participants. The first day of the workshop focused on conceptual inputs from international resource persons and discussions on the underlying concepts for the workshop topics, which included; local governance with relation to the livelihood framework, decentralised natural resource management, gender sensitiveness, empowerment and decentralisation. Highlighted sub-topics and key issues were discussed during day 2 in four working groups, with different projects sharing their specific approaches and experiences. During day 3, two groups visited a UNDP project whose aim is to support the government of Bangladesh in its efforts to decentralise fund and functions. The other participants visited the IC-LEAF programme, which aims at strengthening the civil society and linking them with other local governance actors.

The workshop provided mainly a platform for learning and exchanging of experiences. While some well known facts and theories were presented and discussed, the workshop succeeded in promoting refreshing thinking on new approaches and strategies and conceptual linkages between local governance, decentralisation, the livelihood framework, natural resource management, local development and poverty reduction.

This report presents the key learnings from the workshop, structured along the topics of the 4 working groups and some general learnings and remarks at the end. We hope that it may serve as impulse and “food for thought” for other programs and organisations working in similar fields. It shall also highlight some open questions, which could be further deepened in similar events and platforms in the future. This report has no ambition to be an exhaustive record of the proceedings. The detailed workshop program, the participants' list and all presentations and contributions from the resource persons and participants are available in the annex.

Acknowledgment

The authors would like to thank all the participants and resource persons for their valuable contributions and presentations as well as for their commitment and willingness to share and exchange experiences in a learning spirit. We also thank Rohini Reddy from SARRA Bangalore for her support in the preparation and moderation of the workshop sessions. UNDP Bangladesh is acknowledged for their support during the field visits in Sirajganj.

Special thanks go to the whole team of the Intercooperation delegation in Dhaka and the Intercooperation LEAF project (particularly the team of the regional LEAF office in Bogra), who did an excellent job in preparing and hosting the workshop and coordinating the editing of this report.

The financial support from the SDC coordination office in Dhaka and the KODIS Consult GmbH is highly appreciated.

Pascal Arnold / Hosneara Khondker / Alain Cuvelier / Hilmar Stetter

2. Synthesis of the working groups

2.1 Working group on “Participative planning as key element for local development”

All participants consider participative local development planning as a key element for sustainable development. Rigid, project-centred planning and short timeframes were identified as important constraints for effective stakeholder ownership in planning and implementing sustainable development initiatives. Stakeholders should be involved from the beginning in the planning process, combined with intensive capacity development initiatives on participatory approaches. Support to “community facilitators” proved to be a good strategy for sustaining the participative planning process. Another lesson is the need to prepare special instruments, activities and an appropriate information flow for the ultra poor in order to ensure their participation. Similarly, the use of a “gender lens” can ensure equitable representation of men and women. The involvement of all sectors of the society leads to more holistic local development planning, a favourable change compared to the usual focus on “tangible” short-term results, hardware and infrastructure projects.

The discussants emphasised the point that when stakeholders participate in project planning processes, mutual benefits are derived for communities, local government bodies and the private sector. Projects may play an active role in linking the local government (supply side) with the civil society (demand side) ensuring people's access to quality, local public services. In order to ensure transparency, downward accountability and sustainable participation of the community, planning processes have to be followed up by implementation activities and participatory monitoring instruments.

Duplication of efforts should be avoided. Projects should try to work with the existing bodies instead of forming new or even parallel structures. It was noted that some projects tend to form “beneficiaries groups” which have a narrow self-focus instead of an overall community vision. Projects should work with “village development groups” which represent the different sectors of the community, prioritising efforts based on their requirements. In addition, local government needs to coordinate a development plan to integrate projects under one umbrella. This is a key function, especially in decentralised countries.

Selected tools and instruments used by projects in participative planning processes were identified. These include classical ones such as; PRA/ PLA, baseline surveys, self-evaluation by the community groups, logical framework, case studies and visioning exercises. Innovative ones like wealth ranking, power tools¹, process monitoring, participatory drawing of rules and laws, participative elaboration of qualitative and quantitative indicators and participatory poverty assessment, were also suggested.

2.2 Working group on “Empowerment of poor and marginalised groups in local governance processes. What pro-poor strategies are applied, how are they best monitored, what are key lessons learnt and open issues?”

In addition to the topic questions, working group 2 addressed the issues of how to empower weak civil society groups, how to ensure ownership amongst the stakeholders and how to avoid elite capturing.

Participants identified common challenges faced in trying to include the poor in their programmes: limited resources restricted full participation in local governance processes, lack of local economic development potential, lack of information and awareness, lack of poverty sensitiveness of governments and the lack of cooperation amongst the local governments, line agencies and the general population.

When poverty alleviation is set as the overall programme goal, clear objectives (per phase) and specific indicators for monitoring change should be defined. Reference should be made to the country’s existing poverty strategy. Poverty indicators should be determined following set criteria (e.g. assets/income, degree of access to services, inclusion in participatory processes) accounting for the opinions of the poor. Amongst the various tools to enhance the socio-economic profile of poor

¹ See <http://www.policy-powertools.org>

groups in a given region, the most promising results are achieved while giving voice to the poor to assess their own potentials and constraints with regards to local development plans. Allowing them to identify power relations is a crucial factor in understanding the local poverty situation. A participative approach in assessing livelihood assets and monitoring the quality of public service delivery to the poor promotes their integration into the local economy and governance processes.

Topics highlighted include: empowerment strategies, advocacy and awareness creation; equitable local development strategies; support to access services and ensure rights; develop pro-poor practices within local governments and the legal framework; develop poor peoples' management and negotiation capacities; inclusion of poor at all levels in the local decision-making processes. These approaches contain tools for social accountability and providing a multi-stakeholder platform to address sector specific issues. Other useful tools to empower the poor include: participatory learning events; citizens-friendly communication materials; local media cooperation; skills development for local diagnosing, planning, influencing and monitoring actions within the programme management cycle.

The problem of elite capture, in which certain elements may try to dominate local governance processes, is a threat to the success of a multi-stakeholder platform. In order to maintain fairness in decision-making and resource management, special provisions for vulnerable groups may be required. Awareness creation towards 'poor-sensitive' elite members can help promote equitable practice.

2.3 Working group on "Local governance and natural resource management"

Working group 3 discussed how to support local governance processes in natural resource management (NRM). As part of the overall decentralisation process, many countries are devolving competences and functions with regard to NRM to the local level authorities and the communities.

A major conclusion of the workshop is that sustainable management of natural resources cannot be achieved without the strong involvement of communities, as well as local government bodies and the private sector. The latter two stakeholders are often neglected by NRM projects, with private sector (generally) least interested in participating. There is a need to motivate them, since they (especially local government) could play a crucial role in NRM. Different projects presented various methods by which they can increase interest from these groups. Useful ones include: participatory planning and coordinated implementation of actions with the communities; joint ownership and clarification of rights and duties regarding natural resources; awareness creation, capacity development, the use and support of pressure groups are key approaches for supporting such initiatives.

The integration of NRM issues in multi-stakeholder local development planning exercises has proven to be a major and successful project strategy. While keeping the planning broad to match the communities' priorities, NRM issues should be dealt with as a specific component, encompassing livelihoods aspects as well as economic concerns. The sustainable livelihoods framework proved to be a powerful assessment and planning model, ensuring a holistic vision of local development. Alliances with "champion practitioners" may sustain dynamism in the process. Other elements like real participation of the whole community; inter-stakeholder relationships; and addressing gender and equity issues increased the chances of building successful projects.

Obviously, a NRM programme does not address all the needs of a community. Therefore, it is important to promote the links with other relevant organisations (this approach is applied by the IC-LEAF project in Bangladesh). At a later stage, the function of facilitation can be handed over to local government bodies and community leaders.

This opening to a broader development perspective and the integration of all stakeholders comprises a certain change in comparison to "conventional" NRM projects. It implies to work with a more people-oriented (versus technical) approach, to have a wider vision of development in line with the livelihood framework, to tackle more directly poverty issues, to act more as a facilitator, to invest in capacity development and HID and to strengthen existing institutions and structures instead of creating new ones. In some cases, they will have to reconcile traditional and modern NRM practices.

Positive collaboration among the local stakeholders only has an impact if there are appropriate vertical linkages with the regional (e.g. sub-district, district) and national level (policy makers) bodies. An enabling environment with a legal and political framework supporting effective decentralisation of competences and resources to local institutions is a prerequisite for successful project interventions.

2.4 Working group on "From project level to national policy dialogue contribution"

Even though most of the project activities and interventions are at local level, it is important to ensure national level policy discussions take place. From their inception, projects should involve the policy makers ensuring that information and experiences are exchanged. Successes in select regions are only sustainable if they have an impact on the overall policy developments. On the other hand, initiatives won't be effective if they conflict with national strategies.

A commitment from the government for real decentralisation (political, administrative and financial) is a precondition to start working on local governance. In the absence of democratic participation and compliance with rule of law principles, decentralisation might actually serve the ruling power in strengthening its position at local level.

Projects were keen to support governments that showed a clear commitment and leadership with a comprehensive national reform agenda² (e.g. ISPS in Sikkim). They remained flexible in the face of changing conditions. Specific tools and methods were applied such as supporting a decentralisation task force, producing a handbook on local government planning, distributing awareness and advocacy material (newsletters, posters, audio cassettes) and HID support to local government training institutes.

In situations where the overall political and institutional framework is less favourable and strongly top-down oriented with few democratic elements, a more “technical” entry point might be appropriate. For example, “one stop shops” in Vietnam aim to influence processes and policy changes in the longer term.

In politically unstable countries, projects tend to support non-governmental groups which act independent of political changes and might still operate in conflict areas (e.g. community forest network, women's groups). Such networks may advocate on behalf of their constituencies and influence local and national processes, thus serving as a “hub” for bringing services to the community.

Other important lessons on linking project activities with national policy dialogue processes:

- Sustainable policy changes can only be achieved if all relevant stakeholders are in agreement with them. Awareness raising and transparency - e.g. through cooperation with media - are therefore of utmost importance.
- It is necessary to provide platforms for formal and informal dialogue between key stakeholders and policy makers (e.g. regional coordination forum in Pakistan, governance coordination committee and governance round table meetings in Laos). The project can act as a facilitator in sharing validated experiences and innovations from the field realities.

² E.g. Poverty reduction strategies, public administration reform agendas, governance and public administration reform.

- Projects, organisations and donors need to harmonise their intervention and support strategies in line with the existing national strategies.
- An initial but flexible project strategy must be made in order to have a point from which to react to policy changes and to catch opportunities for policy contributions.
- Policy dialogue strategies should aim for pragmatic changes to enable the local governments to truly function as institutions of democratic self-governance. It could be counterproductive to take a strong confrontation course. Concerns of the policy makers should be taken into account, as governance and decentralisation is a lot about changes of power relations.

3. Local governance and gender balanced development

Gender was a common theme throughout the workshop. This section presents a summary of the main discussions, how gender issues can be addressed in local governance projects.

Gender balanced development refers to development that mitigates gender related inequalities in opportunities, aspirations and decision-making. Addressing equity does not necessarily mean equal numbers of men and women in all activities, nor does it mean treating men and women in the same way. It means responding to the particular needs of different groups without compromising the quality of services based on gender.

As part of the decentralisation process, many countries in East and South Asia have introduced a quota for women councillors at the local level (e.g. India, Pakistan, Bangladesh). In order to exploit the potential for a more gender-sensitive local agenda, many projects have provided capacity building to these women councillors. In itself, this measure is not enough to enable women to overcome the barriers that restrict their ability to participate in politics, governance processes and institutions. A useful strategy aiming to overcome these obstacles starts with public education. The general and elected members of a community need to know how to influence the factors affecting their livelihoods. Only by acknowledging the contributions of men and women equally can positive change in the interest of the whole community be achieved. "Engendering" local governance processes means abolishing rules, procedures and priorities that exclude participation of women. It is also important to monitor the ability of women to meaningfully participate in planning the development agenda and in resource allocation.

Many participants highlighted the importance of having thorough knowledge of the local socio-cultural and religious situation. Using this information, a gender promotion strategy and tools applied by a project could be sensitively developed.

4. General Learnings and Open Issues

This chapter contains a summary of the topics discussed and questions raised as a result of the field visits and plenary discussions.

1.) The decentralisation process in most of the South and East Asian countries is perceived as an opportunity for more people-oriented development, better governance and poverty reduction in the region. Decentralisation of funds, functions and functionaries may lead to a stronger involvement of the community helping to overcome “systemic” governance problems like high corruption, lack of transparency, downward accountability and officious government attitudes.

2.) Decentralisation charges local governance processes with wider responsibilities requiring a change towards stronger interaction between local governments, the civil society and the private sector. Initial positive examples have shown that participative local governance processes can empower the main stakeholders. These groups tend to advocate for all segments of society with their holistic local development vision.

3.) While supporting local governance, one has to be aware that such processes take time, as they entail changes in power relations, roles and functions among the main local development actors (including a changing role of NGOs!). The discussions have also shown, that there is no single solution. Support strategies, entry points and tools have to be chosen and adapted in accordance with the specific situation in a country or a region.

4.) Concepts related to local governance and decentralisation have become much clearer in recent years. However, there is still a need to clarify issues like: the

question of the correlation between decentralisation and democracy with multi-party systems; the importance of fiscal decentralisation; the relationship between "modern" local government bodies and traditional structures; adaptations of general definitions and concepts.

5.) Multi-stakeholder approaches, with the project as facilitator and catalyst, proved largely successful. This implies that the project staff needs additional "soft" competences to manage the group interactions. There may be a need to do an early analysis of all the existing power relations in order to create a viable working environment. Supportive national policies and political will can then enhance project goals. Many participants work in projects supporting local governance processes and decentralised natural resources management. They report crippling resistance from bureaucracies with powerful line agencies, who are reluctant to devolve powers and functions.

6.) As the stated objectives in local governance projects are always expected to occur at partners level, projects have to ensure real commitment of the partners. Commitment may be assured by making cooperation agreements clarifying expectations, roles and duties from the beginning. However, partners cannot be expected to remain active in a process that doesn't respond to their needs.

7.) Allot of local governance is about empowerment and changing roles and attitudes. Targeting younger, dynamic people and developing the capacities of these "champions" has been a successful strategy. Women are often important agents of change who can take leading roles.

8.) To ensure a holistic development vision with a real impact on improving the livelihood of the poor, projects have to focus on pro-poor planning, activities and monitoring instruments to prevent the capture of local governance processes by local elites. A locally adapted livelihood framework might serve as guideline, as it focuses on potentials and opportunities, instead of starting from the problems and constraints.

9.) As already mentioned, it is important to coordinate and integrate local projects and initiatives at the horizontal (with other projects) and vertical (higher government levels, donor coordination, and national strategies) levels. This helps to ensure a coherence and momentum that can influence national policy discussions and developments.

10.) Finally, the “development and cooperation community” must also reflect on their working methodologies. Classical instruments should be re-evaluated, new instruments and tools have to be developed, tested and validated. Some project cycle management tools are too inflexible to react to the fluid circumstances of their partners. It is the community who “own” local governance processes which should aim to develop and improve the livelihood of the poor.



Key Notes

Support to Local Governance and Decentralisation A new development approach or just a new vogue?

Pascal Arnold*, IC Bern

- Definitions and main expectations
- IC international approaches and strategies
- Potential for poverty reduction and local development
- First lessons learnt and key issues

Decentralisation and Governance – A new development approach?

- Decentralisation process in more than 80 development and transition countries
- New approach as response to limited impact of „classical“ development projects
- More holistic development approaches (e.g. livelihood framework), focus on processes and institutions
- State building processes (Eastern Europe)
- Decentralisation and Governance on the top of the agenda of international community/big donors (PRSP, conditionality...)

* Intercooperation, Bern, Municipal and Local Development Team

Decentralisation - Definitions

Decentralisation describes the transfer of competencies and responsibilities from the central government to lower level (regional or local) authorities, to the people and/or to the private sector

- *Political decentralisation*: participation and responsibility – TRANSFER OF FUNCTIONS
- *Administrative decentralisation*: from central administration to local level – TRANSFER OF FUNCTIONNARIES
- *Fiscal decentralisation*: fiscal and financial competencies – TRANSFER OF FUNDS
- *Economic decentralisation*: transfer from the public to the private sector

Forms of Decentralisation

- **Deconcentration**: Transfer of executing competencies from central agencies to their field offices (inside hierarchy)
- **Delegation**: Transfer of decision competencies from central government to regional authorities (accountable to the central authorities)
- **Devolution**: Transfer of powers for decision-making, finances and management from the central administration to independent local governments: locally elected organs and clearly defined territorial responsibilities

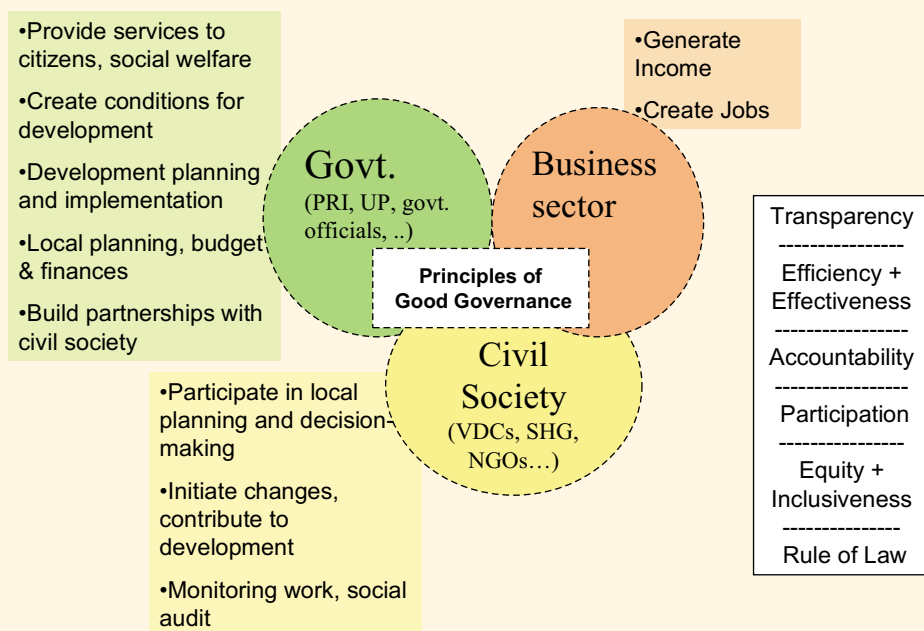
Conditions for successful decentralisation

- Well conceived *decentralisation concept* (every case is unique, there is no model!)
- *Secure existence* of local levels
- Sufficient *resources* and possibility of using them
- *Accountability* of local governments
- High degree of *transparency* in the relation between local governments and the supervising authorities
- Political will and partnership !

Local Governance – Concept and Definitions

- Local Governance comprises the management of public affairs and of development at the local level
- Local Governance comprises the complex mechanisms, processes, and institutions through which citizens and groups
 - articulate their interests and mediate their differences
 - exercise their legal rights and obligations
 - plan, implement and monitor local development

The Concept of Local Governance



Decentralisation and Improved Local Governance - Expectations

- Need-based planning, efficient administration and higher quality public services
- More participation and democracy, less corruption
- Stronger identification of the citizens with state, stronger legitimacy of the state
- Protection of minorities and strengthening of marginalised groups
- Public resources are used more effectively and sustainable
- Break up of obsolete political power structures - new innovative dynamics on local level, strengthen local initiatives
- Conflict-management (checks and balances)

A strategy for local development to improve the livelihood of the poor?

Local Governance & Decentralization



Inclusion of the civil society and private sector in public affairs
=>empowerment
=>motivation and trust

Effective management of public resources
=>resources

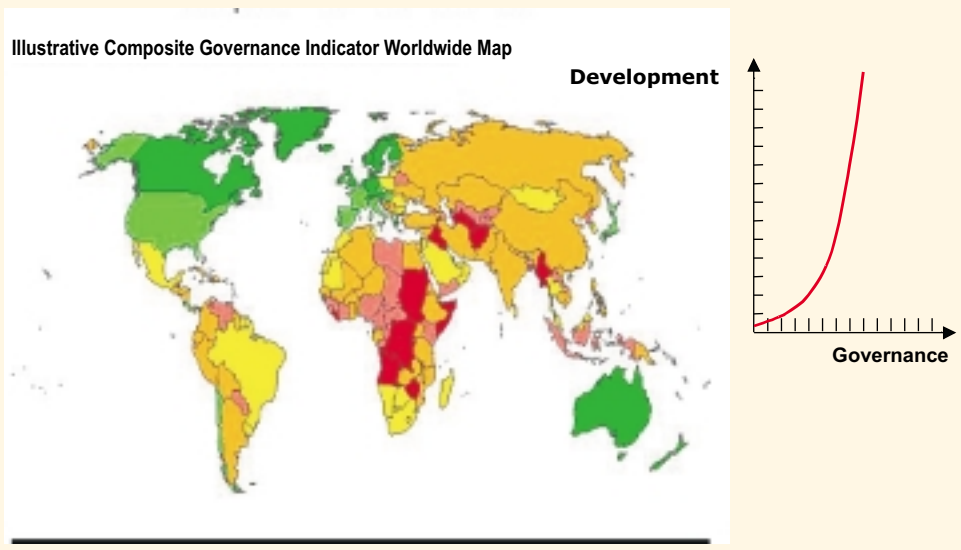
Strengthening of local initiatives
=> human/social capital
=> Innovation

Involvement of marginalized groups (women, minorities, poor)
=> Need-based and pro-poor planning



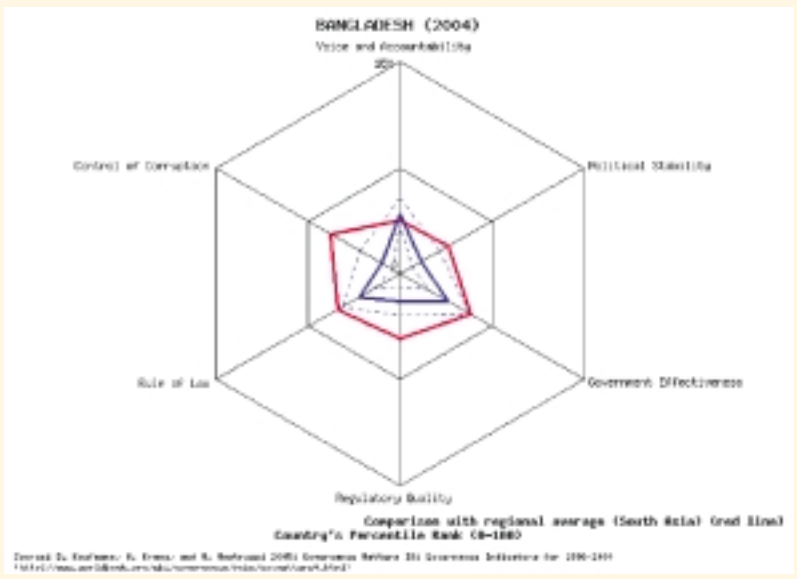
Local Development and Poverty Reduction

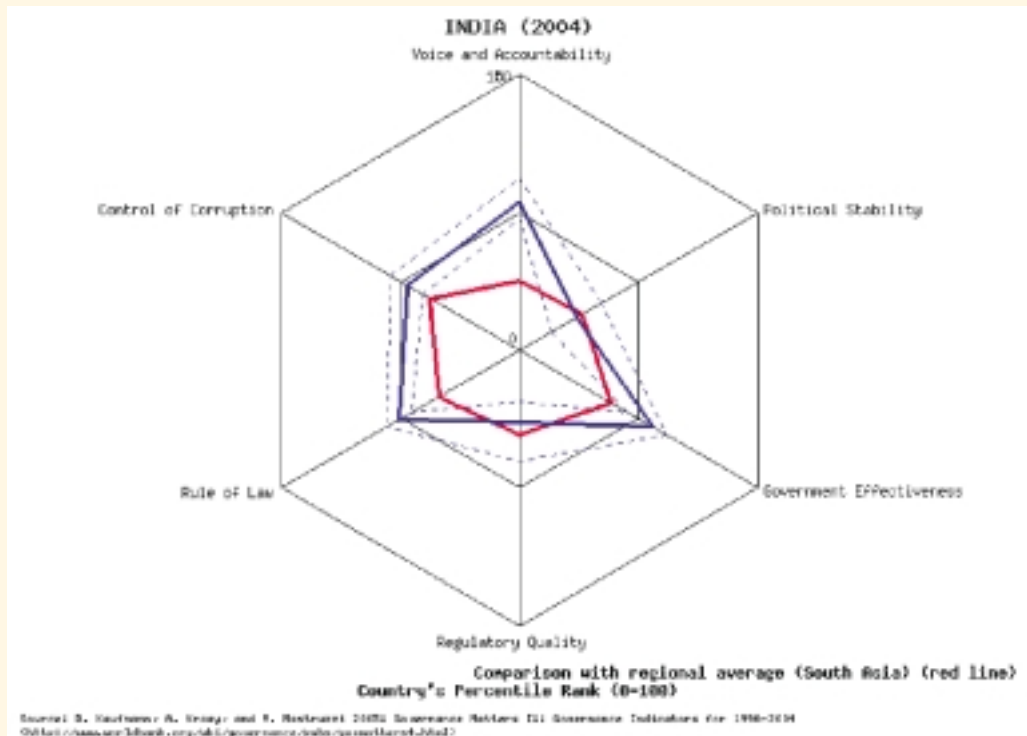
Correlation Governance – Development Worldbank Study, 150 states



WB Governance indicators (209 countries, 1998-2004)

www.worldbank.org/wbi/governance/govdata/





Main IC international approaches

- To improve the relationship between authorities – civil society – private sector (local governance)
- To focus on change processes and institutions
- To support all actors in their legal role (no parallel structures)
- To focus on the local level, trying to influence the regional and national level
- To act as facilitator and moderator

Different entry points in IC programmes

- **Strengthen interaction between local authorities and civil society** (participation mechanisms, forum, participative planning, monitoring and evaluation, co-financing of projects)
- **Support to local authorities** (efficiency and effectiveness of public services, capacity development, strategic planning, transparency, financial management)

- **Strengthen awareness of the civil society on rights and duties** (Information, awareness creation, community building, accountability mechanisms, media..)
- **Involvement of marginalised groups** (gender-sensitive planning, pro-poor activities)

Different entry points in IC programmes

- **Strengthen interaction between elected authorities and line agencies**
- **Sector approach** (specific public service, e.g. water)
- **Local Governance and Decentralisation as transversal theme** (joint management of natural resources (forest, water, soil); promote local economic development)
- **Support/influence policy discussions and decentralisation framework at national level** (legal framework and policy, associations of local governments, fiscal decentralisation)

Lessons learned: Partners

- Successful multi-stakeholder partnerships
- Local authorities are often unexperienced
- Involve all segments of the civil society
- Difficult to motivate the private sector
- The choice of partners is crucial: support champions and driving forces
- Use associations, media, NGOs as lobbying partners
- Involve main actors from the beginning
- Link to regional and national level

Lessons learned: strategies

- Similar potentials, problems and strategies in different context
- Invest in trust creation
- Transparent and participative programme management
- Demand-orientation, but agree on strategies and ensure coherence
- Governance is about powers and rights – special skills and methods required
- Focus on potentials, not on problems
- Use co-financing mechanisms to increase ownership
- Special focus on strengthening civil society
- Important to have an HID concept for partners support
- Use and build on local and indigenous knowledge
- Invest in dissemination and capitalization
- Vertical integration, to influence policy development

Lessons learned: decentralised natural resource management

- Reluctance of central government to decentralise and share power
- Strong line agencies – conflict potential
- Other priorities of local governments (education, health, infrastructure)
- Lack of environment protection and awareness at the local level

Main lessons learned: gender and marginalised groups

- Affirmative actions for marginalised groups needed (activities, monitoring, evaluation)
- Social injustice may be enhanced by partners - advocacy role of the project
- Focus on change of attitudes, not (only) on figures and quota
- Potential conflicts with traditional values and structures

Key issues and challenges

- Often no coherence in institutional and legal framework – discrepancy between objectives and reality
- Meso/regional is often weak or „against“ central level
- Corruption can raise, capture by clans and local elites
- Quality of decentralized services may decrease
- Clarify roles, changes of roles needs time
- Quick project results expected, slow change processes (attitudes)
- Lack of motivation of citizens
- Structures depend too much on projects, rigid project planning and evaluation methods

Open questions

- Minimal decentralisation framework as precondition for programme success?
- What about situations with poor fiscal decentralisation
- Who is the civil society? How to address with informal/traditional structures?
- How to motivate citizens and the private sector?
- Work only with existing structures or work with (temporary) new structures?
- How to cope with changing local (and political) environment

Sustainable livelihoods concept and Local Governance

Bruno Poitevin* and Alain Cuvelier**

Introduction

The concept of a “livelihoods approach” was developed in the early eighties by Chambers and Conway, with a view to finding an innovative way of contributing to poverty reduction. The main objective was to have a better understanding of poverty in order to address it more effectively.

The concept of livelihoods later became a core development approach promoted by DFID, as well as other organizations. Many adopted DFID's original sustainable livelihoods framework or tailored it to their own requirements.

This concept paper aims to clarify several notions surrounding the “sustainable livelihoods approach”, and to present the possible linkages between the livelihoods framework and local governance planning and programming.

Definitions Related to the Livelihoods Concept

The concept of livelihoods covers three aspects:

- The definition of the concept itself
- The development principles underlying the approach, known as the Sustainable Livelihoods (SL) Approach
- A conceptual tool of analysis called the Theoretical Framework for SL

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** Intercooperation Delegate, Bangladesh

The Sustainable Livelihood³

DFID has adopted the following definition of livelihood:

“A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.”

In this definition, the notion of sustainability is particularly important in relation to poverty:

- The poor are more vulnerable than other groups to shocks or negative external factors (diseases, poor harvest, population pressure, market prices), hence their livelihood is more precarious.
- The poor are more likely to live with short-term expectations (at worst daily survival), hence have less consideration for long-term use of natural resources.

The Sustainable Livelihoods Approach⁴

The DFID sustainable livelihoods approach targets poverty reduction through two main objectives:

- A better understanding of poverty and the factors that influence the livelihoods of poor people; and
- more support to poor people enhancing their strengths and livelihoods strategies, as well as providing them with opportunities to escape from poverty.

The livelihoods approach is guided by six principles:

- **People at the center of development.** At all levels of implementation, it implies demand-driven approaches, empowerment processes and principles of equity. It stresses the importance of influencing the policies and institutional arrangements so they promote the agenda of the poor.

³ From DFID Sustainable Livelihoods Distance Learning Guide

⁴ From DFID Sustainable Livelihoods Distance Learning Guide

- **Responsiveness and participation.** Poor people must be closely involved in the process of identifying and addressing livelihoods priorities. This process should allow development of projects that reflect the views of the poor, and are based on people's strengths rather than simply listing their needs or problems.
- **Working at various levels (micro-meso-macro).** The Sustainable Livelihoods (SL) approach recognizes how policies and institutions at national or district levels - are linked to livelihoods. There can be both negative and positive effects. The aim of this principle is for more effective link mechanisms between policy-makers and people, enhancing mutual understanding. This implies the necessity of communicating to the policy level the lessons learnt at local level.
- **Working with partners.** The SL approach acknowledges the accumulated experiences of each participant, and stresses the importance of developing partnerships at all levels. Partners can come from a variety of organizations: community-based groups, local government bodies, NGOs, implementing agencies, private sector, research institutions, etc.
- **Dynamism.** Livelihoods and the factors shaping them are constantly changing. The SL approach is flexible in order to support positive change as well as building longer-term commitment. Projects have to adapt themselves to new circumstances.
- **Sustainability.** There are four key dimensions to sustainability: economic, institutional, social and environmental. All are important, however a balance must be found between them.

DfID's Theoretical Framework for Sustainable Livelihoods⁵

DFID's sustainable livelihoods framework is a tool that has been developed to help understand livelihoods, as well as poverty dynamics and coping strategies.

The framework has 5 main components:

- 1) Vulnerability context
- 2) Livelihoods assets
- 3) Policy, institutions and processes
- 4) Livelihoods strategies
- 5) Livelihoods outcomes

⁵ From DfID Sustainable Livelihoods Distance Learning Guide

1) The **vulnerability context, or livelihoods insecurity**, includes the external factors that make people vulnerable. People generally have little or no influence on them. They mainly fall into three groups:

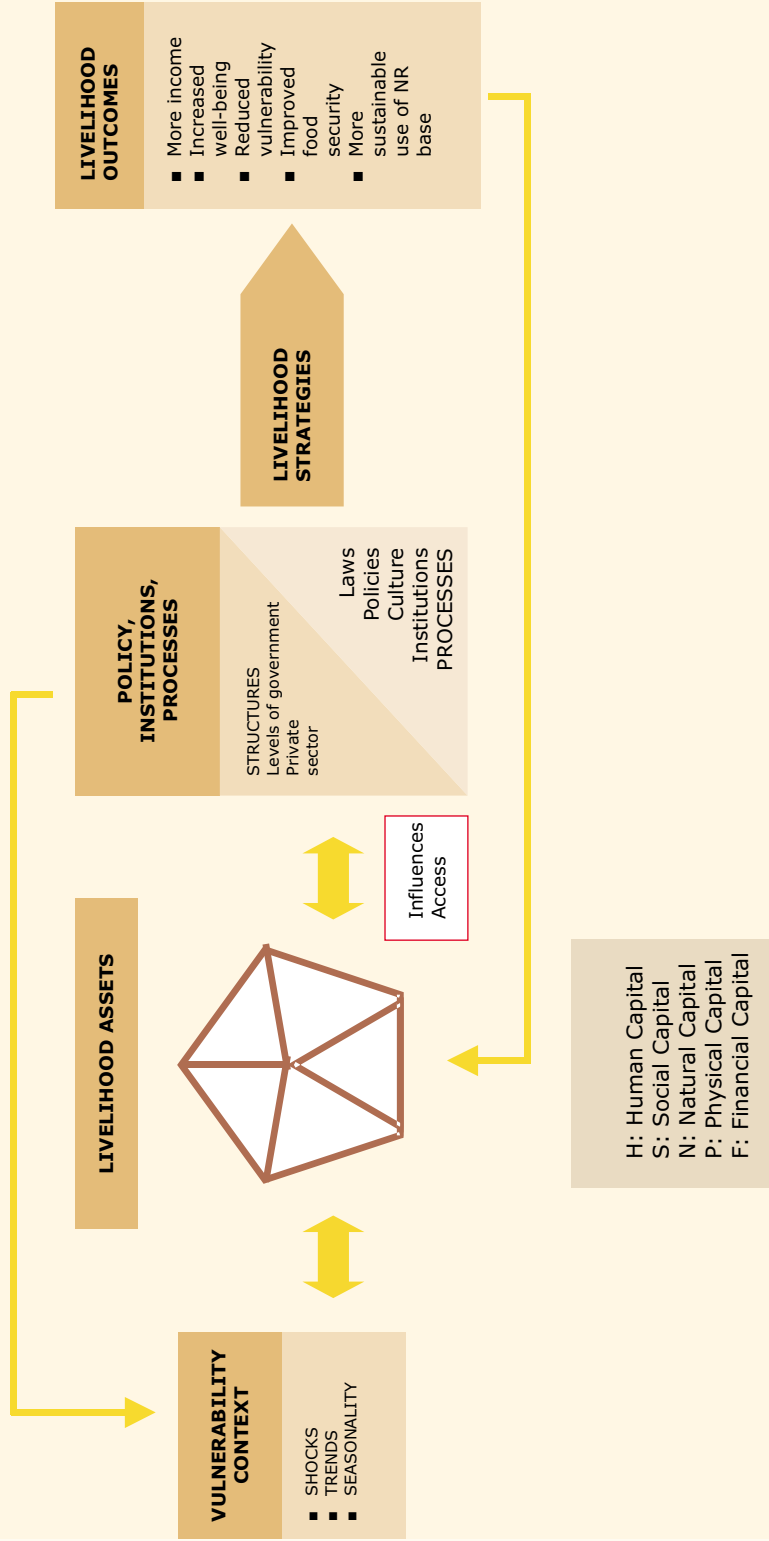
- *Trends*, which could have positive or negative effects on livelihoods: population, resources, economic conditions, governance, decentralization, etc.
- *Shocks*, which usually have negative effects: diseases, natural disasters, conflict, crop or livestock health shocks, etc.
- *Seasonality*, which particularly affects poor people during specific seasons of the year: product availability and cost, employment opportunities, health, etc.

2) The livelihoods approach aims at making people less vulnerable, through developing their **assets** and increasing their livelihoods' outputs.

People need a combination of **5 types of capital** in order to achieve positive livelihoods outcomes:

- *Human capital* represents people's skills, knowledge, capacity to work and good health.
- *Social capital* is defined "to be those tangible substances [that] count for most in the daily lives of people: namely goodwill, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit" Strong social capital strengthens civil society and critically contributes to socio-economic growth and sustainability of development actions. However, it presupposes inclusiveness, which is often not the case for the poorest.
- *Natural capital* is mainly wild resources (land, trees, water, biodiversity, etc.) from which people take direct (e.g. wood) and indirect (e.g. protection against erosion) benefits.
- *Physical capital* comprises the basic infrastructures and physical goods that support livelihoods. Public goods include; transport systems, water supply and sanitation, energy, communication and access to information. Other items that enhance incomes at household or even group level include productive physical assets (rickshaws, sewing machine, processing units, etc) and non-productive goods (utensils, radios, etc).

Figure 1: The DfID Livelihoods Framework



- *Financial capital* is defined as the financial resources that people use to achieve their livelihoods objectives. These resources include available stocks (savings, livestock, jewelry, cash, etc) and regular inflows of money (pensions, remittances, wages, etc).

In theory, the development of capitals directly reduces the level of vulnerability.

3) Policies, institutions and processes are contextual factors that positively or negatively affect livelihoods. Individuals may have some influence over these factors. Policies, institutions and processes operate at all levels (from households to the international arena), and in all spheres (from private to public sectors). Important factors include: local and central authority, legislation, governance, participation, markets, laws, organizations and cultural factors.

4) The **livelihood strategies** are the possible lifestyle choices people can make. The more flexibility people have in their livelihoods strategies, the more capable they are of overcoming shocks, thus increasing the chances of achieving their livelihoods objectives.

5) The **livelihoods outcomes** are the tangible achievements of livelihoods strategies. Ideally, these five categories are of a sustainable nature:

- **More income** - A key but not the sole objective to strive for.
- **Increased well-being** - This covers more intangible aspects such as self-esteem, inclusion, control over resources, access to services, protection of cultural heritage, and health.
- **Reduced vulnerability** - Threats to resources from conflict or lawlessness can make the security of assets more important than economic income.
- **Improved food security**
- **More responsible use of natural resources** - Curbing the tendency to overexploit resources.

Strengths and Weaknesses of the Livelihoods Concept

Many donors and projects have successfully adopted the sustainable livelihoods concept because it is considered as:

- A flexible approach focusing on people;

- A comprehensive way to understand the multi-faceted dimension of poverty;
- An inclusive way to assess the livelihoods strategies of the poor in relation to their broad environment; and
- A good tool for identifying priorities for action when planning effective poverty reduction interventions.

However, many authors have identified the following weaknesses in the framework:

- Poor consideration of market opportunities and constraints;
- Power relations are not adequately considered;
- Simplicity of the conceptual framework compared to the complexity of implementing SL interventions;
- Difficult to apply the framework at the operational level;
- Role of technology not identified; and
- The 5 assets can unreasonably become the focus of the concept.

The purpose of this paper is not to argue for or against the sustainable livelihoods concept, therefore the reader is left to draw one's own conclusion on these comments.

The flexibility of the SL approach means that it can be adapted to fit any type of intervention at any level of analysis. It can be used for example at group or community level, but also Union, sub-district and district level. Examples are presented in Annex 1.

The SL framework can also be translated using more conventional PLA or PRA methodologies and tools, as presented in Annex 2.

Conceptual Linkages Between Livelihoods Concept and Local Governance Programme

Relevance Between the Principles of the SL Approach and Local Governance

The following table shows that the principles of the SL approach are very relevant in the case of a local governance programme:

SL Principles	Application to local governance programme	Relevance
Focusing on people	One important duty of local government bodies is to serve civil society and support marginalised groups in the communities.	Strong
Responsiveness and participation	Local government bodies have to be accountable to the communities and develop a plan of action based on a community's needs and aspirations.	Strong
Multi-level intervention	To be effective, local governance intervention has to consider different levels, from local elected bodies to Ministries, through sub-district and district levels.	Strong
Partnership	Local government bodies act partially as service providers, but mainly as facilitators which seek collaboration and alliances with line agencies, NGOs, private sector, community based organisations, etc.	Strong
Dynamism and flexibility	Contextual, political and normative environment in permanent motion, needing constant adjustments.	Strong
Sustainability	Economic, institutional, social and environmental sustainability needed for long-term development strategies and planning developed by local government bodies.	Strong

It can be concluded that both the SL approach and local governance share the same core concepts. As such, the sustainable livelihoods concept can constitute a basis for establishing a strategic approach in local governance.

Relevance of Sustainable Livelihoods Framework for Designing Local Governance Programmes

Analysis of the sustainable livelihoods framework shows that there is strong evidence of links between the five assets and the institutional framework. The table below shows examples of how local government action can influence people's assets.

Capital	Examples of influences from local governance
Human capital	Access to education. Access to health facilities. Access to line agencies (training, advice, etc). Access to service providers.
Social Capital	Promotion of participation and representation. Dynamism and self-reliance of community groups. Support to community projects and planning. Expression of rights and interests. Provision of services. Relationship with service providers and markets.
Natural capital	Access to land, forest and water bodies. Protection of natural resources. Sustainable use of resources. Improvement of resources' productivity.
Physical capital	Communications means (roads, rivers, etc) Access to drinkable water and energy. Access to information. Secure shelters. Market places.
Financial capital	Access to financial services. Access to markets. Frame conditions for creation of assets (e.g. road side plantations).

At a higher level, the legislative and policy framework will have both direct and indirect influence on people's assets. For instance, the laws regarding the rights to access forests or water bodies can affect whether people from the community are able to glean earnings from these areas.

The livelihoods framework could be utilized in two ways in a programme of local governance:

- As a tool for local governance bodies to understand the specific poverty issues in their communities enabling them to design appropriate actions to combat those problems.

- As a tool for local governance bodies to analyze their own capacities by placing themselves in the center of the pentagon of assets. In this regard, the “vulnerability context” becomes “local context”, “livelihoods strategies” becomes “priorities for development”, and “livelihood outcomes” could become “services”. This adapted framework is presented in Figure 2.

If the livelihoods framework can serve as an instrument to assess the situation of a specific location, it can also be used to design local development plans (strategic plans of Union Council, annual plans of operations...) and or for prioritizing local government provided services. Moreover, it can be used as a tool for monitoring and evaluating development processes.

The advantage of the framework is that it develops a more comprehensive and coherent vision of development, including social issues like the interest of the poor and gender dimensions. In this regard, key issues do not get overlooked in favor of a single focus.

Is the Livelihoods Framework a Tool for Designing Local Governance Programs?

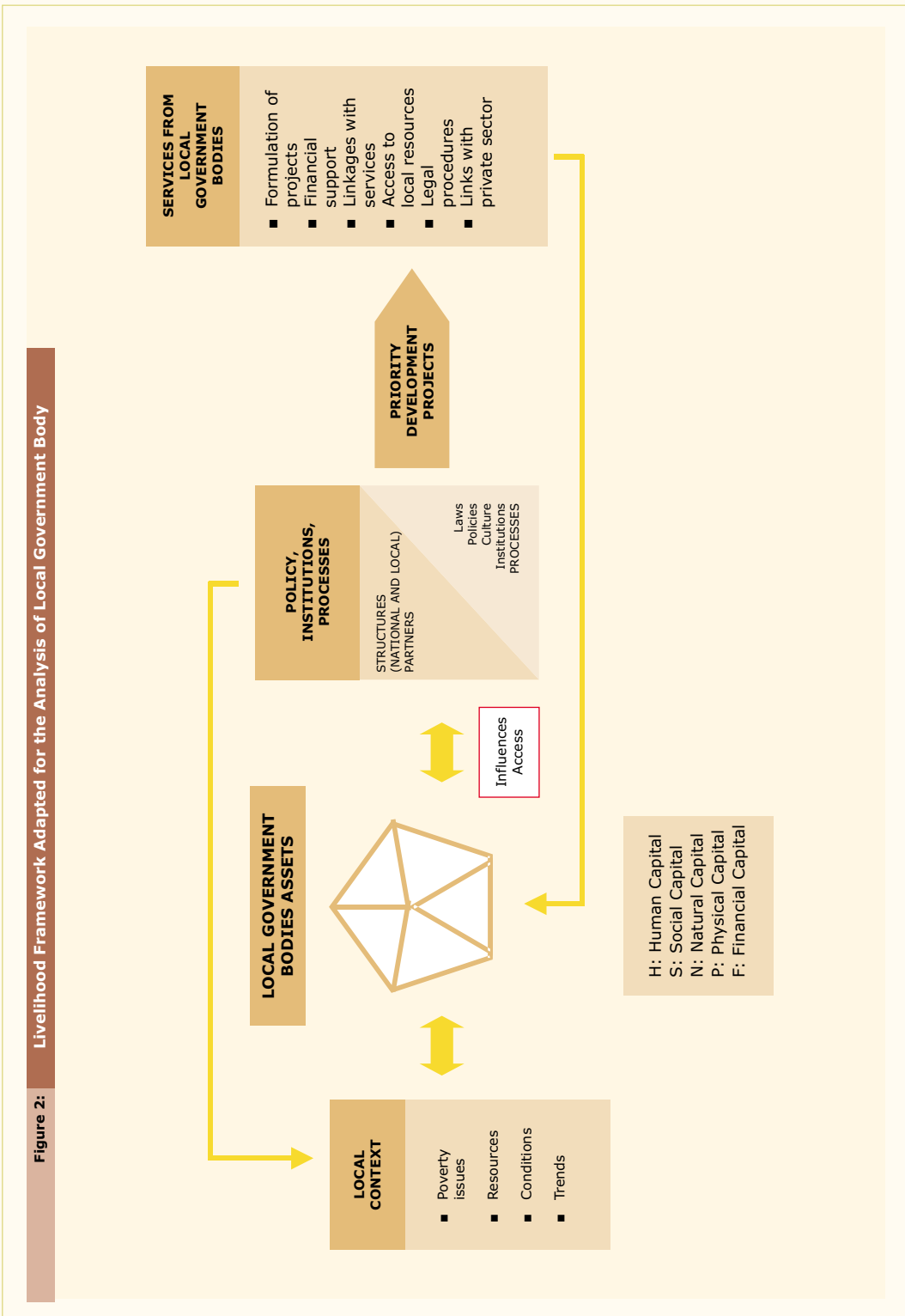
The core principles and approaches of the Sustainable Livelihoods framework could be applied to a local governance programme, and be considered a good tool in planning and monitoring interventions. However, adjustments would be required to make the new model operational.

As explained earlier, the framework could be utilized in two ways by local government bodies:

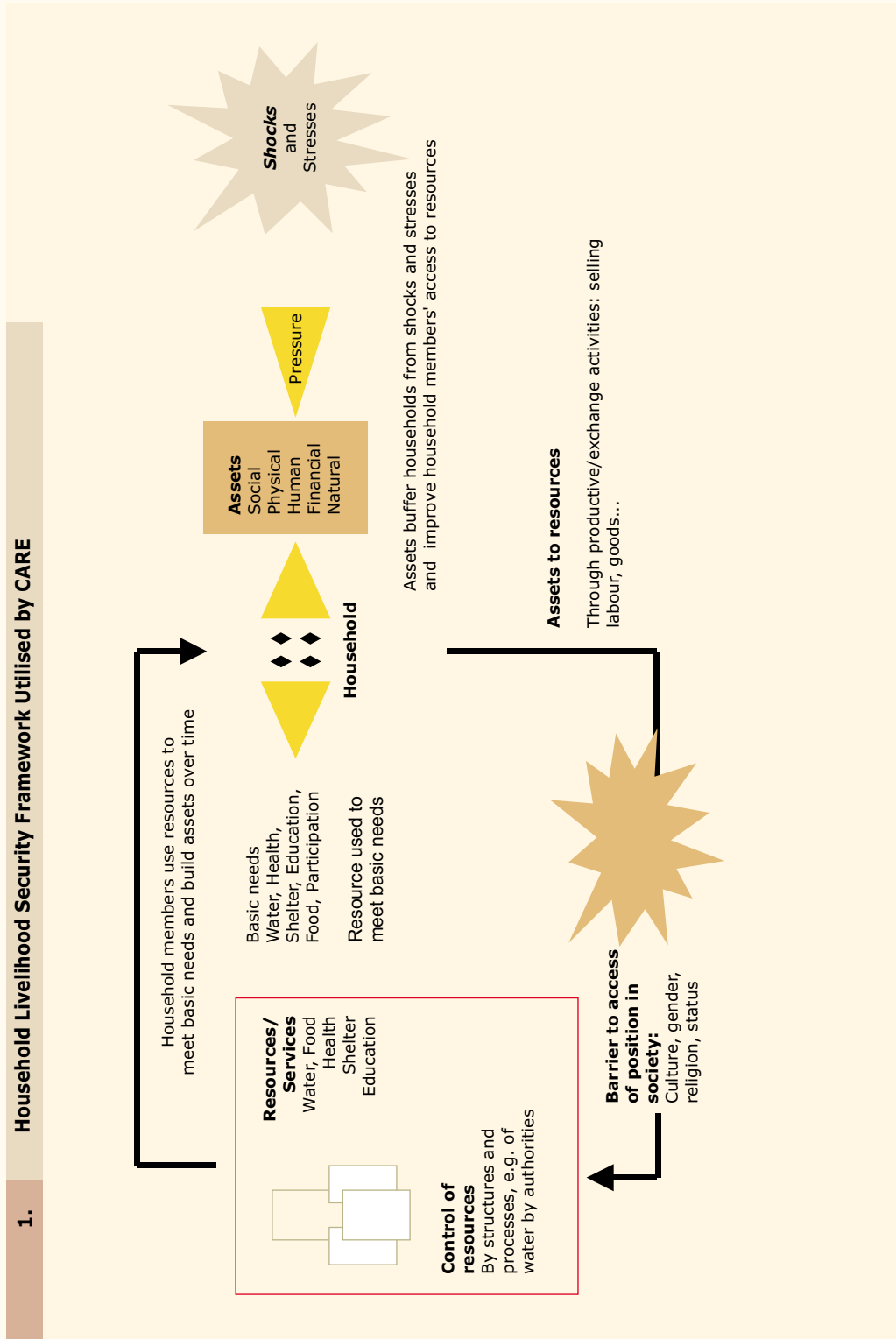
- As a tool to better understand local poverty issues and how to address them; and
- As a process of self-assessment, leading to prioritizing of work plans and service provision.

The framework is useful for developing a more comprehensive vision of a local environment. It can be used for planning, monitoring and evaluating development activities undertaken by government bodies.

The weaknesses identified in the livelihoods framework are common to the field of local governance (particularly true of markets and issues related to rights and power).

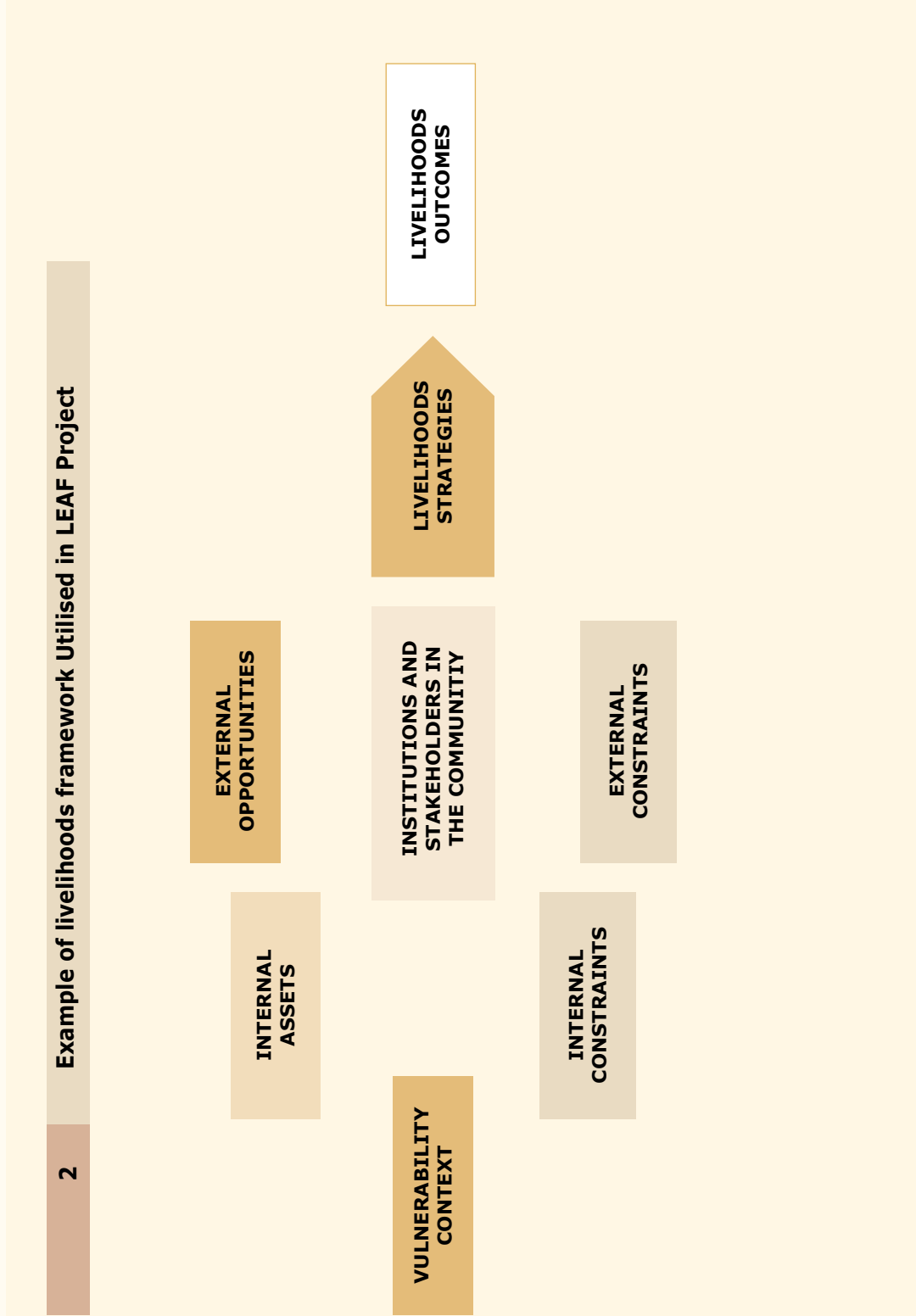


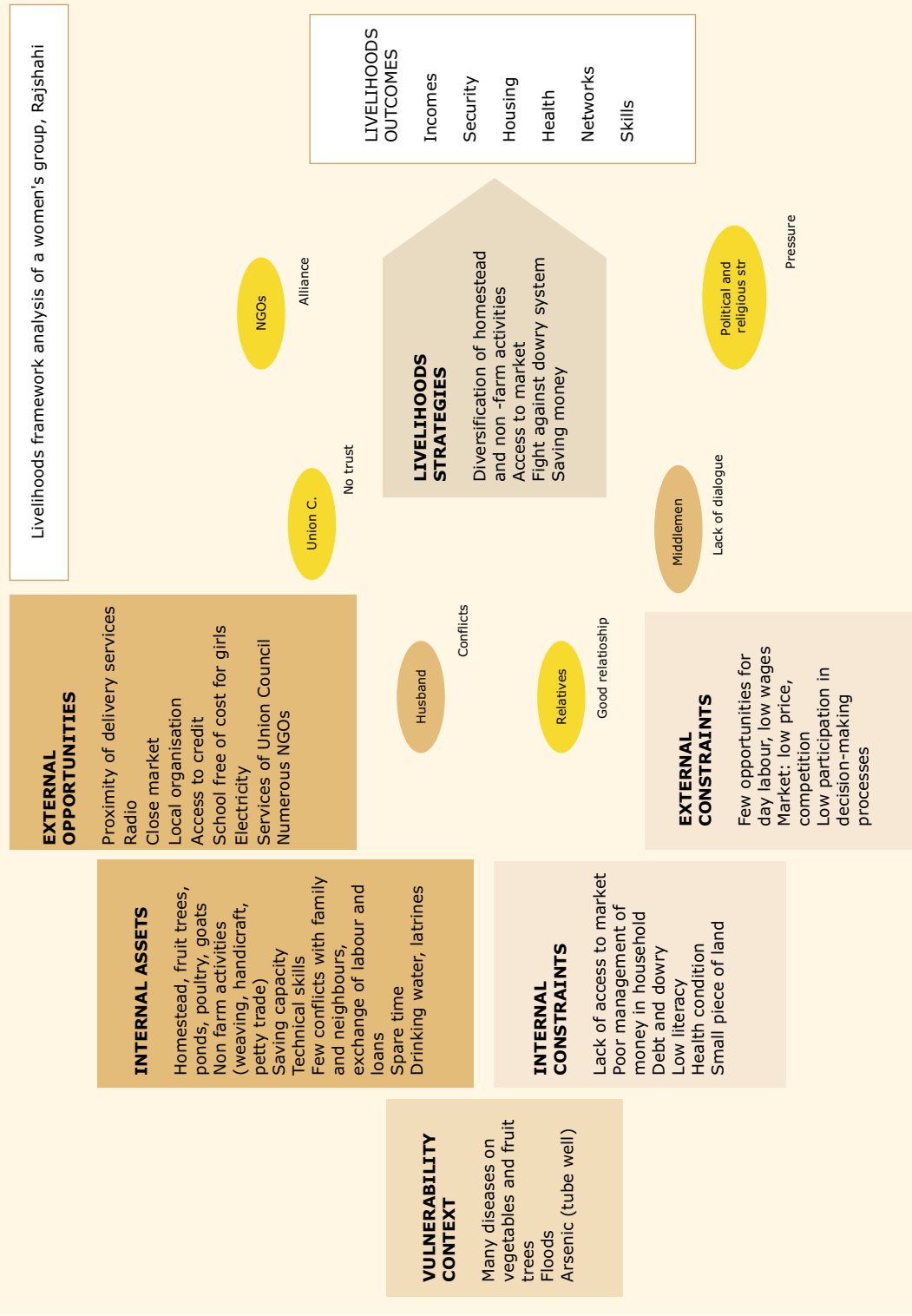
Annex 1: Examples of Adapted Sustainable Livelihood Frameworks



2

Example of livelihoods framework utilised in LEAF Project





Annex 2: Range of Methods for Implementing a Sustainable Livelihoods Framework⁶

Livelihoods Framework	Key questions	Methods for information collection
Contexts, Conditions, Trends	Which contextual features are important for livelihoods? Why? How have they changed?	<ul style="list-style-type: none"> ■ Historical archives ■ Government statistics ■ Life histories ■ Air photos ■ Time lines ■ Soil and vegetation surveys ■ Maps ■ Population census data
Livelihood Resources	Which capitals are available? To whom? In what combination?	<ul style="list-style-type: none"> ■ Asset surveys: household and individual ■ Seasonal calendars ■ Livelihood diagrams ■ Ranking of assets and capitals ■ Resource mapping
Institutions and Organisation	What institutions exist? How do they mediate access to capital? For whom?	<ul style="list-style-type: none"> ■ Venn diagrams ■ Institutional histories ■ Flow charts ■ Key informant interviews ■ Actor-network analysis ■ Social mapping
Livelihood strategies	Which combinations of livelihood strategies are being pursued? By whom?	<ul style="list-style-type: none"> ■ Income and expenditure interviews ■ Ranking income and expenditure ■ Individual migration histories ■ Field histories
Sustainable livelihood outcomes	Which livelihood strategies are sustainable? What are the tradeoffs between strategies?	<ul style="list-style-type: none"> ■ Ranking: Sustainability, wealth, well-being ■ Focus group discussions ■ Cause-effect diagrams

⁶ From Karen Brock: Implementing a sustainable livelihoods framework for policy-directed research: reflections from practice in Mali (working paper)

Local governance, gender sensitiveness and poverty alleviation

Mahbubul Islam Khan*

Understanding local governance

Many institutions and organisations operate at local level. They can fall under any one of the following:

- Government organisations (ranging from law enforcing agencies to various service providers such as agricultural extension, education health etc.)
- Civil society organisations e.g. professional groups such as lawyer's association, teacher's association, farmer's organisation
- Locally elected bodies e.g. Union Parishad, the lowest tier of local government in Bangladesh
- NGOs (only service delivery, only advocacy, combines service delivery and advocacy)
- CBOs-locally rooted organisations working for the betterment of the community
- Private sector organisations such as profit oriented business enterprises.
- Local level institutions and organisations represent the structure of local governance.
- However, it is important to see them not in isolation but as a part of the boarder governance processes, which include institutions and organisations at higher levels (district, region, national even international).

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What does governance mean?

Governance can be defined as the manner in which power is exercised in the management of a country's economic and social resources for development. (World Bank).

The concept of governance is, therefore, concerned directly with the management of development processes, involving the public, NGOs, the profit-oriented private sector and the elected bodies.

Local governance, therefore, entails among others, the following:

- Functioning and capability of local level institutions and organisations, including government organisations, NGOs, elected bodies and the private sector; and
- Rules and tradition that create the framework for conducting their business.

Conceptual linkages: weak local governance and poverty

Generally speaking, local level organisations and institutions are weak in many developing countries. In many developing countries local level institutions and organisations are characterised by the following:

- Grossly insufficient financial and human resources;
- Insufficiently empowered (high dependence on the centre)
- Inadequate capacity
- Weak accountability
- Not adequately transparent
- Limited and/or no participation of stakeholders in decision-making processes
- Gender biased
- Corruption
- Weak and dis-empowered local level institutions and organisations mean insufficient flow of resources from the centre to the local level
- Resources and services provided by local level institutions and organisations (no matter how inadequate these are) are being monopolised by a small section of influential better off people.

- Centralised systems mean lack of participation of people who live at the periphery.
- Decisions, which affect people's lives and livelihoods, are often taken at central level.
- Those who tend to be not sufficiently aware of grassroots level situations take decisions.
- Space for common citizen to participate in decision-making is very limited.
- Usually, gender issues are often ignored in policy and enforcement decisions.

Programme Approach

- A holistic approach in analysing the problem of weak governance
- Underlying causes of weak governance operate at various level, therefore a response to improve local governance calls for intervening at multiple levels from community to national level.
- Work with other actors including communities, NGOs, government and private sector organisations, who can potentially make a contribution in improving local governance.

Local Governance and Decentralisation: A Key to Development in South Asia?

Monirul I. Khan*

Main Issues in Decentralisation and Local Governance in South Asia

Brief background of the past

The history of local governance in South Asia dated back to the pre-colonial time primarily related to the collection of land tax and the enforcement of law and order in rural areas⁷. Well known "panchayet" system is also a past example of the local governance rooted in the local community structure which was also responsible for arbitrating on the local level disputes apart from the tasks of fiscal and administrative nature. There was a parallel development of the concentration of power and the imperative for decentralisation and devolution of power. As the central government (during the pre-colonial, colonial and post colonial time) was inclined to retaining most of the power, there was a problem related to the lack of capacity to carry out all types of tasks from the center. Such problem created the need to create sub-tiers of the administration through devolving power. As a sequel to the above imperative sub-national tiers of administration and the local bodies at different level were created.

We may briefly review the evolution of local government and the decentralisation process in the Indian sub-continent as it will be common to India, Pakistan and Bangladesh because the three countries were undivided before 1947 as the parts of the same country. In another place the issue of similarity appears in the following manner,' Evolution of local government in India, Pakistan and Bangladesh followed almost identical patterns during the British and the pre-British period' (Siddiqui et. al 1992: 99)

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⁷ The fact of oldness of the local body institutions in the Indian sub-continent is now fairly established in relevant literature such as Blair (1985), CIRDAP (1986)

During the British colonial period the early trend regarding administration was to centralise the power but in the late nineteenth century the need for the creation of representative local government had surfaced and in response to it at three levels, namely, union, sub-division and the district the Union Board, Local Board and the District Board were created⁸. Above institutions were got linked with the development activities as it was given the responsibility of undertaking projects on roads, canals, embankments, schools and others. In 1909 the British colonial government constituted a committee called Royal Committee on Decentralisation which indicates that how early the need for decentralisation was felt by the administration. Above developments were common in all three countries of India, Pakistan and Bangladesh.

After the partition of Indian sub-continent the present day Bangladesh and Pakistan were the same country when some important developments regarding local government and decentralisation had taken place.

During the colonial period of Pakistani regime Basic Democracy System was introduced in Bangladesh in 1959 with a three tier local body institutional structure. The lowest tier was named as Union Council, the intermediate tier was Thana Council and the highest tier was District Council. The members of the lowest tier was directly elected while for the upper two tiers it was different. After the independence of Bangladesh the names of tiers were changed. In 1976 the Local Government Ordinance came into effect under the military regime which provided for a Union Parishad for a Union, a Thana Parishad for a Thana and a Zilla Parishad for a district. The introduction of direct election system was an important feature of the new development. In 1980 Swanirvar Gram Sarkar was introduced at the village level which was abolished in 1982 by the new military regime. Following this period the most significant aspect of the local government reorganisation was the introduction of Upazilla Parishad elevating from the Thana Parishad. The Upazilla Parishad was run by a directly elected chairman and a council consisting of the Union Parishad chairmen. The Upazilla level officials were made answerable to the Upazilla Parishad as a part of the plan to create a bureaucracy with accountability. The democratic government elected in 1991 abolished the Upazilla system while reintroduced again in 1996 although election to the post of Upazilla chairman did not take place since then.

In Pakistan from 1959 to 1972 the Basic Democracy System was in place guiding the function of local body function. The operational principle of the Basic Democracy System as we have explained above with regard to Bangladesh before its independence in 1972 had been same for Pakistan also owing to the same historical tradition. In 1972 the Basic Democracy System was abrogated by the new

⁸ For a brief review of the process of the creation of local government institution during the British colonial period, Ali (1995) may be seen and for relevant comments CIRDAP (1986).

government which gave elections at all levels of the three tiers. Since there was no election during this period the new system could not be made functional. A new military regime which came into power in 1977 introduced again a new local government system sharing most of the features of the preceding one except the principle of non-party based election.

In 1950 the Community Development Movement gained a momentum in India being inspired by the Gandhian philosophy of self-governance. In line with the recommendation of the Balwant Ray Mehta Committee Report, the Panchayati Raj was established with three tiers of local bodies corresponding to the village, block/taluk and the district, which were named as Village Panchayet, Panchayet Samitis and Zilla Parishad. The direct election of the members of the Panchayets was an important mark of the democratic character of the system. Although in all states the members of the Village Panchayet were directly elected the leaders of the higher councils such as Panchayet Samitis and Zilla Parishad were not necessarily elected directly. The leaders of the lower Samitis elected the members of the higher Samitis. Government officials were deputed at different levels. The functions of the Village Panchayet were both obligatory and optional including civic, welfare and development activities. The responsibilities of the Panchayati Samitis at the intermediate level were mainly related to civic, development and administration. The Zilla Parishad was entrusted with the supervisory, advisory and coordinating functions. However, from 1970's Panchayati Raj institutions passed through great difficulties, resulting in the formation of Ashok Mehta Committee to find out ways to revitalize the institutions again.

However, meaning of "decentralisation and local governance" offering a definition of decentralisation is a complex task, particularly in setting the boundary of the definition. For example, should it focus only on the transfer of power (e.g., in the erstwhile Upazilla model in Bangladesh the chairman was given the power of writing the annual confidential report of the officials working at the upazilla level) or should it focus only on the function (e.g., recent transfer of a block grant to the Union parishad to carry out development work) or the focus should be on both aspects. In a sense the transfer of function also implies the transfer of power since the implementation of a function requires certain power to the implementers. Complexity also arises to distinguish decentralisation from the terms like devolution or de-concentration which are closer in connotation in certain respect. Generally decentralisation means the transfer of power/authority or responsibility from one level to another level. The two levels may be higher and lower and in political terms it could be national and sub-national or from center to the local. Decentralisation may also be a point of a continuum with centralisation the other point. In pointing out the pertinent aspects of decentralisation Conyers suggested that the concept of decentralisation refers to the following issues⁹:

⁹ Conyers (1985)

- Which functions are decentralised, for example, it may be industrial function, administrative function or something else;
- What types of powers are transferred through decentralisation and she identified three domains of power, such as policy making power, financial power and personnel power.
- To which level power is transferred, for example it could be from the district to the sub-district or lower than that level;
- To which organisation power is transferred, for example it could be district council from the center comprising elected councilors;
- What is the mechanism of transfer of power and functions, for example it could be through constitutional amendment or through some promulgations.

The definition of local government is also complex, as it consists of a number of features described below:

- It is a statutory body;
- Having the authority of tax collection from the community within own jurisdiction;
- Practicing participatory decision making and administration;
- Acting independently;
- Pursuing general objectives¹⁰.

In reality the local bodies at different levels may not contain all the features on equal degree, even the complete absence of a particular feature is not unlikely. Some times participatory character will be found weakly manifested while in other occasions it may be found that the councilors are interested more in infrastructure development than the welfare functions.

Current status

All three countries chosen as the focus of this paper have been undergoing changes with respect to decentralisation and the strengthening of local governance. Changes are of mixed character since there was introduction and removal of different

¹⁰ Siddiqui et. al (1992:5)

systems and policies on decentralisation and local governance in the subsequent years, indicating the lack of consistency and a stable vision. If we take the example of the introduction of Upazilla system in Bangladesh in the early 1980s and its revocation after a few years it will help us to understand the significance of the point we have made above.

However, respective pictures of the three countries will give us some interesting information about the nature and scale of variation on the process of decentralisation and local governance. We would now highlight the major features that well portray the current status of decentralization and local governance in three countries.

Bangladesh: Of the three tiers local government structure consisting of Union Parishad, Upazilla Parishad and the Zilla Parishad only the lowest tier, the Union Parishad, is only functional and most of the experimentations and modifications have been applied to it. For a long period elections to Upazilla Parishad and Zilla Parishad did not take place what explains the main reason for the non-functioning of the above two tiers. Although the government is committed to holding election to the Upazilla Parishad it is yet to be translated into action and different factors are there. In the last decade three important steps have been taken for the advancement of the strength of the Union Parishad. It includes the direct election of the women councilors previously which was based on nomination and the recent fiscal decentralization. There are nine wards in each Union Parishad three women councilors represent the nine wards, thus each represent three wards. Direct election of the women councilors has contributed to the empowerment of the women as the issues affecting the women directly can be addressed by them. Fiscal decentralisation.

government. In the year 2000 through the unveiling of Local Governance Plan such beginnings were made.

As the structure and composition of the local bodies at three levels, namely, union tahsil and district have been changed, new roles and responsibilities have been assigned to the local bodies at different level to improve the governance, quality of the services provided by different departments as well as the establishment of justice.

While the devolution has started and different provincial governments have also adopted on different scale there is variation with regard to the extent of devolution. The prime features of the devolution towards the goal of decentralisation and achieving good local governance include the following:

In India there are two particular states West Bengal and Kerala, where important progress has been made with respect to fiscal decentralisation, redistribution of

resources increased control of the local body vis a vis the local administration and others. Previously, the officials of the local administration were under the direct control of the line ministry without any accountability to the local body which at present has changed.

Pakistan: Changes, modifications and revocation while mark the efforts of decentralisation and the institutionalisation of local governance in Pakistan a new phase has started under the present

- Union council, Tehsil council and District council in the rural areas continued as the components of the structure, although the number of seats increased and the seats for the minority was incorporated, the seats for the peasants and women also remain unchanged if compared with the past;
- Direct election was arranged for the Union council while indirect election for the tehsil and district council. It was different from the procedures of 1972 and 1979 while similar to the Basic Democracy System. The councilors of the lower tier will function as electoral college for the upper tier, however the nazim and naib nazim of the union council will be the ex-officio members of the upper tiers;
- Establishments of monitoring committees at different levels comprising the councilors and the citizens to over see the functions of the service delivery departments of the government and submit reports to the higher councils. The councils are empowered to pass resolutions on the service delivery anomalies and taking actions. Nazim has been specially assigned with the responsibility of looking after such procedures. Similarly insaaf committees have also been instituted to oversee the excess of law enforcing agencies and other bodies;
- There has been unconditional fiscal transfer from the provincial government to the local governments. Since the local governments have been given the authority for expenditure there is need for fiscal resources, however, there is no constitutional binding on the part of the of the provincial governments to transfer the fiscal authority, it is arbitrary

India: Following the recommendation of the Ashok Mehta Committee the states of West Bengal and Kerala introduced a number of measures to achieve the goal of effective decentralisation and good local governance. In West Bengal the village panchayet samity was given the authority of identifying surplus land among the large landholders and its redistribution without posing threat to the propertied men in the rural areas.

In the recent period the most remarkable measure for decentralization in India is reflected in an amendment in 1992 which incorporate the following¹¹:

- Panchayets were given decision-making power in 29 areas which include irrigation, minor irrigation, animal husbandry, fisheries, social forestry and others.
- Incorporating the membership of the marginal groups in society.
- Introduction of gram sabha at the village level with the control over minor forest produce, social sector institutions and others.

Potentials and outcome

Decentralisation and local governance can contribute to the development process in various ways which include more effective dispensation of the government services to the general public, effective utilisation of the development fund, planning of development programmes in line with the needs of the people and other activities. Decentralisation has also been found to contribute to the development of different sectors such as education, infrastructure and those relevant to socioeconomic advancement of a country. In a more specific manner we can list down the outcome and potentials of the decentralisation and local governance as identified in relevant literature and reflected in the programs and projects on decentralisation and local governance.

i. Opportunity for the emergence of efficient sub-national governments and widening choice of the people: With decentralisation, different sub-national governments including the local governments at the bottom will get the opportunity to demonstrate their capacity for good performance in terms of providing services (e.g., running schools and hospitals) and carrying out development activities (e.g., rural roads construction), which may allow the public to choose the better local government among many within the same national boundary and move to the better one from the worse one¹².

ii. Greater accountability of the leaders of the local body: The members of the local government are more accountable to their immediate constituency since they have to depend on their support to get re-elected again. Comparatively the politicians at the national level are less accountable to the public of a particular local body such as union parishad. Bureaucrats are hardly accountable to the public for the evaluation of their official performance as bureaucracy is not an elected institution in most countries.

¹¹ Montes (2003)

¹² Points i to iv are highlighted by Bardhan (undated)

iii. Greater information level of the local body: The information level of the members of the local bodies or the local administrators about their constituency is better than political leaders and the bureaucrats at the national level. The proximity of the members of the local body to own constituency is greater and the stake of the local councilors in the information of the local constituency is also greater. For example, to carry out development activities effectively there is the need for local information and the effective implementation of development programme will be required to determine the reelection of the local body leaders.

iv. Smaller size of the population under local body jurisdiction: The size of the population served by the national leaders is generally very large compared to the size of the population served by the local body councilors, above difference may be relevant to explain the constraints of the national leaders to affect their performance level.

v. Increase in the scope for participatory planning: Decentralisation creates the scope for engaging the stake holders in the planning of development programmes. Traditionally, planning process is marked by top down approach, designed at the head quarter or the center, with the risk of missing the actual needs of the stakeholders. If the planning process is re-directed from the bottom then input will come from the actual stakeholders, which is possible through the process of decentralisation. Some development organisations have experimented the designing of development programme from the bottom taking extensive suggestion and presenting the completed plan to the direct stakeholders.

vi. Greater transparency through fiscal decentralisation: Fiscal decentralisation particularly may create the increased scope for transparency in the development expenditure at the local level. Since the development fund under fiscal decentralisation is allocated to the local level for direct expenditure therefore the stakeholders can have the opportunity to know about the appropriateness of expenditure. Such possibility may increase the fiscal discipline through preventing leakage and misappropriation.

vii. Greater scope for local resource mobilisation: Fiscal decentralisation also gives the scope for local resource mobilisation. Generally, the central government takes the largest part of the tax collected from different sectors of the economy. With fiscal decentralisation, the local bodies obtain the power of resource mobilisation. This has got important implication.

viii. Strong local government may increase the service quality of the government department: As a part of decentralisation and strengthening of local governance if the officials working at the sub-district and district levels can be made answerable to the councilors of the local body, it may contribute to the improvement of the service quality provided by the officials of the governmental line ministries.

Generally the officials who work at the district and sub-districts level are answerable to the higher authority at the center, local body cannot initiate any action against do anything against those officials who do not properly perform their duties.

Problems and challenges

i. Spilling over resources: If there is spill over of natural resources at the local level, redistribution of the local resources is possible in a centralised framework by the national government. Under decentralisation framework transfer of surplus resources from one constituency to another is difficult.

ii. Capturing: Local politicians who will be in control of the local bodies may grab the benefits of the development programmes disproportionately under decentralised framework. They may abuse their control over mobilisation, allocation and spending of local resources to take disproportionate benefits.

iii. Unholy alliance: There may be collusion among the local elite, politicians and the administrative officials at the local level to grab the resource under the control of the local body. As the development fund may be subject to grabbing, the resources locally mobilised may also be subject to grabbing by the leaders of the local bodies if decentralisation transfer the control. Such collusion may create obstruction to the public to get information about the grabbing of resources, it may also discourage action against the case of favoritism or leakage. Since the public officials at the local level are also the beneficiaries of grabbing of resources punitive actions from administration would be unlikely.

iv. Level of technical skill: Technical skill at the local level to carry out development activities related to power generation, highway construction and others may not be available which may call for the role of central government. Comparatively, minor irrigation, rural roads construction and other works can be done more effectively by the local body.

v. Weak accounting: At the local level, accounting, auditing and book keeping are weaker than the national level. Therefore, fund disbursement, resource inflow and outflow may not be properly maintained by the officials of the local body.

vi. Discontinuity: Attempts for decentralisation and the strengthening of local government in the sub-continent has a long history, different programmes were implemented in different periods. Sometimes the same government or the subsequent governments withdrew it. Although different causes were shown to justify the withdrawal, the neat consequence was the discontinuity of a process affecting the institutionalisation of local bodies. It took place in India, Pakistan and Bangladesh. There were specific reasons for discontinuity but the effect of discontinuity on the institutionalisation of the local government institutions is worthy of consideration.

vii. Unwillingness of the bureaucrats: Through decentralisation responsibility is transferred from the hand of the bureaucracy to the local bodies. It means the reduction of the power of the bureaucrat and increase of the power of the local bodies. Such re-organisation of power is not supported by the bureaucrat. If the transfer of power means the reduction of economic privileges it further loses the support of the bureaucrat. If the bureaucrats at the local level are made answerable to the local bodies through decentralisation the degree of unwillingness will increase many fold.

viii. Conflict of interest between the politicians: Politicians active at the center are sometimes found unwilling to share power with the politicians working at the local level what happens through decentralisation. Power sharing sometimes implies the transferring of the control which is not supported by the politicians working at the center in fear of losing the constituency.

Decentralisation, Local governance and Development in South Asia

One of the approaches to examine the effectiveness of decentralisation and local governance is to examine its contribution to development. The proponents of decentralisation argues that it is conducive to development apart from the fact that it is normatively superior since decentralisation and local governance allows self-rule of a community instead of subjugation by the external forces.

In the earlier sections we have presented a number of points related to the virtues of decentralisation and local governance. We have also mentioned a number of points that go against decentralisation and local governance. The interaction of the advantages and disadvantages will determine to some extent the outcome on development.

All the factors of advantages and disadvantages may not function on the same scale. Such variation will be relevant to understand the implication for development. For example, misappropriation of the resources of the local government will be more harmful than the absence of the local community in the preparation of a development plan for the community. Which advantage or disadvantage will be more relevant depends

The implementation of decentralisation and local governance in a proper manner (i.e., where all the virtues are ensured) will certainly contribute to the development of a community, problem arises when the implementation does not take place properly.

There are many reasons why decentralisation and strong local government establishment procedure does not take place properly. The causes may be linked to

the activities central government, it may be linked to the social structure of a community or it may also be linked to the failure of the local bodies to deliver the expected output.

We would now briefly narrate the experiences learnt from a few relevant projects. There are both positive and negative examples and for a balanced analysis there.

Successful outcome

Case of Indian States: The West Bengal government empowered the local body in various ways. One of its significant success is the programme called operation barga where it has ensured the rights of the share croppers and reclaimed surplus land from the control of the large to redistribute it to the landless and the marginal owners of land. Land redistribution and the establishment of the rights of the sharecropper has made special contribution to reduce the poverty level of the society. Empowered local body of West Bengal has also been successful to improve the overall situation of the society as reflected in the following lines:

'Comparing across the various states in India, it is clear that local democracy and institutions of decentralization are more effective in the states (like Kerala and West Bengal) where land reforms and mass movements for raising political awareness have been more effective. The 1996 National election Survey data suggest that in West Bengal 51 per cent of the respondent voters expressed a high level of trust in their local government, whereas in the adjoining state of Bihar (where both land reforms and local democracy institutions have been very weak) the corresponding figure is 30 per cent. ..In both Kerala and West Bengal it has also been observed that theft and corruption at the local level are more effectively resisted if regular elections to select representatives in the local bodies are supplemented by an institutionalized system of periodic public hearings on items of major public expenditure"¹³

Pilot interventions in Bangladesh: Participatory planning, transparency and accountability at the grass root level can bring different contribute to the improvement of local governance as reflected in a few pilot projects in Bangladesh. Local Government Division with the support of UNCDF has implemented a project in the district of Sirajganj where the Union Pasrishad was given direct financial grant with the responsibility of carrying out development activities with participatory approach. In this regard the needs were identified at the community level and the technical support was given by the Upazilla office. Those projects had been

¹³ Bardhan (undated: 19)

implemented which were not duplication. Roads and bridges came up through this project along with the market places. The main implication of this project was the demonstration of the local bodies capacity to implement development project integrating the needs of the local community. CARE Bangladesh implemented another project through which interactive meeting between the councilors of the Union Parishad and the community members called courtyard meeting were organised to identify the needs of the people and the registering the response of the councilors. The result of such exercises showed that in the pilot unions improvement took places with regard to the preparation of the people oriented budget, transparency of expenditure and undertaking projects that generated local resources such as commercial tree plantation. The main lesson could be expressed in the way that the involvement of the local community with the process of local body will result in the emergence of result oriented local bodies.

Problematic outcome

We have presented here a few negative examples to underline a fact that decentralisation may not automatically result in the development because there are many factors related to the social structure that could offset the potential of the decentralisation process.

Experience of decentralisation in Bangladesh: In the early 1980s decentralisation programme incorporated the introduction of Upazilla system at the thana level in between the district and village. We mentioned earlier that a council was established with the provision of direct election of the chairman. The council was given authority on fiscal and administrative procedures. There was expectation that the revenue earning would increase and the development funds would be used more properly. Tendering of the development work such as road construction was a part of the procedure of the council and the experience showed that the local rich people formed an informal alliance among them and quoted artificial price for a project. There was underhand agreement that the winners would share the benefits with other participants of the bidding process and kept the quoted price at an artificial level. In other words the benefits of decentralization went to the pockets of the rural rich in a disproportionate manner.

Experience of Pakistan and India: Through the recent devolution of power the government departments engaged in providing services to the people have been made subject to the supervision of the local bodies with the objective that it will improve the quality of services as well as increase the access of the poor people to these. In a system where the local officials are answerable only to the superiors of the line ministries both the quality of the services and the access of the poor may suffer from the lack of adequacy and perfection. One of the positive outcomes in the

model of devolution is generally sought in this term and it was true for Pakistan also. However, the actual outcome is not found encouraging as reflected in the following comment of the reviewer¹⁴:

'Cross national studies find no clear evidence that decentralization has led to better governance and improved service delivery...it is far from self evident that service delivery improvements for the poor will be a priority for them'

Above observation is strongly skeptical of the outcome of the effect of the decentralisation of power on the service delivery system particularly the issue of the poor getting adequate access and the benefits.

A few programmes of decentralisation in India are related to natural resource management and skeptical remarks are also noticeable revealing the difficulties to the achievement of the goals of supporting the poor¹⁵. We would attention to a few policy related remarks.

'Decentralized natural resource management has not significantly increased by the rural poor to natural resources, the decentralization agenda has not challenged the basic distribution of rights and access to natural resources established in the colonial period and reinforced in the immediate post-independence period...'

Our objective to present the skeptical remarks about decentralisation in relation to poverty reduction is not create any confusion and weaken the underlying spirit rather bring into light the complex sociopolitical perspective surrounding the issue.

Democracy, Decentralisation and Good Local Governance in South Asia: Going Beyond Conventional Wisdom

Adherence to the principle of democracy at different levels only ensures the decentralisation and good local governance. It implies that the center will allow the local level to express their voices and the local leaders will also allow the citizens to

¹⁴ ADB,DFID & World Bank (2004:25)

¹⁵ Baumann P. & Farrington J. (2003:1)

speak out their voices. It is easy to understand that there is a close relationship between decentralization and democracy, although the South Asian experience exemplifies a complex perspective with regard to the above relationship and calls for attention to other issues. We would review the issues in the following manner:

Non-Democratic Regime and the Introduction of Different Decentralisation Measures:

There is a general belief that the democratic regimes are supportive to decentralisation as they are ideologically committed to it. In the context of Pakistan and Bangladesh it has been found that the military regimes in different periods have implemented the decentralisation programmes. Relevant examples would be the Basic Democratic System during the General Ayub Khan in 1950s, Upazilla Parishad in early 1980s during the regime of General Ershad and the devolution programme of Pakistan in the present General Musharaf regime. A question may be raised in this regard that why the different military regimes were so much supportive to decentralisation at the local level, while reluctant to reestablish democracy at the center. No clear cut answer is available however it may be presumed that the military regimes wanted to create a support base through a decentralised system and it has been possible to overcome the bureaucratic opposition to the decentralisation.

Democratic Regime and the Introduction of Decentralisation Measures:

There are examples that the democratic regime has also undertaken decentralisation programme. Recent example of India may be considered here. However, democratic regime also faces obstruction from within and it is a well known fact that many MPs of the present regime is not sympathetic to Upazilla parishad election because of the fear that it may create a parallel power structure to their own.

Ideological Commitment for Effective Decentralisation: In the opinion of some writers ideological commitment is an important factor to determine the success of decentralisation. The cases of West Bengal and Kerala from India are relevant. In the cases of West Bengal and Kerala it will be found that the left front governments did not till 72nd amendment to the constitution to implement an effective decentralised system and strong local government bodies.

Democratic Regime Changing Decentralisation Measures: There are some complex examples where it is found that a democratic regime has cancelled the program of decentralisation. The example of the cancellation of Upazilla system in Bangladesh is an example. Power politics became more important to influence the policy of a democratic regime than the commitment to democracy in dealing with the issue of decentralisation.

Social Structure and the Success of Decentralisation: The success of decentralisation is largely dependent on the favorable social structure where the

rural rich are balanced by the strong presence of the marginal classes. There are many examples where it is found that the rural rich have exploited the benefits of decentralisation disproportionately leading to the deprivation of the poor people. A recent study shows in India that

Changing Role of the Development Actors

Both the governmental and non-governmental organisations in the development sector have given special importance to the issue of decentralisation and local governance in different ways. While the government is pursuing the goal as a policy matter to meet the normative (i.e., empowering the local representative and community in recognition of their rights) and functional (i.e., establishing accountability and transparency) imperatives other development actors are pursuing at different levels and in different ways.

Elected bodies: In a gradual manner the elected bodies are shifting from executing their limited role of infrastructure development to dealing with social issues, although not in any significant manner. In Bangladesh the Upazilla Parishad during the phase of their functioning imparted significant responsibilities such as overseeing the activities of the line agencies, tendering contracts and others. In some unions local bodies have got engaged in natural resource mobilisation, however, these are again limited in scale considering the wider national perspective.

Line agencies: There are examples where the line agencies are more effectively involved in the reduction of rural poverty. We may take the example of Andhra Pradesh in Indai and the programme of janombhoomi. In Bangladesh DPHE is engaging the Union Parishad to carryout the programme on rural drinking water supply and sanitation provision. Local Government Division in Bangladesh is presently carrying out fiscal decentralisation programme which consists of transferring block grant to the Union Parishad which will spend on its own prioritising the projects identified by the community. Transparency and accountability will be promoted through this new programme and the capacity of the Union Parishad will be reviewed to examine the effectiveness of the approach.

NGOs & Civil Societies: In the context of rural Bangladesh CARE, USAID and Khan Foundation and other organisation have so far implemented a number of projects with the focus on rural areas, with the goals of enhancing the capacity of the UP councilors, increasing the participation of the villagers in the activities of the Union Parishad, orienting the UP councilors to be more transparent and accountable in delivering their responsibilities and others.

Conclusion

The ice is breaking and the process of decentralisation and improving local governance is gaining momentum in South Asia in a gradual manner. Although there are evidences of retrogression the overall trend is progressive as different steps are made towards decentralisation in India, Pakistan and Bangladesh. As far as the goals of development and poverty reduction are concerned the effect of decentralisation is yet to be significant as revealed in the relevant documents briefly presented here. The issue of the dominance of the local elite has emerged as quite important to explain the fact why decentralisation could not bring desirable results with regard to ensuring the poverty reduction. The effect of decentralisation on the service delivery system particularly widening access of the poor is also not significant as reflected in the case of Pakistan. Democratic regimes in different countries did not always act consistently to take forward the process of decentralisation. There are different obstacles emanating from different levels, however the political and ideological commitment of the government plays a significant role to the advancement of the causes of decentralisation and promoting local governance, particularly reflected in the experience of West Bengal and Kerala of India.

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Local Governance and Decentralisation in Natural Resources Management In India - Challenges and Opportunities

Sanjay Upadhyay*

Introduction and Background

"The 'battle for water' being fought by Perumatty Gram Panchayat in Palakkad District of Kerala against over exploitation of ground water by multi-national giant Coca-cola plant in obscure place called Plachimada has attracted world wide attention. In fact the Panchayat organised a world water conference in January 2004 where an impressive number of green politicians, environmentalists and social activists from around the world attended the conference and expressed their solidarity with the village people mostly Dalits and tribal people who are struggling for the right to water. The 'Plachimada declaration' adopted at the end of the conference emphasised that water is not a private property, not a commodity but a common resource, a fundamental right of man and the right to conserve, use and manage water is fully vested with local community¹⁶." This battle over ground water between a village council and a multi-national is now sub-judice with the Supreme Court of India.

In the Hill State of Himachal Pradesh, the residence of Batwari gram panchayat passed a resolution and handed over to the Chief Justice of Himachal Pradesh to urge appropriate action against the authorities of a 126 MW Larjee Hydel Project which is causing pollution in around fifty villages."

In another incident in the state of Maharashtra, a bitter conflict has grown between the officials of the Forest Development Cooperation of Maharashtra (FDCM) and the gram Sabha (village assembly) of Lonara Gram panchayat in Nagpur district. The dispute arose when 600 villagers confiscated a truck belonging the FDCM for cutting trees from a forest belonging to the panchayat without consulting the Gram Sabha.

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¹⁶ Panchayati Raj update Vol. 11 No. 1 121 January 2004, Institute of Social Sciences

In western Indian state of Rajasthan, the Kaladear Gram Panchayat close to Jaipur passed a unanimous resolution and issued notice to Coca-Cola in view of its indiscriminate exploitation of ground water that has led to a sharp decline in the water table of the area.

The above is just a flavour and range of the nature of conflicts that have now started to emerge from the lowest unit of governance, the Gram Panchayat (Village Council) and the Gram Sabha (Village Assembly) after the passing of the 73rd Constitutional Amendment in 1992 ushering in a democratic decentralisation process in India.

This is not to say that the process has only given rise to assertions and conflicts. Several flashes of hope have been witnessed across the country too. Thus for example the Madhya Pradesh government in central India is going to launch an ambitious scheme in cooperation with the forest department, the panchayats and the rural development department to augment self-employment opportunities through afforestation in rural areas. The programme is being called 'prosperity through greenery'. Similarly, in the state of Himachal Pradesh the Jahoo Gram Panchayat in the district of Hamirpur boasts of having the states only water supply system under the control of a village panchayat. In another example, the state cabinet of Madhya Pradesh has decided to distribute the revenue from minor mineral mines among all panchayats of the state. In the state of Chhattishgarh the Upperwar Panchayat has develop a new model for tapping natural resources with the help of an agricultural university to change the village waste lands into high yielding fields.

In Rajasthan again, using the law on tribal self rule which is a technical extension of Panchayat legislation to scheduled areas (tribal dominated areas) in the Dungarpur district of Southern Rajasthan, the members of the gram Sabha in Kotda have started levying cess (or tax) on sand and gravel from a river passing through their village to any body who is interested in such minor minerals.

It is clear from the above that India is going through a euphoric and yet uncertain period of democratic decentralisation where natural resource management is concerned. Before we go into the specifics of how the law on Panchayats impact natural resource management it would be useful to understand the evolution of Panchayats in brief.

Evolution of Panchayats in India

The regulatory discourse on the nature and functions of Village Assembly has witnessed a qualitative change through the pre colonial, colonial and post independent period. In India, the self governing systems of village Panchayats have

been in existence since ancient times when village was the basic unit of social and economic life. Local affairs continued to be regulated by such Panchayats even in the Mughal Period.¹⁷

While the British rule in the colonial era, is alleged to have dismantled self-governing institutions in 'Village Republics', the origin of local self government institutions in the modern sense, can also be traced to British era when the village administration was provided a statutory backing. At the time of Independence the philosophy of village swaraj was that "it is a complete republic, independent of its right for its vital wants yet inter dependent for many others in which dependence is a necessity"¹⁸.

It is interesting to note that the Draft Constitution did not have any provision on village Panchayat. However, the revised Draft Constitution under Article 31(A)¹⁹ provided that the State shall take steps to organise village Panchayat and endow them with such powers and privileges as may be necessary to enable them to function as unit of self-government. It was this thought that paved the way for the provisions for village Panchayat being drafted in the Directive Principles of State Policy under the Constitution of India²⁰.

Both the first Five -Year plan and the Second Five - year plan recognised that local self-governing bodies have to play a vital role in field of development and reiterated the need for a comprehensive village planning and visualised organic linking of village Panchayats with popular organisation at higher levels. Numerous Committees such as the Balwant Rai Mehta Committee, Ashok Mehta Committee, GVK Rao, LM Singhvi Committee unequivocally stressed on decentralisation from political, social and development angles, and thought that decentralising power, planning process and developmental activities below state level was crucial. Importantly, one of the Committee²¹ asserted that there was no need to disturb tribal institutions and traditional systems in certain areas as long as they continue to discharge their functions.

All the above initiatives fostered a favorable political climate eventually culminating in the 73rd Constitution Amendment finally granting constitutional status to the Panchayati Raj Institutions (PRIs). The Amendment led to a separate Part IX being added in the Constitution²² including the 11th Schedule enumerating powers and

¹⁷ See George Mathew, 2000, Panchayati Raj In India-An Overview in Status of Panchayati Raj in the States and Union Territories of India, Institute of Social Sciences

¹⁸ Mahatma Gandhi said go to villages that is India. Therein lives the soul of India.

¹⁹ Anon; 1999 (Reprint) Constitution Assembly Debates (Book No. 2) ; Pg. 520-527; Lok Sabha Secretariat

²⁰ Article 40 of the Constitution of India

²¹ Ashok Mehta Committee

²² (Article 243-A 243-O)

functions of Panchayati Raj Institutions. This also marked the beginning of political empowerment of the Gram Sabhas.

The Gram Sabha was given its legitimate place and was to consist of all registered voters in area of Panchayat and to exercise such powers and functions at village level as state legislature may provide²³. Besides, the State legislature has been empowered to have provisions of decentralisation of powers and responsibilities to Panchayat at the appropriate levels, which will enable them to function as institution of self-government.²⁴

Panchayats and Natural Resource Management- Two Distinct Applications

It is important to understand in the Indian context that the legislation on local self government is not universally applicable in the entire country. The Constitution of India delineates special areas of administration under the Vth Schedule of Constitution called 'scheduled areas' which essentially means tribal dominated areas where the operation of the normal laws of the country is barred due to its remoteness, inaccessibility and predominance of traditional customs and practices. It is in this context that four years after the enactment of the law on panchayats, the central government extended the Panchayat law to Scheduled Areas with certain exceptions and modifications to conform to the tribal ethos through the Provisions of Panchayats (Extension to Scheduled Areas) Act of 1996 (PESA). It is pertinent to note that the natural resource management and the legal regime surrounding its management also differ distinctly in scheduled and non-scheduled areas. There are nine states, out of twenty seven which have scheduled districts in India. Another important dimension is that both the 73rd amendment i.e. the law on panchayats generally and PESA provide an umbrella framework where the different states of India are expected to enact their own legislation for institutions of self-government. Most states, with a few exceptions, enacted their panchayat legislation in 1993- 94. Similarly, most scheduled states enacted their conformity legislation on tribal self-rule in 1997.

The Natural Resources Management Mandate on Panchayats: Generally

Part IX of the Indian Constitution relating to the panchayats envisages twenty-nine items under Schedule Eleven which are supposed to be governed through the local

²³ Article 243-A

²⁴ Article 243-G

self-government system. Out of these twenty-nine, at least ten of the items clearly relates to or has an influence on natural resources management. **See Table 1.**

Table 1**Schedule XI- of the Constitution of India**

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reform, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Market and fairs.
23. Health and sanitation, including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of weaker sections, and in particular, of the Scheduled Castes and Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

Amongst the significant mandates of the PRIs in the context of natural resources-Land improvement, Minor irrigation, water management and watershed development, social forestry and minor forest produce, fuel and fodder management, drinking water, management, protection and maintenance of village commons in general are the primary responsibilities of the Panchayats. Three standard demands have emerged over the years to not only devolve functions but also functionaries and funds to enable the Panchayats to act as institutions of self government. Numerous states in India are now in the process of devolving the three "fs" to the PRIs. However, there are some key challenges and concerns that have still stalled the growth of these politically vibrant institutions.

The Panchayats in India have been reduced as centres of local politics and power rather than decentralisation for self-empowerment and this is more visible in the context of natural resource management. The primary reason behind this narrow view is the failure to understand the statutory intent and the significance of constitutional mandate in this regard. The potential of the power has still not been realised due various factors. Apart from the clichéd implementation concerns it is the lack of awareness of the provisions as well as its potential that has resulted in non-functioning of Panchayats thus far. The creation of parallel jurisdictions through specialist user groups and external aid has also marginalised communities within themselves. Numerous examples exist across India in this regard. The creation of specialised user groups such as Participatory Forest Management Committees, Watershed Committees, Water User Associations, Eco Development Committees all promoted by different schemes and programmes, primarily through external aid have created over lapping jurisdictions, functions and powers within communities. The linkage of these specialised committees and the Panchayati Raj institutions are still not clear. The issue has become more complicated as a number of these specialised committees have started to assume legal colour. Thus for example there are new participatory irrigation management laws under which water user association have been formed. Similarly, the PFMC's have also been given legal sanctity through PFM rules in few states in India. This clearly creates ambiguity in terms of precedence or prevalence of the statutory framework that back these institutions. While the advocates of Panchayat Raj Institutions argue that the PRI's are the constitutional bodies and hence are supreme authorities for local governance. On the other hand, the supporters of specialist user associations assert that since the Panchayats have too many functions to perform for the overall development of the village community and thus specialised resource management such as those for water and forests should be vested with specialised groups to ensure better management and control. There are merits in both these arguments and the solutions perhaps lie in a clear jurisdictional clarity and clear delineation of areas in which each of these local institutions function. Thus while the PRI's should limit its functions to the panchayat boundaries the forest committees should restrict themselves to forestlands. While a resource like water if it envelops these two boundaries than an integrated approach should be applied. Another critical concern

in the parallel institution debate is the allocation of resources, which are often skewed. While generally speaking the specialised committees have more resources to play with since they are focussed and project aided the Panchayati Raj Institutions have been treated with a lesser priority in the state structure as far as financial resources are concerned. This is one of the root causes of emerging conflicts between these institutions. Another critical concern that has emerged is the delay in legal reforms especially of statutes which control the line agencies which have been hitherto managing these resources. Thus for example while the control of minor minerals may have been entrusted with the panchayats the requisite Mines Act has still not been amended. Similar examples are evident in the case of water, forest as well as land. All the above suggests that there are urgent steps required at the policy, legal and administrative level if natural resource management has to be truly under a local governance system.

The Natural Resources Management Mandate on Panchayats In Scheduled areas

Under PESA the State-Legislature has been directed to ensure that the Panchayats at the appropriate level and the Gram Sabha are endowed specially with in the context of natural resource management : - the ownership of minor forest produce; the power to prevent alienation of land in the Scheduled Areas and to take appropriate action to restore any unlawfully alienated land of a Scheduled Tribe; the power to control local plans and resources for such plans including tribal sub-plans and manage and control minor water bodies and minor minerals.

The Gram Sabha has been recognised , perhaps for the first time under any legislation, to be 'competent' to safeguard community resources among other things²⁵. This essentially means that legislature of a State shall not make any law under the Panchayat which is inconsistent with preserving community resources among other things²⁶.

The PESA makes it mandatory for the Gram Sabha or the Panchayat at appropriate level to be consulted before grant of prospecting licence or mining lease for minor minerals in the Scheduled Areas as well as for grant of concession for the exploitation of minor minerals by auction. It is interesting to note that while making of recommendation has been made mandatory whether these recommendations itself are binding or not is unclear. In case of non binding recommendations there is also no provision for providing reasons thereof. Further, the fact that these recommendations can come from Gram Sabha or Panchayats at appropriate level, vests wide discretion with the state legislature which may end up with grant of

²⁵ Section 4 of PESA

²⁶ See Section 4 (d) of PESA.

these recommendations to the higher tiers of the Panchayat. Thus for example as the mining activities affects the local populace, it is reasonable to presume that they should have a say in the grant of prospecting licence or mining leases. But many states have vested this power regarding mining leases to the highest level of Panchayats i.e at the district level with role of the village assembly. Further it may be noted that these powers of 'prior recommendations' are restricted to minor minerals only. The grant of major minerals is outside the purview of the PRIs as for them, prior sanction of Central Mining Department of the Central Government is necessary.

Specific Resource management Issues and local governance

In pursuance of PESA the state legislature are required to ensure that the Panchayats at the appropriate level and/or the Gram Sabha are endowed specifically with powers for management of local resources. These powers include among other things:

Control Over Land Resources

Under PESA the Gram Sabha or Panchayat at appropriate level shall be consulted before making acquisition of land in scheduled area for development projects as well as before resettlement or rehabilitation of persons affected by such projects in Scheduled Areas. Note here that the word used is 'consultation' and not 'consent'. However, a single bench of Andhra Pradesh High Court on intervention by a couple of Hyderabad based NGOs has ruled that the word consultation under PESA should mean consent. Although the decision can be over-ruled by a higher court, its legally binding value in the State, and persuasive value outside the State, cannot be denied.

In addition, the PESA requires the Panchayats at the appropriate level and the Gram Sabha to be endowed with the powers to prevent alienation of land in the Scheduled Area and to take appropriate action to restore any alienated land of Scheduled Tribe. The state laws are still ambiguous and thus the rules made to operationalise PESA in the States should, ideally, make very clear, the powers with the Panchayats in this regard.

Ownership of Minor Forest Produce

The PESA endows special powers and authority to the Panchayat at appropriate level and the Gram Sabha in order that both function as institutions of self government. It has been mandated that State Legislature shall ensure these powers to the Panchayat at appropriate level as well as the Gram Sabha. These include among other things, ownership of minor forest produce. A careful review of legislations on tribal self rule in various states has shown that there is a tendency to limit the local area of the Gram Sabha for the purposes of owning Minor Forest

Produces. For example in Gujarat, Minor Forest Produce found in the area of National Parks and Sanctuaries in the State has been excluded. This has direct implications for the extent of empowerment of the Gram Sabha vis-avis its right relating to forest and forest produces. Besides, while the Gram Sabha is vested with the ownership of Minor Forest Produce it has to be conscious of the elaborate state regulatory frameworks relating to Non Timber Forest Produce (NTFP) including medicinal plants. Similar provisions exist for control and management of minor water bodies where the power has been vested to Panchayat at appropriate level without defining what constitutes a minor water body or at which tier the power vests its control. The state amendments also do not throw any light in this regard.

Concluding Remarks

From the above it is clear that a mere statutory shift to create institutions of self-government may be necessary but not sufficient conditions for it to operate on the ground. Clarity of roles with a clear logical step-wise operational directives, clear delineation of power, authority, responsibility and jurisdictions are essential prerequisites for local self-governments to work efficiently. The knowledge of legal provisions and the language of law in a simplified manner should reach those who are directly impacted by legislations on local governance. It is evident from many parts of India that the line functionaries are still reluctant to give powers to the Panchayats. The power tussle continues and more so in natural resources management. In a way this is expected and India stands at a transition phase where real village democracy-, which ensures equitable access, use and conservation of natural resources, is yet to emerge.



Annexes

List of Participants

Country	Name participant	Oranisation / Project	E-mail address
Bangladesh	1. Alain Cuvelier	Intercooperation (IC) Delegate, Bangladesh	icalain@citech-bd.com
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Vietnam	33. Dao Minh Chau	SDC, Coordination Office for the Mekong Region in Hanoi	minh.chau@sdc.net

Workshop Programme

Program IC Regional Workshop in South Asia

November 28th to December 1st 2005, Bogra, Bangladesh

"Local Governance and Decentralisation Strategies for local development to improve the livelihood of the poor"

Moderation: Rohini Reddy and Hilmar Stetter/Pascal Arnold			
Monday, November 28th Setting the frame, definitions and conceptual inputs			
		Speaker/s	Topics of presentations
9.00	Opening and introduction	Felix von Sury IC Director Moderator Hilmar Stetter	Opening (VS) Introduction of participants, Workshop objectives and expectations, gender observers, organisation information
09.45 - 10.30	Local governance and decentralisation Presentation, questions and clarifications	Pascal Arnold IC Bern	Support to local governance and decentralisation a new development approach or just a new vogue?
10.30	Break		
11.00 - 11.45	Local governance, gender sensitiveness and poverty alleviation Presentation, questions and clarifications	Mahbulul I. Khan CARE Bangladesh	Conceptual linkages between decentralisation and local governance processes and poverty alleviation; Gender in local governance and decentralization processes
11.45 - 12.30	Local governance and decentralisation: a key to development in South Asia? Presentation, questions and clarifications	Prof. Monirul I. Khan Dhaka University	Main issues in regard to decentralisation and local governance in South Asia; the relationship between decentralisation, local governance and development in South Asia
12.30	Plenary discussion	Moderator	Plenary discussion, identify key questions/issues for the working groups discussions
1 pm	Lunch Break		
2 pm	Local governance and livelihood framework Presentation, questions and clarifications	Alain Cuvelier IC delegate Bangladesh	Conceptual linkages and possible common underlying principles

2.45 pm	Local governance and natural resource management Presentation, questions and clarifications	Sanjay Upadhyay Enviro-legal expert India	Strategic links between sustainable NRM and local governance; how can decentralisation and local governance processes support sustainable NRM?
3.30 pm	Break		
4 pm	Plenary discussion	Moderator	Plenary discussion, identify key questions/issues for the working groups discussions
4.30	Introduction of working groups	Pascal Arnold	Allocation of participants to groups
4.45 - 6 pm	Market stalls	Projects/ Programmes	Presentation of all projects and programmes in open market stalls
Tuesday, November 29th: Working groups, programme approaches and experiences			
		Speaker	Topics of presentations
8.30	Wrap up of day 1, gender observers presentations	Reporters Gender observers	
9.00 - 12.30 (incl. break)	Working group 1: Participative planning as key element for local development	1. ISPWDK-Karnataka 2. SSMP Nepal 3. DASCOH Bangladesh Moderator: Hosneara Khondker Resource person: Durafshan Chowdhury	3 programme/project inputs, discussions in the working group
9.00 - 12.30 (incl. break)	Working group 2: Empowerment of poor and marginalized in LG processes	1. LEAF Bangladesh 2. NRMPO Orissa 3. NSCFP Nepal Moderator: Bharat Pokharel Resource person: Hilmar Stetter	3 programme/project inputs, discussions in the working group, prepare feedback to plenary
12.30	Lunch break		
1.30 am 5 pm (incl. break)	Working group 3: Local Governance and Natural Resource Management	1. CBRM/PLI Pakistan 2. KIRFOR Kyrgyzstan 3. Helvetas/SDC Buthan Moderator: Alain Cuvellier Resource person: Sanjay Upadhyay	3 programme/project inputs, discussions in the working group
1.30 am 5 pm (incl. break)	Working group 4: From project level to national policy dialogue contributions	1. Sikkim ISPS 2. COOF Mekong/ UNDP LAOS 3. SDC/IUCN Nepal Moderator: Pascal Arnold Resource person: Monirul I. Khan	2 programme/project inputs, discussions in the working group
5 pm	Introduction of field visits	Pascal/Hosneara, Durafshan Chowdhury, Azmul Huda	Key questions to observers, allocation of participants to groups

5.30 pm	Closing of official program		
7.30 pm	Social event - dinner		
Wednesday, November 30th: field visits			
			Topics of presentations
8.30	Gender observers presentations	Gender observers	
8.45 - 9.30	Short presentations of LEAF and UNDP project Sirajgonj	Ms.Durafshan Chowdhury , UNDP Azmul Huda , LEAF	LEAF: participative planning, empowerment of the poor UNDP Sirajgonj project: local governance support programme
10.00	Departure to field visits	UNDP project LEAF project	4 groups
4 pm	Back to Bogra Finalize working group presentations		
Thursday, December 1st			
		Speaker	Topics of presentations
8.30	Gender observers presentations	Gender observers	
8.45	Feedbacks of field visits	4 short presentations	
9.30	Presentations Working group 1 & 2	Presenters WG 1&2	Based on questions/issues list
10.00	Coffee break		
10.30	Presentations Working group 3 & 4	Presenters WG 3&4	Based on question/issues list
11.00	Plenary discussion	Moderator	Main lessons learnt and key messages to transfer into projects
11.45	Knowledge Management, next steps	Hilmar Stetter/ Pascal Arnold	Identify knowledge management and exchange mechanisms and possible next steps
12.15	Workshop evaluation	Moderator	
12.45	Wrap up and closing of the workshop	Workshop core team	
1.15 pm	Lunch		
2.30 pm	Departure to Dhaka		

Place of the Workshop:

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Workshop Core team

Rohini Reddy
 Alain Cuvelier/Hosneara Khondker,
 Pascal Arnold, Hilmar Stetter

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DSC DIREZIONE DELLO SVILUPPO E DELLA COOPERAZIONE
SDC SWISS AGENCY FOR DEVELOPMENT AND COOPERATION
COSUDE AGENCIA SUÍZA PARA EL DESARROLLO Y LA COOPERACIÓN



inter
cooperation

Natural Resource Management
Rural Economy
Local Governance and Civil Society