Chapter II

Democratic Decentralisation and Natural Resources Management: An Overview of Literature

Twenty first century has been seen as the era of democracy. Starting from the post World War II period several countries which gained independence embraced democracy and the experiments with it have continued ever since. During the 1980’s, many influential people in African, Asian and Latin American governments, in international development agencies, and in academic domain became enthusiastic about decentralisation in less developed countries. It was in some ways surprising that decentralisation should arouse such interest, since an earlier wave of experiments with it in Africa and Asia had largely floundered a generation earlier. Beginning in the 1950s in South Asia and in the 1960s in Africa, various attempts had been made to ‘bring government closer to the people’ and to tap the creativity and resources of local communities by giving them the chance to participate in development. (Crook and Manor, 1998:1) Perhaps because of the collapse of Communism, the potential contributions of decentralisation to the enhancement of participation, good governance and democratisation have received most emphasis, pushing the more long-standing concern with its role in economic development into second place.

2.1. Decentralisation:

The essence of decentralisation is democratisation of power. Democratisation means participation of the people in decision making process of newly created organisations, institutions and agencies. Thus, it can be said that dispersal of
control over power is the main concern of decentralisation. ‘Decentralisation’ has been engaged with by different scholars (Maddick, 1963; Rondinelli, 1981; Conyers, 1981; Parker, 1995; Manor, 1999). It can be understood as a political process whereby administrative authority, public resources and responsibilities are transferred from Central Government agencies to lower-level of organs of Government or to non-Governmental bodies, such as community based organisations (CBO), third party non-Governmental organizations (NGOs), or private sector actors (Crook and Manor, 1998).

In specific terms, decentralisation may focus on different aspects. Thus it implies primarily, the following three trajectories:

- Deconcentration or administrative decentralisation
- Delegation or Fiscal Decentralisation
- Devolution or Democratic Decentralisation

Deconcentration refers to the dispersal of agents of higher levels of government into lower level arenas. Parker (1995) describes it as “administrative decentralisation”. This would mean representatives of government from higher level move into lower levels. But in this, the central government is not giving up any authority. It is simply relocating its officers at local level. And in practice this may lead to more centralization rather than decentralisation. Manor (1999) argues that while deconcentration produces, in effect, the opposite of decentralisation it can sometimes give people at lower levels some voice in the decisions made within state institutions, and in those cases it can produce a degree of genuine decentralisation.
Delegation is the transfer of certain responsibilities to lower level authorities. This is also equated with fiscal decentralisation, where decisions on budget are given to lower levels. Again, the authorities are accountable to superior bodies at higher levels. According to Manor (1999) fiscal decentralisation unattended by any steps towards democratisation rarely increases the influence of organized interests at lower levels. However, when such fiscal transfers are linked to mechanisms which give people at lower levels some voice, no one would describe it as anything other than decentralisation.

Devolution is the transfer of resources and power to lower level authorities which are largely or wholly independent of higher levels of government and which are democratic. This form of decentralisation is called Democratic Decentralisation which cannot be complete without active participation from the local communities. This changed and changing situation could be explained by the fact that in most cases the decentralisation experiments have been introduced by the government at the top and not as a result of the demand from below, i.e., local communities. ‘Sustainable development of capacity at the local level is possible only when there is effective demand by local administrations and communities’ (World Bank Report 1995:viii cited in Manor 1999:7). Manor (1999) contends that Devolution or Democratic Decentralisation is likely to fail if the lower level authorities lack powers and resources – meaning both financial resources and the administrative resources to implement development projects. Shah (1997) opines that, unless some form of democratisation took place along the lines of administrative/fiscal decentralisation it would be difficult for such a demand for
decentralisation to come from the lower levels. Manor (1999) has shown that decentralisation can improve government effectiveness and accountability when elected bodies at local levels have adequate funds, and subsequently they enjoy substantive autonomy from higher-level bodies, and lines of accountability exist between elected representatives and citizens, and between non-elected bureaucrats and elected representatives.

Decentralisation is a double-edged sword. It is seen as essential for sustainable development, on the one hand, and a source of reinforcing existing inequalities, on the other. Johnson (2001) states that studies of decentralisation have shown that devolution can enhance rural livelihoods in a number of ways. Collaboration between public agencies and local resource users can produce synergistic outcomes in which communities and bureaucracy co-operate to provide outcomes that would be unobtainable were they acting alone. Classic examples of this would include JFM (IFAD, 2001) and participatory watershed management (Farrington et al., 2000). There is also the problem of local elite capture. As numerous studies (eg. Blair, 2000; Crook and Manor, 1998; Crook and Sverrisson, 2001; Dreze and Sen, 1996; Manor, 1999) have pointed out, one of the dangers of decentralisation is that it may simply empower local elites and, worse, perpetuate existing poverty and inequality.

Looking first at the local-level factor (the configuration of local societies), it has long been argued that decentralisation, particularly devolution of decision-making power to elected representative councils, even at the lowest level (village scale) tends to empower local elites insofar as they are best placed (and most likely) to
capture such institutions. For Smith (1985: 193), this implies that decentralisation is an inherently conservative strategy, on the assumption that local elites would be predominantly hostile to reform and to the empowerment of locally subordinate groups, precisely because of the proximity and intensity of their relationships and the dependency of the mass of the poor. Leonard and Marshall (1982), however, suggest a more differentiated model, based on an analysis of the extent to which there is an antagonistic relationship between local power holders and dominated groups. The strategies of decentralisation would differ in consonance with the type of local class relationships, with external support more required where relations are antagonistic or where there are strong ‘vertical’ (ethnic/religious) divides. Therefore, a study of decentralisation should incorporate a comparative analysis which takes into account variation of local relations of dominance.

Crook and Sverrisson (1999:1-3) mentioned that the main contribution of Leonard and Marshall was, therefore, to problematise two essential questions about the likely impact of devolved decentralisation:

- whether elite capture of democratised local governments is inevitable, and
- how the complexities of local class structures and power relations will affect who captures the new structures and with what effect.

2.2. Natural Resources Management

Land, Water, and Forests are the most prominent natural resources in the world today. Particularly industrialisation and the resultant pressure on natural resources have led to a debate on sustainable practices of managing natural resources. Over
the years, modern state has taken over management of the natural resources from local communities and managed it while denying any ownership rights to the people, which assume greater significance in the case of forests. This particular phenomenon continued even after gaining independence as the state continued its control over natural resources. With the realisation of the importance of stakeholders’ participation in Natural Resources Management (NRM) there is a paradigm shift since the 1980s when management of the Natural Resources (NR) was being turned over to the local communities the world over.

The limited effectiveness of the state in managing natural resources, especially at the local level was another important reason for the state in going for transfer of powers to the stakeholders. The state may formulate rules governing the use of resources, but if it cannot percolate them to the bottom, the rules tend to lose meaning. Colonial regime and subsequently the post-colonial state have increasingly undermined the involvement of local institutions in managing these resources. But it is common knowledge that, local users will have an advantage over government agents for several reasons. First, local users have intimate knowledge of the resource. This is especially important where the resource is highly variable over space and time. By living and working in the area, users may also have a comparative advantage over government agents in monitoring resource use and rule compliance. Furthermore, because their livelihoods depend on the resource, local users are often assumed to have the greatest incentives to maintain the resource base over time. With growing pressures to use resources more efficiently, equitably, and sustainably, the optimism that communities or user groups may be able to manage the resources more effectively than
government agencies has formed the basis for many programmes that attempt to create or recreate local common property management regimes (Meinzen-Dick and Knox: 43).

Interest in devolution of decision-making power to user groups has coincided with greater emphasis on public participation and democratization, which seek the involvement of citizens affected by programs, for social goals of empowering local people as well as goals of improving program performance. Devolution policies are consistent with these trends because they transfer decision-making from government "outsiders" to users who are directly affected.

Local collective action can be instrumental in finding rules and allocation of the resources between different users in a way that is seen as equitable by the users themselves. There are therefore equity as well as productivity arguments for collective action in NRM. A critical question, then, for devolution programs, is: under what conditions will collective action emerge and be strong enough to manage natural resources? While there are no universal, definitive answers, a number of factors can be identified as increasing the likelihood of collective resource management. These include characteristics of the resource or the group of users, such as:

- returns to the resource and importance of the resource for local people's livelihoods
- users have a long time horizon and relatively low discount rate for future benefits;
- size of the management units is large enough that they cannot be captured
by individuals, but not so large that they cannot be monitored by the group;

- a history of cooperation and networks among group members (often referred to as "social capital");

- local social structure in which divisions are not too serious or disruptive of cooperation (Vermillion 1996; Baland and Platteau 1998);

- local leadership with the confidence of the members, and that takes an interest in natural resources. (Meinzen-Dick and Knox, 2002: 46)

2.3. Participation:

From local ‘co-governance’ and ‘co-management’ institutions promoted by supranational agencies and institutionalized by national governments (Ackerman 2004, Manor 2004), to the explosion in the use of participatory and deliberative mechanisms, from Citizens Juries to Participatory Poverty Assessments (Fischer 2000, Chambers 2000), the last decade has been one in which the ‘voices’ of the public, and especially of ‘the poor’, have increasingly been sought. A confluence of development and democratization agendas has brought citizen engagement in governance to centre stage. Decentralisation policies promoted in the 1990s claimed to bring government closer to ‘the people’ (Blair 2000; UNDP 2003). Governance and sector reforms, instigated and promoted by lending agencies and bilateral donors, created a profusion of sites in which citizens came to be enlisted in enhancing accountability and state responsiveness (Crook and Sverisson 2003; Manor 2004; Goetz and Jenkins 2004).
Over the past three decades participation has become one of the most important concepts in contemporary development theory and practice, often directly linked to claims of ‘empowerment’ and ‘transformation’. Of late, there is a counter argument about the use of the concept as it is being felt that participatory approaches have often failed to achieve meaningful social change, largely due to a failure to engage with issues of power and politics. (Hickey and Mohan, 2005: 237). An important criticism of participation had been that many of the participatory approaches had been the policies imposed from above with the stakeholders having no real control over the programmes that they are being part of. Rahnema (1997) argues that participants are forced to do something which is actually being direct by outside intervention. He states that participation is reduced to the act of taking part in the objectives of the economy and the societal arrangements related to it. That’s why he calls participation a politically attractive slogan and a good fund raising device. Though there were arguments against the imposition of participation in the development debates (see Cooke and Kothari 2001) it continued to have its admirers. They argued that participatory approaches failed to achieve the desired goal of social change in a meaningful manner as proper attention was not paid to the issues of power and politics.

As more and more emphasis began to be laid on the aspect of governance in the 1990s attention was shifted to participation and the other important factor – inclusion. While talking about democracy and development. But the process of
inclusion was viewed as a tool to exercise control and it does not always benefit the marginalized. (See Cohen, 1985; Isin and Wood, 1999; Kothari, 2001).\footnote{Kothari claims the very act of inclusion symbolizes an exercise of power and control over individual. Isin and Wood suggest that the process of inclusion does not always benefit the marginalized. Cohen argues inclusionary programmes may result in forms of control that are more difficult to challenge as they reduce spaces of conflict and thereby disempower them to question structural constraint.}

Democratic Decentralisation in developing countries has come under increasing criticism (Crook and Sverrisson, 2001) due to the failure of decentralisation to overcome socio-economic disparities within local authority regions and the likelihood of elite capture; the tendency for the forms of participation introduced by decentralisation to be subsumed either within more informal modes of patronage in ways that nullify its transformative potential (Francis and James, 2003), or to be negated by over-riding socio-cultural norms, as with the quota representation for minority groups (Kapoor, 2000; Tripp, 2000).

Cornwall and Coelho (2006) argue that, simply putting structures of participation in place is not enough to create viable political institutions. Much comes to depend on the motivations of those who enter them, and what ‘participation’ means to them. Institutionalists have argued that the key to enhancing participation is to be found in better institutional designs - in rules and decision making processes that encourage actors to participate (Fung 2003). Social movement theorists have argued that the key lies in social mobilization that pushes for fairer distribution of available resources (Tarrow1994; Alvarez, Dagnino and Escobar 1998). Arguing about the motives for participation Cornwall and Coelho point out that expanding democratic engagement calls for more than invitations to participate (ibid.). For people to be able to exercise their political
agency, they need first to recognize themselves as citizens rather than see themselves as beneficiaries or clients.

2.3.1. Spaces:
Reforms in governance have generated a profusion of new spaces for citizen engagement as constitutional and governance reforms have given rise to entirely new structures. These hybrid ‘new democratic spaces’ (Cornwall and Coelho 2004) are intermediate, situated as they are at the interface between the state and society; they are also, in many respects, conduits for negotiation, information and exchange. They may be provided for by the state, backed in some settings by legal or constitutional guarantees and regarded by state actors as their space into which citizens and their representatives are invited. Yet they may also be seen as spaces conquered by civil society demands for inclusion. Some are fleeting, one-off consultative events; others are regularized institutions with a more durable presence on the governance landscape.

Gaventa (2004) suggests different entry points for understanding power in new political spaces. These involve how spaces are created, the levels of engagement and the degree of visibility of power within them. There are ‘invited spaces’ into which people are invited to participate by various kinds of authorities. Another set is the ‘claimed spaces’ which are claimed by struggles for legitimacy and resistance, co-option and transformation. Elaborating further, Cornwall argued that “…efforts to engage participation can be thought of as creating spaces where there was previously none, about enlarging spaces where previously there were
very limited opportunities for public involvement, and about allowing people to occupy spaces that were previously denied to them” (2004:77)

Cornwall (2004) makes a more specific analysis of dynamics of power within ‘invited spaces’ concerning the challenge of inclusive participation. She distinguishes between ‘popular spaces’ and ‘invited spaces’. In popular spaces a homogeneous set of people join together in collective action, the latter brings together a heterogeneous set of actors. Heterogeneity is in terms of significant differences in status. Cornwall argues that invited spaces are never natural. Embedded with existing relations of power, interaction within citizens who are ‘invited’ may reproduce rather than challenge existing hierarchies and inequalities.

However both Gaventa and Cornwall are wary of the success of the participatory governance. While Gaventa talks of the impact of power relations. Cornwall points out the importance of contextual arrangements and their impact on participation. So we are back to the central emphasis of our thesis – the importance of contextual factors especially the socio-political conditions. Without bringing about a change in these conditions it is difficult to envision the success of participatory programmes as the existing elite will always use the conditions of power to their advantage in reinforcing their authority. Much depends on who enters these spaces, on whose terms and with what ‘epistemic authority’ (Chandoke 2003 cited in Cornwall and Coelho 2006:4)
Unless participatory processes take into account the relative bargaining power of so-called stakeholders they are in danger of merely providing opportunities for the more powerful (Hildyard et.al. 2001). As argued by Uma Kothari (2001) the ritual practices of PRA actually serve to subvert it, by producing front stage performances that conceal both the ‘real’ reality of the back stage and come to be taken for that reality.

But unlike Uma Kohtari (2001) Cornwall is optimistic about the strategic reversibility of power relations. Referring to Scott’s (1985) ‘Weapons of the Weak’ she argues that everyday forms of resistance which are voiced in ‘hidden transcripts’, i.e., back stage commentaries through which speakers define countervailing realities in their own terms may bring transformation.

2.4 Collective Action - Social Capital - Political Capital:

The Oxford Dictionary of Sociology defines collective action as “action taken by a group (either directly or on its behalf through an organization) in pursuit of members’ perceived shared interests” (Marshall 1998). It implies collective participation of people in the decision-making processes that have a bearing on their perceived shared interests.

The past decade and a half has been dominated by efforts to promote a more participatory approach to various development programmes. However, it was in the 1950s, and particularly in the 1960s, that these initiatives, via the actions of processes of community development, sought to involve local people in efforts to
improve their communities. Community development at this time also sought to build community-based organisations (CBOs) to serve as vehicles through which local people could get actively involved.

Of late, efforts are being made to involve stakeholders in the management process by ‘giving them’ (another example of top down approach) responsibility of managing the resources, particularly those that fall under the common property resources – water, forests, grazing lands. People’s participation certainly is the mainstay of Common Property Management. Once it is received as a Common property, people have to construct mechanisms to maintain it and a good understanding is essential for doing this. This may be termed as ‘cooperation’ for common property management. But there is no reason to believe that occurrence of cooperative management is without troubles. Every individual user may expect other to undertake the work of maintenance. Each individual may try to exploit more than the other, leading to a situation of crisis.

2.4.1. Social Capital

Theories of collective action propounded by Hardin, Olson, Ostrom have expressed their doubts on the ability of people to manage the common property resources like land, water and forests. They argue that people on their own cannot manage a common resource and the control of an external agency should be there for its proper maintenance without which it would lead to a tragedy. But studies of Sengupta (1991) and Wade (1989) demonstrated the fallacy of these theories. Ostrom (1990) has indicated that it is the situation specific factors that play a major role in this kind of situations. The common argument of all these theories is that rational individuals when left with the responsibility of management of
Common Property will not be able to do so in the proper way resulting in the tragedy of commons (Srinivas, 2000:8-9).

Theories of collective action are considered to be the precursors for the development of the idea of social capital in the 90’s. ‘Mancur Olson, Jr. was widely considered as one of the main architects of the conceptual framework that gave rise to the concept of social capital. In “The Logic of Collective Action”, he helped identify the mechanisms of social interaction by individuals or groups which affect the provision of public goods’ (Grootaert, 1998:ii). The main driving force was to understand why countries with similar endowments of natural, physical, and human capital have achieved very different levels of economic performance. So have regions or cities within countries, and even communities within regions or cities. The answer lies in the amount of social capital that they have or developed. Although there are distinct traces of the concept in earlier writings, the analysis of social capital at the micro level is usually associated with Robert Putnam (1993)⁹. After Putnam’s seminal work on the civic institutions in Italy and his coining of the term ‘social capital’ to describe why certain communities develop much more than others, it became an immediate ‘mantra’ for development. Grootaert (1997) has described it as the ‘missing link’ in the development paradigm.

A reciprocal relationship exists between social capital and democracy. An increase in the membership of individuals in a number of organizations,

---

⁹ The word social capital was used with a different meaning by Alfred Marshall in 1890. Woolcock (1998) identifies Lydia Judson Hanifan (1920) and Jane Jacobs (1961) as the first proponents of the modern concept of social capital.
associations, clubs and groups increases the level of participation and engagement of individuals with their communities in collective action. The concept of social capital received increasing attention in the dominant or mainstream development discourse during the last decade. The World Bank and other development funding bodies contributed substantially to popularisation of this concept.\textsuperscript{10} Social capital has also been projected as a useful concept for the study of common property and community-based natural resource management (See Ostrom 1994, Grootaert 1998, Baumann 2000).

2.4.2. Defining Social Capital:
Putnam introduced the concept of social capital in the final chapter of his ‘Making Democracy Work’ (1993). After discussing the dilemmas of collective action in their different versions, he pointed out that the features of social organisations, such as trust, norms, and networks, could considerably improve a society’s efficiency in overcoming dilemmas of collective action. He used the term ‘social capital’ to refer to these features. Putnam argued that networks of civic engagement, which represented horizontal networks, essentially promoted trust, reciprocity and co-operation within society. In contrast, vertical networks such as patron-client relationships cannot sustain social trust and co-operation and tend to undermine solidarity among clients. (Putnam 1993). Social capital refers to trust, networks and norms shared by a group of actors that enable them to act together more effectively to pursue shared objectives. It is a resource a capital that consists of relations you have with other people. Social Capital is a product of collective thinking and activities. Collective thinking and activities depend on socialization.

\textsuperscript{10} See the social capital homepage at www.worldbank.org/poverty/scapital/index.htm
and internalization of values and norms for compliance with common community
goals, collective participation and action of the members of the community

“Some academicians have questioned the use of the word ‘capital’ to capture the
essence of social interactions and attitudes. Indeed, social capital exhibits a
number of characteristics that distinguish it from other forms of capital. First
unlike physical capital, but like human capital, social capital can accumulate as a
result of its use. Put differently, social capital is both an input into and an output
interprets social capital as the network between sets of agents located in different
conventional sectors, which is critical to the success of such development
interventions. Innovative interactions between these agents help solve problems of
the community and motivate appropriate use of resources. The very forces and
variables that bring a sense of collectivity and integration can become reasons for
conflict when there is lack of integration with more formal institutions.
By just aggregating trust and associations, it is not possible to analyse the relation
between social capital and collective action. It is not just the number of
associations but their quality that help coordinate effort in society. It is the quality
of social ties that determine the type of associational life and also influence
popular mobilization for collective action (Hans Blomkvist & Ashok Swain,
2001).

The concept of social capital has been used to understand collective functioning
based upon trust within a society. Development has come to be perceived more
recently as a product of partnership between the state and civil society with increasing emphasis on people’s participation at the grass roots. D’Silva & Pai’s (2003) study of three villages in Adilabad district of Andhra Pradesh identifies the conditions under which social capital can be formed and sustained at the village level to enable collective action. The significance of social capital in the process of development can be seen from the many projects that have failed- not because of lack of funds or technical insufficiency, but because local people did not have a sense of ownership and participation.

The study of Behroonguda and Powerguda by Emmanuel D’Silva and Sudha Pai shows that the development projects were successful primarily because of the social capital: “the absence of ‘natural hierarchies’ combined with little or no differences in land ownership, education, income or life style, has helped in collective action based on trust between the villagers which underlies the successful execution of the JFM and WD programmes.” Another village Krishtapur mentioned in the same study was not able to reap the benefits of development projects due to the prevalence of factionalism within the village community. Hence the social structure of the Krishtapur village was not conducive for formation of social capital or collective action as in Behroonguda and Powerguda (Ibid:1409).

Fukuyama (2001) has emphasized on the importance of education as a means for building social capital in a society as it provides socialization and creates common values and ideas and is said to effect the formation of social capital. But the findings from the study of Behroonguda and Powerguda D’Silva and Pai (2003)
state that traditional and cultural norms rather than education remain the main source of social capital. Education has not generated social change within these villages where as in another village Kistapur, higher rate of literacy has contributed to greater differentiation of income, lifestyle and values among individuals and between different generations in the village. A strong leadership, trust in the leadership by other members of the village/community and support of the people within the community as well as outside the community of influential persons along with a favourable social environment helps in building social capital and ensuring collective action.

Coleman (1988:98) says that, “like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible”. He also cautions that, “A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others” (Ibid). The importance of existing factors and a suitable situation is very important for building up of social capital. “All social relations and social structures facilitate some forms of social capital and actors establish relations purposefully and continue them when they continue to provide benefits. Certain kinds of social structure, however, are especially important in facilitating some forms of social capital.” (Ibid: 105)

Where do these criticisms of the idea of social capital…leave us? Short of dismissing the term altogether, one possible resolution of these concerns may be that there are different types, levels, or dimensions of social capital, different performance outcomes associated with different combinations of these
dimensions, and different sets of conditions that support or weaken favourable combinations. Unravelling and resolving these issues requires a more dynamic than static understanding of social capital; it invites a more detailed examination of the intellectual history of social capital, and the search for lessons from empirical research that embrace a range of many such dimensions, levels, or conditions. (Woolcock as quoted in Fine, 1999)

In recent literature on social capital, these varied relationships between trust and particular types of social and political outcomes have been differentiated in terms of the categories of bonding, bridging and linking social capital. Bonding social capital is that which binds members of communities strongly to each other, and therefore makes it more difficult for them to transcend their group or community identity to unite for common purposes with members of other communities and groups. Bridging social capital is that which enables individuals to forge links with others in society regardless of ascriptive affiliations. And Linking social capital describes the ties between poor people, on the one hand, and a variety of influential people in government agencies, banks and schools on the other (Hariss 2001:87).

It is interesting to note that the World Bank and other donor agencies view that social capital is the missing link in development and it is evident in the agenda for Decentralised Natural Resources Management, since many projects take the construction of social capital through associational activity as their main focus. However, it should also be considered whether all such associations promote democratic participation and equity, especially in a deeply hierarchical society
such as India’ (Putzel, 1997; Rudolph, 2000). A growing body of scholarship has shown that social capital has a ‘dark side’ and that associations can be exclusive and used to further narrow interests. Social capital also has an important “downside” (Portes and Landholt 1996); communities, groups or networks which are isolated, parochial or working at cross purposes to society’s collective interests (e.g. drugs cartels, corruption rackets) can actually hinder economic and social development.

Bourdieu’s approach represents a more critical view of society. Bourdieu defines social capital as the totality of all actual and potential resources associated with the possession of a lasting network of more or less institutionalised relations of knowing or respecting each other. His concept of social capital encompasses the resources derived from one’s belonging to a group which could be nobility, party, clan, club, family and so forth. He used the concept to explain why persons holding similar economic and cultural capital differ in their achievements. Consequently, Bourdieu’s concept of social capital has been used widely in the study of social inequality and hierarchical social structures. Social capital as a means to exclude others from access to resources has been a major focus of those influenced by Bourdieu. (Birner & Wittmer 2000: 2-3).

Krishna presents three contending positions with respect to the role of social capital in explaining economic development, community peace, and democratic participation. ‘These are, first, the social capital thesis (claiming substantial cause on behalf of social capital); the structuralist or institutionalist position (asserting causal priority for structures, and claiming social capital to be a
residual effect of structures); and the intermediate position, implying contingent causal value’ (2003:15).

The first, the social capital thesis, is associated with Robert Putnam’s formulation in his Italian study. It implies that ‘Social capital is …both necessary and sufficient for explaining social outcomes’ (Krishna, 2003: 16). The second, the structuralist, position assigns no causal value to social capital and treats it as an effect or residue. For example, Sidney Tarrow states that ‘civic capacity [is] a byproduct of politics, state building, and social structure’ (Tarrow, 1996:396). It is interesting to note here that Krishna does not mention Bourdieu in this context and, in fact, throughout the book. Summing up the first two positions, Krishna notes that ‘While the first view considers social capital as exogenous, an independent and explanatory variable for the analysis, the competing view casts it as endogenous and dependent’ (2003:20).

Anirudh Krishna rejects both these positions, citing lack of empirical support from his study of 1898 respondents in 69 villages in the Indian states of Rajasthan and Madhya Pradesh. The third position, to which Krishna belongs, assigns only partial causal value to social capital. ‘Social capital matters contextually and in part….’ (2003:27). Treating villages as the basic unit of analysis, Krishna sums up conclusions from his study thus:

Villages high in social capital do not always perform well with respect to economic development, community peace, or democratic participation; and villages that have relatively lower levels of social capital often perform better.In addition to high levels of social capital, the analysis shows, there also needs to be an appropriate mediating agency, which activates the stock of social capital and makes it more productive. High levels of social capital do not automatically translate into better outcomes within any of the three domains – unless there are agents present in the village who are capable and effective (2003:8-9).
Now, who are these agents ‘who are capable and effective’? According to Krishna, ‘Agents who have regular contact with state officials and market operators and who are familiar with their procedures and practices can help villagers organise themselves in ways that are more likely to succeed’ (2003:9; emphasis added). Thus improvement in economic development and democratic participation is reduced merely to the matter of better understanding of bureaucratic procedures and practices. The new activators of latent social capital in rural India are the better educated, better informed, unemployed young leaders. And, according to Krishna, social structure, caste hierarchy, land ownership, power and control are of no consequence for the emergence of these new leaders. Yet another ‘missing link’ is simply education, and awareness that comes from exposure to mass media. ‘This new set of younger leaders is neither usually high-caste nor from the richest households of the village. But they are the agents whose services villagers find useful for wresting state funding for development projects and for petitioning state agents on behalf of villagers’ needs’ (2003:29). This is where the distinction between narrowly defined instrumental political capital of new emergent elite from the middle and peasant castes and structural political capital which registers power and control is critical.

2.4.3. Political Capital

Putnam’s approach has been readily accepted in the dominant development discourse. However, more in line with Bourdieu’s view, some critics like Pari Baumann (2000) have felt the need to have an additional concept of ‘political capital’ as a simple use of the concept of ‘social capital’ brushes aside the issues of power, control and structural contradictions. In a strongly argued paper, Baumann (2000:6) states that political capital ‘is one of the key capital assets on
which people draw to build their livelihoods’. To a large extent, political capital is proposed as a means of overcoming some of the problems of using ‘social capital’ as a catch-all concept for explaining the importance of non-material factors in poverty.

Booth and Richard (1998) have used the concept of ‘political capital’ to define associational activism which influences political regimes. They used four measures of political capital: democratic norms, voting, campaign activism and contacting public officials. They conclude that political capital rather than social capital links formal group activism to democracy in Central America. One of the most extensive elaborations of political capital, as an operational concept, comes from Regina Birner and Heidi Wittmer (2000:6), who propose a distinction between ‘instrumental’ and ‘structural’ political capital.

Birner and Wittmer foregrounded the distinction between instrumental resources and infra-resources, in political resource theory, as the distinction between private perspective and the public perspective and used it as the basis for their definitions of instrumental and structural political capital. They argued that, ‘in the private perspective, political capital consists of the resources which an actor, i.e. an individual or a group, can dispose of and use to influence policy formation processes and realise outcomes which are in the actor’s perceived interest. This definition of political capital corresponds to the instrumental resources in political resource theory’ (2000:6). They, therefore, proposed the term ‘instrumental political capital’ to denote the perspective of the private frontier.
In the public perspective, political capital refers to the structural variables of the political system and corresponds to the concept of infra-resources in political resource theory.

Structural political capital "refers to the structural variables of the political system which influence the possibilities of diverse actors to accumulate instrumental political capital and condition the effectiveness of different types of political capital". This includes not only democratic political institutions, political openness, devolution, and civil rights, but also 'perverse political capital' such as institutions of repression (which can catalyse activism and demand-making). (Birner and Wittmer 2000:6).

The distinction between instrumental and structural political capital is extremely important to understand how the ‘political’ is brought in to not see the ‘perverse’ political capital (which is an aspect of structural political capital) but present it as something contributing to deepening of democracy. We find that criticisms of the concept of social capital, especially in terms of the invisibility of the relations of power and control, has led to attempts to incorporate the political, in a sanitised form, in a modified account of social capital. This can be seen in Anirudh Krishna’s ‘Active Social Capital’ (2003). Here we will briefly examine his formulation of the role of social capital and the necessity of its ‘activation’ by agents called ‘political entrepreneurs’ in explaining economic development and democratic participation.

2.4.4. Political fixers: Exercising Instrumental Political Capital:  
The nature of such ‘new leaders’ in India is discussed in two excellent papers (Reddy and Haragopal 1985; Manor 2000). Reddy and Haragopal present the institution of pyraveekar; these are ‘fixers’ who fill a gap between the state and the people wherever effective intermediate institutions do not exist.

The pyraveekar is a middleman possessing professional skills in exerting pressure on the administrative system through what is known as pyravee – that is, the art of approaching officials for favours and making the wheels
of administration move in support of such favours. The word pyraveekar is derived from the Persian word *pyrov*, which means follower or one who pursues, and *kar*, which refers to work. Pyraveekar, therefore, means one who follows up work. This traditional institution in the rural sector has not only survived the vicissitudes of political regimes but has also stepped in to fill the institutional vacuum in the government’s development strategy, which in fact has provided a fertile ground for the pyraveekar to exploit and thrive on (1985: 1149).

These are the new leaders that Anirudh Krishna discusses and views as neutral power holders who are interested in the affairs of the ‘fellow villagers’ and the ‘village community’. But as Reddy and Haragopal explain, ‘the institution of pyraveekar has its own well-established political linkages to both the local power structure in the villages and the outside political framework’ (1985: 1155). This clearly suggests the independent existence of ‘local power structure’, linkages to which the ‘new leaders’ exploit. They charge a ‘commission’ or brokerage for whatever they ‘arrange’ for individual villagers and are motivated ‘more by self-interest than by commitment to the poor’ (Reddy and Haragopal 1985:1161).

The study by Reddy and Haragopal was confined to the state of Andhra Pradesh. James Manor (2000) has taken a step forward and compared the existence or absence of ‘small time political fixers’ in several states of India. He also views them as middlemen ‘who serve as crucial political intermediaries between the locals and powerful figures (bureaucrats and, especially, politicians) at higher levels’ (2000: 817). Unlike Anirudh Krishna who considers increasing levels of education among all the socio-economic categories as sufficient conditions for neutral and altruistic ‘new leaders’ to emerge and activate the latent social capital of villages, Manor shows that the ‘fixers face different circumstances in the various states and these circumstances influence the supply of fixers, their activities, and their contribution to the politics of representation, accommodation,
and coalition building’ (2000:823). Some of the ‘circumstances’ discussed by Manor, in evaluating the role of fixers in different states, are economic development in the state, the nature of political parties, the type of leadership, extent of corruption and criminalisation, and the strength of the institutions of democratic decentralisation. An important exclusion in his list of ‘circumstances’ is the local economic and political structure, including land distribution, caste composition and control of means of violence. But what his analysis points out is that the political fixers or entrepreneurs accumulate what we have called here as instrumental political capital and that they cannot use it at will; they are governed by other structural elements, including the structural political capital of elites at different levels, in a variety of ways.

In this chapter we tried to look at the concept of Democratic Decentralisation and how important it is in promoting participatory governance following which a brief review of decentralised natural resources management was made in which the necessity of introduction of decentralisation in the NRM bodies was looked into.

In the following sections, we looked at the concepts of participation, social capital and political capital which are the central arguments of the thesis. While discussing political capital we also looked at ‘political fixers’ which is an important category of people in the village level and made a critique of Anirudh Krishna’s presentation of this category of people as catalysts in bringing about social change in India’s villages.
The next chapter gives a background to the study as the political developments were discussed which was followed by the institutional structure of the PRI and NRM bodies.