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Samarth Zilla

A Framework for Holistic Governance and Development

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Abbreviations

ARC	Appalachian Regional Commission
CDP	Community Development Program
CSI	Civil Society Institutions
DFID	Department for International Development
DPC	District Planning Committee
DRDA	District Rural Development Agency
DUDA	District Urban Development Agency
EU	European Union
FMI	Financial and Market Institutions
GDP	Gross Domestic Product
GSI	Government/ State Institutions
HADP	Hill Area Development Program
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
LCI	Local Community Institutions
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MoHUA	Ministry of Housing and Urban Affairs
MoPR	Ministry of Panchayati Raj
MRD	Ministry of Rural Development
MAI	Media and Academic Institutions
NABARD	National Bank for Agriculture and Rural Development
NFHS	National Family Health Survey
NGO	Non-Government Organisation
PLI	Political Leaders & Institutions
PRI	Panchayati Raj Institution
SADP	Special Area Development Program
SC	Scheduled Castes
SHG	Self Help Group
SZI	Samarth Zilla Index
ULB	Urban Local Body
UNDP	United Nations Development Program
USAID	United States Agency for International Development

1

Executive Summary

Contemporary issues such as long term rural to urban migration, with it the shifting of rural poverty to urban areas and pressure on their limited resources; the imbalanced economic growth of different states, and intra-state variance; the glaring disparities between urban and rural areas; and exponentially increasing inequalities not limited to income; mismanagement of natural resources; etc.; have warranted a shift in the decades old development strategy that India has undertaken. There have been numerous attempts to rectify regional imbalance in the past, such as the Community Development Program, Hill Area Development Program, or the Special Area Development Program. However, none of them seem to have delivered a long term and sustainable mechanism to ensure equitable and holistic development of the communities.

There have been many approaches throughout the world to address similar challenges with a regional lens to development. Perhaps learning from them and driven by domestic demands, the Constitution of India provides for decentralisation of power and functions to correct the regional imbalances. However, the institutional mechanisms so prescribed seem to be performing much below requirement. Rajiv Gandhi Institute for Contemporary Studies in its endeavour to overcome these challenges initiated a policy research study aimed at creating a framework for addressing regional disparities. The study and the framework is called as Samarth Zilla or 'Capable District'. It is a district which is capable of supporting the basic needs of its population - for food, clothing, shelter, livelihoods, health, and education in a sustainable manner. Due to various apposite reasons, the Samarth Zilla

framework is developed keeping a district as a unit of research, analysis, and development in India.

The Samarth Zilla study, largely qualitative, borrows a five capital (natural, human, social, physical and financial) approach from Sustainable Livelihoods Framework. It studies three types of constraints over these five capitals, viz. political economy or prevalent pattern of control over resources; institutional capability; and financial resources. The study uses existing knowledge and combines it with field observation from 16 districts across 8 states in India, over multiple iterations of theory to field and back. The selection of the districts under study was done based on a Samarth Zilla Index (SZI), which uses multiple variables indicating stock of five types of capital and level of institutional capability existing in a district. The methodology was flexible enough to absorb variety in context that the districts under study offered. With initial reliance on secondary district level data, the study focused on constraints analysis and institutional mapping to understand ruling constraints.

The study finds that there exists a sequence to development and growth within five-capital framework. Beginning from natural resource endowment on a particular region, a district in our case, its utilisation by human resources for creating a survival, then, enhancing output by combining strengths by capitalising on reciprocal social connections or social capital. This leads to creation of physical capital and the surplus from the whole process gets reinvested at different stages as the financial capital. In essence, it is a virtuous cycle of growth and development. In achieving a Samarth Zilla, there are certain desirable characteristics pertaining these five capitals.

Most importantly, the human capital, which acts on and creates all other types of capital is characterised by capability; a sense of 'agency'; and a sense of social purpose. Equally

if not more important, the social capital that can be defined as reciprocal relations among people based on mutual trust that lead to better opportunities, is characterised by a positive 'bridging' as against 'bonding'. A bridging type of social capital is inclusive, cuts across communities having open networks. Whereas, a bonding type of social capital is within closed communities built on exclusion with closed high trust networks. With regard to physical capital that includes all of man-made physical world, unless it is efficient, effective and equitably accessible, there are slim chances that it will lead to Samarth-ness.

With five types of capital appropriately oriented, the key to achieving Samarth-ness is the institution development. Institutions are both informal such as norms, beliefs and values; and formal such as laws, or formal structures. A Samarth Zilla requires the overarching constraints of political economy, institutional capability and financial resources to be removed, and create acceptance towards a particular desired set of norms, beliefs and values of the community. These reflect in formal institutions, which then guide and direct utilisation of five types of capital for creating virtuous cycle of sustainable growth and development.

In doing so, either it requires a collective action or an action by a small group of capable and dynamic people within the community. The collective action or action by the 'elites of calling' leads to desirable institutional change, often facilitated by networks of organisations or individuals. These networks are found to be working broadly in three ways- accelerated, steady and diffused.

The Samarth Zilla framework offers an innovative vehicle, called the Panchmukhi Samvaay, to achieve Samarth-ness. The Panchmukhi Samvaay is a community centric collaboration of five types of institutions, viz., Civil Society Institutions, Political Leaders and Institutions, Government and State Institutions, Market and Financial Institutions, and Media and Academic Institutions. Each type of institution brings certain capabilities and strengths that others do not, and which are required simultaneously to address some of the most wicked development challenges today. In order to achieve Samarth-ness, Panchmukhi Samvaay offers a platform to not only address challenges in institutional development by placing community at the centre, but also for a holistic governance and development of five-capital resources in a district.

2

Planning and Development in India - National, Regional & Local

Almost from the beginning of planned development in independent India, i.e. Five Year Plans, there has been an emphasis on regional development in the context of planning at the national level. To smoothen out regional disparities was one of the stated objectives of national planning in the Second Five Year Plan. This

objective received some detailing in the Third Five Year Plan to the extent that Balanced Regional Development was devoted a full chapter. The Fourth Five Year plan, while recognising regional disparities in development as one of the issues to be addressed laid out general approach to achieve the same in the plan period.

D.R. Gadgil (1966), one of the most influential economists in post-independence India, states that, in India, focus of planning was development of the entire country, and “though the situation and requirements in different areas differ radically from each other, the effort undertaken in each area is part of the national planning effort.” In accepting that there were wider regional disparities in development levels and recommending regional development, there was an implicit understanding among experts and policymakers that different regions present different developmental challenges.

This is evident from large scale hydroelectric projects on major rivers, and investment in large scale coal and steel plants in early years of planned development in 1950s. Gadgil noted

that while national government and planning was concerned with overall instrumentalities of national economic life, it was up to State governments to engage themselves in transmitting the forces impelling economic development to all areas and units. The district development planning therefore would engage in “making possible initiating, encouraging economic development in all activities and sectors, and areas and localities, and protecting the standard of living, and improving and ameliorating the situation, social and economic, of all individuals within their territories” (Gadgil 1966).

2.1

Regional Imbalances - Inter and Intra-state variations

India's federal polity provides ample space to its constituent states to create institutions to address their specific needs. Consequently, governance and policy ecosystems vary greatly among states. Difference in levels of development among states can be partly attributed to this inter-state variation. Growing lopsidedness of development between states and inability of long history of efforts by the Union government to arrest this trend is a testimony to the power that states have under the Indian federal setup.

In addition, there is huge variation of contexts within a state. Even progressive states have deep disparities among districts. For example, Maharashtra, with one of the highest per-capita incomes and urbanisation levels is also known for highest farmer suicides and depressing underdevelopment in areas like Vidarbha and Marathwada. It is also because of striking differences in agro-climatic, socio-cultural differences, availability of natural resources, etc.

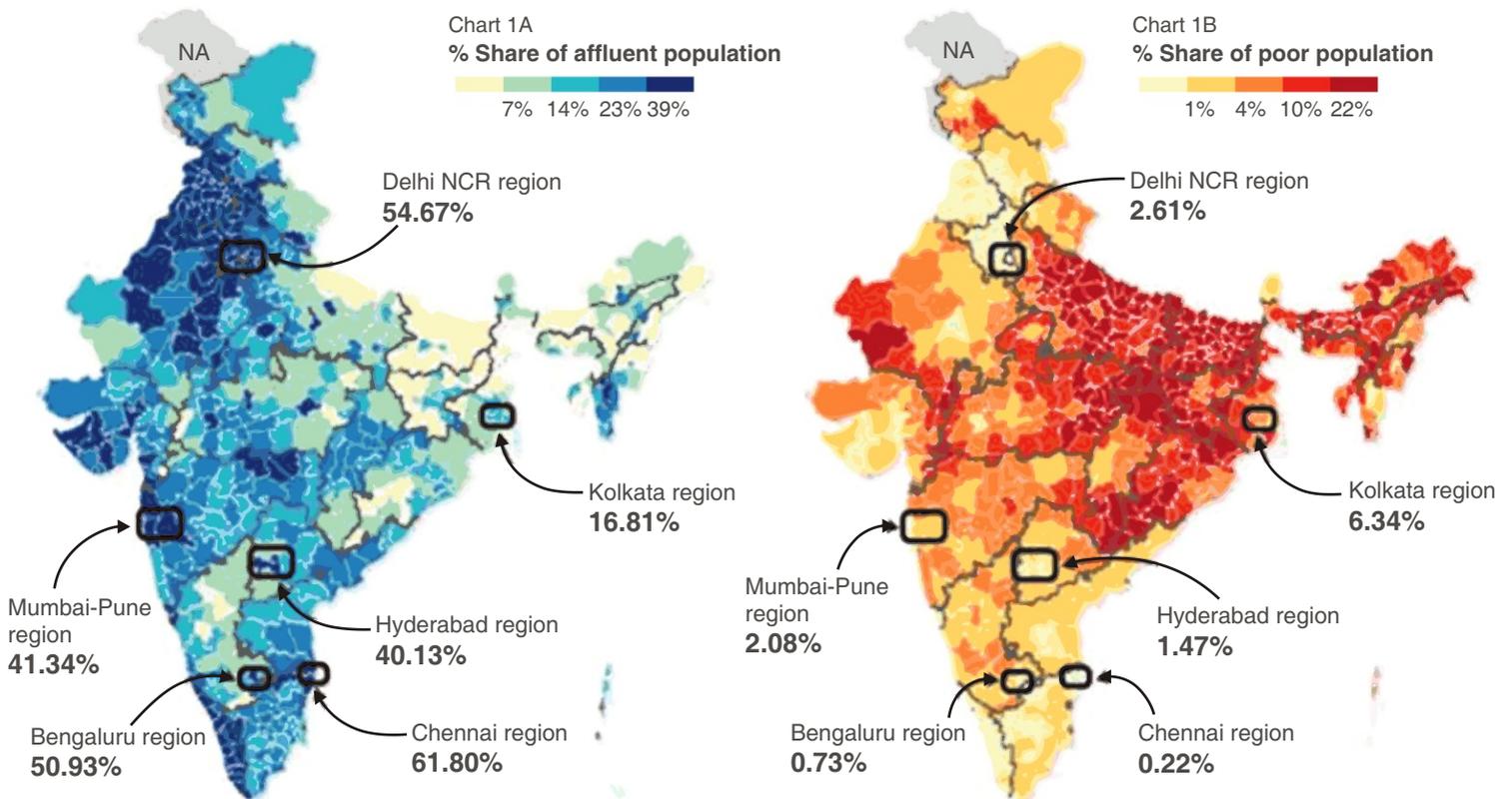
In accepting that there were wider regional disparities in development levels and recommending regional development, there was an implicit understanding among experts and policymakers that different regions present different developmental challenges

There is glaring spatial lop-sidedness of development across the country. The analysis of National Family Health Survey (NFHS) data of 2015-16 shows concentration of affluence (defined as ownership of at least six out of eight assets/amenities – pucca house, electricity connection, phone (landline/mobile), television, AC/cooler, refrigerator, washing machine, and motorised vehicle) in six urban regions i.e. Delhi NCR, Mumbai-Pune, Chennai, Hyderabad, Kolkata, and Bengaluru which account for 25% of affluent class. Further, the districts with higher percentage of affluent population are concentrated in North-West, West and South of the country, while poor (having at most one of eight assets) are concentrated in East and North-East (refer Image below) (Livemint 2018).

According to a 2001 Planning Commission study of fifteen states, categorised the states into two groups – forward and backward. The forward group consisted of Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu. The backward group comprised of Assam, Bihar, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal. Geographically, forward states formed Western and Southern parts of the country and backward states fell in Northern and Eastern parts. It resembles the findings from abovementioned NFHS data.

According to 2001 census, all the forward states, except Andhra Pradesh had literacy rate

RICH WEST, POOR EAST



Note: The categorization of households is based on the following classification: Affluent households: Those households which have at least 6 of the following: (a) Pucca house; (b) Electricity connection; (c) Phone [land line/mobile]; (d) TV; (e) AC/Cooler; (f) Refrigerator; (g) Washing machine; (h) Motorized vehicle [car/motorcycles/tractors] Middle income households: Those households which have at least 2 and not more than five of the above Poor households: Those which have none or only one of the above.

Figure 1 Distribution of affluent and poor population

Source: NFHS unit-level data, Mint research

Maps by howindialives.com

higher than national average. Also, all backward states, except West Bengal, had literacy rates lower than national average. Similar trend is seen in gender literacy gap. Table 1 gives per capita GSDP as percentage of GDP (Kurien 2001).

Table 2 depicts percentage of poor in both the groups of states, individually and collectively. It is clear that while all the states in forward group reduced percentage of poor, the same figure went up in backward group in all states, except West Bengal, in backward group.

The following two tables together imply a close positive relationship between economic growth and poverty reduction. West Bengal's exceptional behaviour among backward group is mainly due to faster agricultural growth and consequent rural prosperity, further reinforcing the positive association between economic, especially agricultural, growth and poverty reduction. Needless to add, that percentage share of poor does not indicate absolute number of poor, which declined drastically in these decades (Ibid.).

Table 1 Per capita GSDP as a percentage of GDP

(Three-year average of incomes at current prices centered on)

States	1981-82	1985-86	1990-91	1997-98
Forward group				
Andhra Pradesh	87.4	82.4	92.5	92.9
Gujarat	125.3	124.4	118.8	137.4
Haryana	146.5	139.9	146.6	139.4
Karnataka	92.8	93.7	95.4	107.2
Kerala	90.5	90.9	87.8	116.4
Maharashtra	143.0	134.7	144.7	167.5
Punjab	168.6	165.0	169.7	146.5
Tamil Nadu	92.8	97.0	100.0	119.5
Backward group				
Assam	83.6	92.1	83.1	62.2
Bihar	58.8	60.6	53.5	44.2
Madhya Pradesh	80.8	74.8	78.1	73.5
Orissa	75.0	74.7	66.9	61.8
Rajasthan	76.6	74.0	79.3	81.1
Uttar Pradesh	75.8	71.9	70.6	64.4
West Bengal	103.3	102.9	91.7	85.1
All India	100	100	100	100

Source: N.J. Kurien (2001)

Table 2 Percentage share of poor in states

States	1983-84	1987-88	1993-94	1999-2000
Forward group				
Andhra Pradesh	5.1	5.22	4.81	4.57
Gujarat	3.65	3.98	3.28	2.61
Haryana	0.92	0.83	1.37	0.67
Karnataka	4.64	5.17	4.88	4.01
Kerala	3.31	2.88	2.39	1.58
Maharashtra	9.01	9.65	9.53	8.76
Punjab	0.89	0.82	0.78	0.56
Tamil Nadu	8.05	7.53	6.31	5.01
Total for forward States	35.57	36.08	33.35	27.77
Backward group				
Assam	2.41	2.47	3.01	3.63
Bihar	14.31	13.71	15.4	16.36
Madhya Pradesh	8.61	8.61	9.32	11.47
Orissa	5.62	5.4	5.01	6.5
Rajasthan	3.93	4.65	4.01	3.14
Uttar Pradesh	17.24	17.47	18.87	20.36
West Bengal	9.87	9.24	7.95	8.2
Total for backward States	61.99	61.55	63.57	69.66
All India	100	100	100	100

Source: N.J. Kurien (2001)

2.2 Regional Planning Approach

Gadgil defines region in regional planning as “territory which has relatively homogeneous economic characteristics and which appears, to a significant extent, to have been uninfluenced by forces which have brought about, growth and diversification of the economy in other parts of the country.” Districts are “essentially a local administrative division and area divisions of government authority or administration do not necessarily or even usually coincide

with regions” as defined before. The planning in India, he posits, has to be as comprehensive at district level as at national or state level “in the definition of its objectives and the scope of its actions. The development attempted must affect all areas, within the district and must touch all activities and all classes” (Gadgil 1966).

Correcting regional imbalances has been the goal of five year plans in India, right from the beginning. Regional planning and development had been identified as an approach to meet these goals. The attempts in the past have seen various forms starting from Community Development Program in 1950s at the Block level, onto district planning and development, special areas development programs; and

specialised programs such as Command areas development and water management. The fact that right from first Five Year Plan to latest one, addressing spatial disparities has been the major objective is a testimony to limits of attempts made in the past.

Gadgil evolved a formula for Plan assistance distribution to states. The population and per capita income accounted for 85% weightage in the formula, rest “15 per cent weight-age is equally divided between State performance in the achievement of certain priority national objectives and the special problems of the States” (Ibid). Although, Gadgil formula was modified multiple times to suit the aims of planning, the essence remained the same, and it placed the onus on the planning process to aid underdeveloped states through positive discrimination in resource allocation. Two of the programs have been described in brief in this section.

2.3 Special Area Development Programs - DPAP and HADP

Regional approach to planning has been used in Special Area Development Programs (SADP) of the Planning Commission. By early 1970s, it was realised that some areas require special attention owing to peculiar conditions that existed there. SADP starts with Drought Prone Area Development Programme in 1973-74.

The aim was to aid drought prone areas, which had low natural resources to work with sustained economic activity through watershed management and land development. The infrastructure so produced was large scale, required more machinery than manpower, and

specialised human resource for operation and management.

In 1974-75, Hill Area Development Program (HADP) started with Western Ghats Development Program covering 5 coastal states. The aim was to address crucial environmental challenges and issues of human development due to terrain and inaccessibility of these areas. Separately HADP was extended to all hilly states and parts of Assam, Uttarakhand (formerly Uttar Pradesh), West Bengal, and Nilgiris in Tamil Nadu (Planning Commission 1992).

The approach of HADP has been multi sectoral, covering domains of agriculture, livelihoods, infrastructure creation, environment protection, and such. However, since the funding came from the Central pool, the program remained deeply top-down and a systematic evaluation is not found.

2.4 Rural-Urban Dichotomy

Urban and rural areas are co-dependent by definition. The existence of urban areas is artificial and highly unsustainable in terms of resources required to sustain the high concentration of population. They depend on neighbouring rural areas for food, fresh air and water too. At the same time, rural areas depend on urban areas for specialised services, livelihoods and employment, etc. There is a relationship which cannot be done away with. Still, there exists a dichotomy in the way these areas are seen from lens of governance. The approach to rural and urban development and governance in India has arguably created a pervading disparity of sorts in how they have come about.

In India, the political economy of development has largely remained biased in favour of rural areas. Consequently, rural development has received considerable attention in policy post-independence (Kalia 2018). Today, there is large scale distress in rural economy that is heavily dependent on farm activities. With rising input costs and absence of remunerative prices, pushed by disguised unemployment and shifting climate patterns leading to frequent crop failures, this distress has become multifaceted. Coupled with absence of alternative livelihood sources in rural areas, this distress has led to a continued migration from rural areas to urban centres. Schemes like MGNREGA have been unable to curb this stream of migration (Financial Express 2017). It indicates that rural development efforts have largely remained ineffective in isolation.

On the other hand, existing urban areas have seen rapid population growth owing to migration, which has put available resources under pressure. Especially, population is seen to be concentrating in megacities, while medium and small towns are shrinking. The rate of growth in megacities has led to poor spatial planning and haphazard and inefficient distribution and use of natural resources. This form of urbanisation in India has led to a diminishment of the quality of life in the Indian cities.

Major contributors to this wave of concentrated urbanisation are population growth and urban poverty induced by rural/small town migration to the mega cities. The rural poverty induced urbanisation has resulted in the shift of rural poverty to urban poverty, with the emergence of slums in all the major cities in India, where the urban poor live in dismal conditions, lacking basic amenities such as water, sanitation, safe shelter, and health facilities (King, Rathi and Sudhira 2011).

2.5

District Planning and Development

The approach to planning at district level also started with first Five Year Plan. There was constitution of a District Development Council in each district to prepare plans based on village level participative process. This, however, met limited success and greater focus was on Block-level Community Development Program (CDP). Further noting the requirement, first Administrative Reforms Commission had emphasised meaningful planning at district level taking local variations in development levels into consideration. The first guidelines on district level planning were issued by Planning Commission in 1969. Since, local level planning was not linked with state plans, the local processes withered gradually (Planning Commission 2006).

A Working Group on District Planning set up by the Planning Commission, perhaps after evaluation of the CDP and taking note of criticism by the civil society, submitted its report in 1984. The report identified challenges to district level planning in India as; non coordination and poor assimilation of district plans into state plans; conflict between district chief departmental heads at state level; addition of more schemes thinning out resource spread; insufficient time for district level bodies to prepare plan documents and share with state government in time for finalisation by Planning Commission; weak data availability at district level; no accountability of executive to planning bodies at district level; among others (Planning Commission 1984).

Rural development efforts have largely remained ineffective in isolation. On the other hand, existing urban areas have seen rapid population growth owing to migration, which has put available resources under pressure

The Constitution, in Article 243ZD provides for the 'consolidation' of plans prepared by the Panchayats at all levels and municipalities in the district into the draft development plan of the district by the District Planning Committee

So far the practice of rural and urban planning has been focused on different objectives and tuned to different purposes. The constitutional imperative of preparation of district plans cannot be achieved unless rural and urban local governments work together

Thereafter, before enactment of 73rd and 74th Constitutional Amendment Acts, there were District Development and Planning Boards in many states, which coordinated with line departments at the district level in expenditure of plan funds. With Article 243 ZD coming into force, it required state legislatures to create DPCs in each district to carry out the function described in previous sections. However, many states have not created DPCs and where they have been created, the outcomes are not inspiring.

The Planning Commission established an expert group and produced a manual for integrated district planning in 2006. It carried out an elaborate review of various efforts for district level planning since the 1950s in India and attempted to lay down a new process. It stated:

“The Constitution, in Article 243ZD provides for the 'consolidation' of plans prepared by the Panchayats at all levels and municipalities in the district into the draft development plan of the district by the District Planning Committee. However, so far the practice of rural and urban planning has been focused on different objectives and tuned to different purposes. While Panchayat level planning generally follows a socio-economic and sectoral approach, urban master plans focus on spatial planning aspects such as land use and zoning, largely ignoring sectoral or social planning. Each of these approaches is insufficient to fully capture the true meaning of planning.

Rural plans, by focusing purely on socio-economic development with an emphasis on sectoral planning, lose the advantage of the spatial planning approach. Therefore, location of facilities is overlooked, thus resulting in inefficient use of resources. Similarly, in urban areas, driven by the sheer density of population and the complexity of providing public services, the focus on spatial planning pushes aside any sectoral or socio-economic planning.

Consolidation goes beyond compilation and implies value-addition through integration of local plans. Given the rapid urban expansion throughout the country, planning of space is critical, particularly when there is a significant urban presence in the district, with strong pulls on infrastructure and resources. With large scale migration of rural poor into urban areas seeking better livelihood opportunities and quality of life, there is a need to adopt a sectoral approach to urban planning that is sensitive to the needs of this migratory population.

The erosion of boundaries between urban, peri-urban and rural areas results in greater dependencies between urban and rural local governments on common resources, meeting the challenges of providing livelihood opportunities and infrastructure and mitigation of environmental impacts. Lastly, the constitutional imperative of preparation of district plans cannot be achieved unless rural and urban local governments work together.

An integrated district planning exercise would link plans of local governments and other planning units and would provide a platform for mutual consultation and negotiations between them. It would also provide the framework for integrating the sectoral and spatial aspects of urban and rural plans” (Planning Commission 2006).

The opportunity of a wholesome course correction lies at this level. If greater state autonomy has the potential to address inter-state variations, then greater devolution within a state has the potential to address intra state regional imbalances variations. The Samarth Zilla framework situates itself at this crucial juncture and provides the opportunity of district level institutions to recognise their own importance and role and realise their potential in overall national development.

2.6 Constitutional Provisions

Within the three tier governance structure, the historic 73rd and 74th Amendment Acts to the Constitution provide basis of local governance of rural and urban areas. On one hand, there are three levels of Panchayati Raj Institutions (PRIs) for rural local governance and on the other; there are different types of local governance bodies for urban areas, known as urban local bodies (ULBs).

There are numerous progressive provisions inserted by the 73rd Amendment Act, such as reservation for women, the scheduled castes and the scheduled tribes; regular elections, devolution of funds; etc. However, these provisions require enabling legislations to be passed by the state legislature. Almost all

state legislatures have put PRIs in place with varying degree of powers devolved.

A ULB can be a Municipal Corporation for a large area, a Municipal Council for smaller urban areas, or a Nagar Panchayat for an area in transition from rural to urban area. There are provisions for making adequate funds, functions and functionaries available to ULBs. However, the onus again lies on the state legislatures to put enabling legislations in place to operationalise the Constitutional provisions. Many states have not passed on funds, functions or functionaries to the ULBs, which remain abhorrent examples of under capacity.

It is useful to read both 73rd and 74th Constitutional Amendment Acts together. To that end, common provisions include that requiring establishment of State Election Commissions; constitution of Finance Commission every five years; and constitution of District Planning Committees (DPCs). The DPCs under article 243ZD are explicitly pro



vided for “important questions..., which would concern the urban-rural interface”. DPCs are entrusted with preparing a draft development plan by consolidating plans prepared by Panchayats and Municipalities within the district and forward to the state government.

2.7 Governance Structure

The governance structures for rural and urban areas are as different as the status of development. Ironically, the rural areas have better defined hierarchy of governance institutions with well-defined functions and better allocation of funds. At the Union government level, there are two Ministries engaged in rural affairs, viz. Ministry of Panchayati Raj (MoPR) and the Ministry of Rural Development (MRD); whereas for urban areas, there is Ministry of Housing and Urban Affairs (MoHUA). Talking strictly of governance, then rural areas have MoPR and urban areas have none.

The organisational structure of district planning committees (DPCs) is not uniform across states, somewhere headed by Ministers, politicians in some and also bureaucrats in some cases. For example, in Chhattisgarh, Madhya Pradesh, Orissa, Uttar Pradesh and Uttaranchal, the DPCs are chaired by Ministers. The chairpersons of Zilla Parishads are chairpersons of DPCs in Karnataka, Kerala, Manipur, Rajasthan, Sikkim, Tamil Nadu, Tripura and West Bengal. The Divisional Commissioner is the chairperson in DPCs in the state of Haryana. The details on DPCs have been discussed later in the report.

One might rightly argue that having Union government involved at local level affairs goes against the spirit of decentralisation. As to why and to what extent Ministries at the Union levels have a role to play in the local governance and

development; two major aspects can be highlighted. One, given persistent low revenue generation at the local level, these structures provide a consistent flow of funds from the Central government's purse. Second, they put in place uniform processes and protocols, that serve two functions, i.e. ensure implementation in term of process; and make data available for monitoring and evaluation. For example, there has been production of Status of Devolution Reports by MoPR, latest released in 2015-16.

As to rural governance, even though there are Panchayati Raj Institutions (PRIs), there is high dependence of rural areas on centrally sponsored schemes in order to meet the development requirements. It is evident from the budget of MRD, which was upwards of INR one lakh crore for FY 2017-18. There are a number of 'Missions' and 'Yojanas' for health, education, employment, housing, etc. both at Union and state levels, however, there is a lack of clear rural development policy or a defined vision for 70% of country's population.

In recent years, the Union as well as state governments have started a number of schemes and programs to address a spate of challenges facing urban sector in India. Flagship programs of Central government like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the recent Smart Cities Mission being most notable among them. Schemes and programmes do have a role in meeting specific goals. However, in the absence of governance structure and processes which provided for a more comprehensive participation by citizens and their elected representatives, programmes did not address the systemic challenges that persist in urban areas all over India (Kalia 2018).

As such, in absence of a concrete national or sub-national policy for urban areas, efforts of MoHUA fall short of saving the day for urban India. Coupled with multiplicity of institutions and organisations involved in governance and performing development functions; urban governance in India needs serious reworking.

There have been numerous attempts in India and abroad to rectify regional as well rural-urban imbalances in development levels of the population. Whether successful or not, one thing that is noteworthy is that a regional approach has found resonance world over as a way forward to achieve a wider uniformity. The form and extent of such approach in operationalising forces at the ground is what has been different. In an endeavour to create a framework to address these challenges, Rajiv Gandhi Institute for Contemporary Studies began a policy research study, named Samarth Zilla. In the next Chapter,

this study report highlights key concepts, theories used and some international experiences referred to in development of the framework. Chapter 4 describes objectives, design and methodology of the study along with its limitations. Then, key findings and inferences arrived at from field experiences and theory, are outlined in Chapter 5. In final Chapter, an evolutionary path to achieve Samarth-ness with possible challenges, strategies and a novel institutional mechanism, the Panchmukhi Samvaay, have been detailed.



3

Concepts and International Experiences Used in the Study

3.1 Concepts Used

The regional planning approach to development has been partly described in foregoing sections. In usual parlance, regional is spatial. Perhaps the reason is excessive emphasis on spatial planning such as town planning, designing regional transport systems for connectivity, etc. In particular, available literature places emphasis



on macro and regional economic or market forces that govern growth of regions owing to regional idiosyncrasies in terms of resource availability. In the models of regional development described in previous sections, especially in India, a few critical ingredients are missing, that Samarth Zilla framework attempts to delve into.

First, there is demography and population has always been looked at in terms of number as opposed to a resource. In absence of a population as a resource, it only features as part of the problem to be solved. For example, population projections which require a particular type of town planning or spatial growth to keep land use efficient; or population as a demand on other basic requirements such as food, water, etc. It is

important to note that while these questions are valid, the population must be considered as a resource or human capital that forms indispensable part of the solution.

Another important aspect missing from a typical regional planning approach is the inclusion of the intangible phenomena which usually do not carry any monetary value, especially social networks and relationships. Although large number of scholars has enriched concepts of 'new regionalism' and 'localism' with many of their variations, however, they have largely remained political in nature and less about planning and development. These political philosophies are used with economic connotations and instrumentally against globalisation. Here, it might seem that communitarian logic or concept of solidarity is extended for furthering individual gains. There is absence of redefinition of ends in terms of developmental objectives and further of social relations and networks in analysis and solutions.

As most disciplines, regional studies have developed into different streams. To address the challenges of development at a regional level, the focus on an instrument of integration for better practice is found to be lacking. The practice of regional approach, in Indian experience particularly, has predominantly followed isolated approach of governance systems existing in the country. As outlined in foregoing sections, starting from systemic rural-urban divide, the isolation in functions, objectives of different levels of government, and flow of finance has made the experience of regional planning a bitterly unsuccessful one. This may be attributed to absence of integration right from planning stage, which gets accentuated and unworkable at the implementation stage.

This section summarises key concepts that Samarth Zilla framework uses to build upon existing knowledge of regional planning. To achieve the development of required institutions, key concepts that are used later such as agency and social cognitive theory, a close look

at nature and role of social capital, and finally collective action are summarised. It ends with a holistic look at available resources in any given area with a focus on communities and their livelihoods, which is given by the Sustainable Livelihoods Framework (SLF). Further, looking at how these resources are managed by the community and providing a direction to development, role of institutional development in a region is described before the SLF.

3.1.1 Agency and Social Cognitive Theory

“Agency refers to the human capability to influence one’s functioning and the course of events by one’s actions. There are four functions through which human agency is exercised. One such function is intentionality. People form intentions that include action plans and strategies for realizing them. The second function involves temporal extension of agency through forethought. People set themselves goals and foresee likely outcomes of prospective actions to guide and motivate their efforts anticipatorily.

The third agentic function is self-reactiveness. Agents are not only planners and fore thinkers. They are also self-regulators. The fourth agentic function is self-reflectiveness. People are not only agents; they are self-examiners of their own functioning. Through functional self-awareness, they reflect on their personal efficacy, the soundness of their thoughts and actions, the meaning of their pursuits, and make corrective adjustments if necessary.

People exercise their influence through three forms of agency: individual, proxy and collective. In agency exercised individually, people bring their influence to bear on what they can control. In proxy agency, they influence others who have the resources, knowledge, and means to act on their behalf to secure the outcomes they desire. In the exercise of collective agency, people pool their knowledge, skills, and resources and act in concert to shape their future.

“Among mechanisms of human agency, none is more focal or pervading than the belief of

Agency refers to the human capability to influence one’s functioning and the course of events by one’s actions



Unless people believe that they can produce desired effects and forestall undesired ones by their actions, they have little incentive to act

Social capital refers to the collective value of all “social networks” and the inclinations that arise from these networks to do things for each other

personal efficacy. This core belief is the foundation of human agency. Unless people believe that they can produce desired effects and forestall undesired ones by their actions, they have little incentive to act” (Bandura 2000). Hence, agency is a critical ingredient of high quality human capital. As opposed to agency, structures are factors of influence that determine or limit and agent and their actions, e.g. caste, class, gender, religion, social customs and norms, etc.

Social Cognitive Theory is founded on an agentic conception of human development, adaption, and change. To be an agent is to influence the course of events by one’s actions. Social cognitive theory subscribes to a causal structure grounded in triadic reciprocal causation. In this triadic codetermination, human functioning is a product of the interplay of intrapersonal influences, the behaviour individuals engage in, and the environmental forces that impinge on them. Because intrapersonal influences are a part of the determining conditions in this triadic interplay, people have a hand in shaping events and the course their lives take.”¹

Dr Bandura’s work is significant for Samarth Zilla framework in two ways. One, as the importance of human capital in process of growth is seen in subsequent sections, application of concept of human agency becomes very important. The way human beings learn from their environment and take decisions for their own good, holds immense value in activating human capital in any region. Second, since formal institutions are populated by human beings, institutional capacity boils down to capacity of people who run these institutions. The process of institutional development and change within a dynamic ecosystem of institutions, as described later in the report, is then greatly influenced by people who occupy decision making positions and run the institutions.

3.1.2 Social Capital Theory

From Dr Robert D. Putnam’s works – “Joining and participating in one group cuts in half your odds of dying next year. Every ten minutes of commuting reduces all forms of social capital by 10%. Watching commercial entertainment TV is the only leisure activity where doing more of it is associated with lower social capital.

The central premise of social capital is that social networks have value. Social capital refers to the collective value of all “social networks” [who people know] and the inclinations that arise from these networks to do things for each other [“norms of reciprocity”]. The term social capital emphasizes not just warm and cuddly feelings, but a wide variety of quite specific benefits that flow from the trust, reciprocity, information, and cooperation associated with social networks. Social capital creates value for the people who are connected and – at least sometimes – for bystanders as well.

Social capital works through multiple channels:

- ▶ Information flows (e.g. learning about jobs, learning about candidates running for office, exchanging ideas at college, etc.) depend on social capital.
- ▶ Norms of reciprocity (mutual aid) rely on social networks. Bonding networks that connect folks who are similar sustain particularized (in-group) reciprocity. Bridging networks that connect individuals who are diverse sustain generalized reciprocity.
- ▶ Collective action depends upon social networks (e.g., the role that the black church played in the Civil Rights movement) although collective action also can foster new networks.

¹ For more on Dr Albert Bandura’s work, readers may log onto albertbandura.com

- Broader identities and solidarity are encouraged by social networks that help translate an “I” mentality into a “we” mentality.”²

As per Coleman (1988), “Social capital is defined by its function. It is not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible” (Coleman 1988).

From a network perspective, social capital can be categorised into two broad types viz. bonding and bridging. “Bonding social capital – ties between individuals with a relatively high degree of network closure. Bonding social capital is often described as horizontal ties between individuals within the same social group (as opposed to vertical ties between social groups). Bonding social capital is often associated with local communities where many people know many other people in the group (network closure). Bonding social capital is often associated with strong norms, mores and trust which can have both positive and negative manifestations and implications for social exclusion. Many members have access to similar network assets so while providing solidarity, bonding social capital may not provide useful network assets in some situations.

Bridging social capital – ties between individuals which cross social divides or between social groups. From a network perspective bridging social capital places actors at structural holes where each is able to tap into the social network resources of each other's social group. This is also described as vertical ties often operating through formal hierarchical structures. Bridging social capital may not

involve many shared norms but is likely to be associated with reciprocity and 'thin trust'. It may provide access to network resources outside of an individual's normal circles and as such can provide significant individual (and group) benefits” (Claridge 2013).

Social capital is integral to the Samarth Zilla framework. Firstly, because it looks at assets or resources of a region from the lens of sustainable livelihoods approach; social capital is indispensable resource in the process of growth. And second, among the constraints identified, the political economy is invariably reflected in the status of the social capital of a region. Perhaps, a certain type of social capital, as described in later sections, is among the ways to overcome these constraints. Third, formal institutions have their own organisational social capital, which is often overlooked.

3.1.3 Collective Action or Action by Elite Leadership?

Collective action is when a group of people come together and put in efforts to enhance their status or achieve a common goal. In this case, the common goal is to create acceptance of desired set of norms among actors and stakeholders. Collective action is at the heart of the process of change. Development practitioners understand fully well that this is easier said than done.

Olson (1965), while outlining the collective action problem, states that concentrated minor interests will always be overrepresented as against the majority, requirement of action on part of which is diffused owing to large size of the group. The minority has higher stake and responsibility to protect and advance their interest. Whereas, as the group becomes larger; the responsibility of effort to protect the interest of the large group falls on everyone. In such scenario, it benefits an individual to not put

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² From Social Capital Primer on robertdputnam.com

“[U]nless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interest”

If a small core group of users identify each other, they can begin a process of cooperation without having to devise a full-blown organization with all of the rules that they might eventually need to sustain cooperation over time. The “elite of calling” are the low hanging fruit on way to Samarth-ness

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in the effort one is required to, in anticipation that the large group has enough people to make that effort. So, marginal decrease in effort will not impact the larger outcome. This is what is termed as a free-rider problem. Hence, “[U]nless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interest” (Olson 1965). This also came to be known as 'zero contribution thesis'.

In *The Logic of Collective Action* (1965), Mancur Olson rejects the assumption of participation to secure common goals. “While acknowledging that individuals might wish to join together to resolve disturbances in society, Olson pointed out that the sought policies are typically collective goods. New policy will benefit everyone disturbed under the old status quo whether or not they advocated change since potential beneficiaries cannot be excluded from access to collective goods, and collective goods are jointly consumed. The rational individuals would do nothing when asked to join an organization to secure collective goods. Since they would benefit from the adoption of a new policy whether or not they worked to secure it, they would free ride on the efforts of others. But since all of the potential members of a group are presumed to be rational, all would act similarly. Then, no one will undertake the costs of forming groups pursuing even widely shared objectives involving collective benefits” (Lowery 2015).

Olson argues, as “the size of a group increased, the probability of a group achieving a public good decreased and the extent of non optimality increased. Olson posited two reasons for this hypothesis. First, as the group size increases, the noticeability of any single input to the provision of public good declines. It is then easier for the individual to think that their own free riding will not be noticed and thus it will not affect the likelihood that the good will be provided. Second, coming to an internal agreement about coordinated strategies in

larger groups involves higher transaction costs. Thus, a core theoretical hypothesis has been that the number of participants will likely reduce the probability of achieving any form of collective action or at least diminish the amount of joint benefits that could be achieved.” Elinor Ostrom challenged Olson's theory and based on extensive experiments identified a number of variables on which collective action depends (Ostrom, *Collective Action Theory* 2009).

Elinor Ostrom (2000) challenges Olson's thesis based on laboratory tests and evidence from the field, and states that there are multiple types of actors in a population. According to Ostrom's evolutionary theory, “we should expect some individuals to have an initial propensity to follow a norm of reciprocity... so long as almost everyone reciprocates. If a small core group of users identify each other, they can begin a process of cooperation without having to devise a full-blown organization with all of the rules that they might eventually need to sustain cooperation over time. The presence of a leader or entrepreneur, who articulates different ways of organizing to improve joint outcomes, is frequently an important initial stimulus” (Ostrom, *Collective Action and the Evolution of Social Norms* 2000).

That it takes a few people to initiate the process envisaged for institutional development is echoed by (Gupta 2013). He highlights the unusual power and capacity of certain citizens to begin this change process. This set of citizens is well educated, economically well off which can put in “active interventions” required for growth and development to take place. Gupta calls them “elite of calling” or the “citizen elite”. So the “elite of calling” are the low hanging fruit on way to Samarth-ness, who are capable of doing what is needed to be done. This kind of people lead wider masses to collective action required for institutional development.

Works of Olson and Ostrom on collective action, as it is essential to understand what holds people to undertake collective action, and how to realise it. Leadership and collective

action are deemed vital within Samarth Zilla framework (as seen in following sections), mainly to create wider acceptance to desirable norms (informal institutions) that, over time, get reflected in formal institutions of governance.

3.1.4 Institutional Development

Institutions have been mainly studied as those governing economic exchange/ relationships and using economic tools, at best, to guide human behaviour. As per Douglas North (1991), the Nobel Prize winning economic historian and institutional theorist, “Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights). Throughout history, institutions have been devised by human beings to create order and reduce uncertainty in exchange.

Together with the standard constraints of economics they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in economic activity. They evolve incrementally, connecting the past with the present and the future; history in consequence is largely a story of institutional evolution in which the historical performance of economies can only be understood as a part of a sequential story. Institutions provide the incentive structure of an economy; as that structure evolves, it shapes the direction of economic change towards growth, stagnation, or decline” (North 1991).

North (1991) presents an entirely economic perspective and describes institutions as mechanisms or structures to capture gains from trade. He states that the “earliest economies are thought of as local exchange within a village (or even within a simple hunting and gathering society). Gradually, trade expands beyond the

village: first to the region, perhaps as a bazaar-like economy; then to longer distances, through particular caravan or shipping routes; and eventually to much of the world. At each stage the economy involves increasing specialization and division of labour and continuously more productive technology.” The function of institutions is then to reduce transaction costs, lowering information costs, impersonal contract enforcement, and secure property rights; as system of exchange mutates from a dense social network based to transnational contract based (North 1991).

As per Horberry and Le Marchant (1991), “the main objective of institutional development is...developing structures which strengthen the responsibility for the environment, and which provides incentives for individual and collective action... It requires a long term view [as opposed to merely policy formulation] ... It must be tailored to suit the local political, economic and cultural conditions. Suitability to the local situation is especially important in developing countries where institutions are unique, complex and deeply traditional ...” (Horberry and Marchant 1991).

Formal institutions are the rules that are written and codified may be political such as the Constitution, the laws; or economic rules pertaining to storage and transaction of value. Since, these institutions are created; they reflect the informal institutions or norms and values of the society in their functioning (Li 2009). These formal institutions become ever important given the complexity of life and diversification of division of labour in today's day and age. Formal institutions essentially came into existence to do just that.

3.1.5 Organisational Networks as Institutions

The important fact here to note is that institutions do not exist alone. There is an ecosystem of institutions which are interlinked, have dependencies and exchanges. Hence the

Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints and formal rules

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There is an ecosystem of institutions which are interlinked, have dependencies and exchanges. Hence the change must be understood as the combined effects of institutions and processes rather than one institution or process

Organisational networks and consequent institutional linkages facilitated by such networks seem to work in three ways: 'accelerated' 'steady' 'diffused'

change must be understood as the combined effects of institutions and processes rather than one institution or process (Pierson and Skocpol 2002). Institutions become instruments of action that guide as well perform development of any society/ community or a region. There are significant linkages between networks and institutions. Owen-Smith and Powell (2008) arrive at an understanding, while establishing analytic connections between networks and institutions, that interdependencies between networks and institutions can be understood in two ways.

“The first, less radical view treats networks and institutions as mutually reinforcing, contextual features of social systems. The second line of argument examines how networks and institutions co-constitute one another. Put differently, the first view sees institutions as the landscape and networks as the social relations on that field. The second view argues that fields influence which relations are possible, and how these relations are forged can alter the landscape in profound ways” (Owen-Smith and Powell 2008). Owen-Smith and Powell (2008) hold the second view that

context does not seem to be the only factor in functioning of institutions in a social system.

Organisational networks and consequent institutional linkages facilitated by such networks seem to work in three ways. First, in the 'accelerated' way, such linkages enhance the effectiveness of institutional functioning, and the domain sees smooth and rapid development. The nature of networks in 'accelerated' type seems to be open, dynamic and resilient. Within this, efforts of networks bring about acceptance of a set of norms, values and practices (probably driven by similar aims and motives) creating a robust ecosystem of institutional linkages. It may be understood a sort of an umbrella under which multiple institution types interoperate to utilise capacities within and without.

Second, the 'steady' way, in which there is presence of like-minded influential individuals which do seem to build a normative acceptance among institutions through their networks. However, when it comes to formal aspect in terms of collaboration and partnerships, the participation from institutions is rather loose.

The term loose describes the nature of institutional linkages, which have tendency to not grow beyond a certain level. Whenever, the linkages go beyond that level, whether due to the networks or otherwise, it shrinks back to the same level. Sometimes, it has been observed that such a stage arrives due to absence of linkages across all types of institutions. In the 'steady' way, the domain sees growth not as dramatic as in the 'accelerated' way, rather more contained and steady.

The third is the 'diffused' way, wherein there is presence of like-minded influential individuals, and some networks, but very low capacity to influence institutions in any significant way. The capacities of institutions remain mostly unutilised or marred by high levels of inefficiency. In essence, individuals, institutions and their capacities remain diffused within institutional ecosystem. It may be said that neither networks of individuals are capable of influencing institutions, nor vice versa. In 'diffused' way, an insignificant rate of growth of domain may be seen. Sometimes it may lead to negative growth, especially in events of external shocks to the system of field.

3.1.6 Sustainable Livelihoods Framework

A livelihood can be classified as sustainable, if it is resilient in the face of external shocks and stresses, if it is independent from external support, if it is able to maintain the long-term productivity of natural resources and if it does not undermine the livelihood options of others" (GLOPP 2008). The Sustainable Livelihoods Framework (SLF) provides a meaningful perspective to bind together developmental approach. It presents five capitals endowed on any habitat, that are; natural capital, which includes natural resources and the whole ecosystem of flora and fauna; the human capital, which includes human resources in all its diversity; the social capital, defined as linkages and relationships of mutuality, trust and reciprocity among individuals; the physical

capital, which includes man-made infrastructure and facilities; and finally the financial capital, which comprises of available economic wealth.

Samarth Zilla framework borrows substantially from SLF as it gives a more comprehensive and humane beginning to look at development. Based on, Sustainable Livelihoods Approach (SLA) as defined by the British Department for International Development is based on following core principles:

- ▶ "People-centred: People rather than the resources they use are the priority concern in the livelihoods approach, since problems associated to development often root in adverse institutional structures impossible to be overcome through simple asset creation.
- ▶ Holistic: A holistic view is aspired in understanding the stakeholders' livelihoods as a whole, with all its facets, by a manageable model that helps to identify the most pressing constraints people have to face.
- ▶ Dynamic: Just as people's livelihoods and the institutions that shape their life are highly dynamic, so is the approach in order to learn from changes and help mitigating negative impacts, whilst supporting positive effects.
- ▶ Building on strengths: A central issue of the approach is the recognition of everyone's inherent potential for his/her removal of constraints and realisation of potentials. Identifying these strengths rather than the needs and problems is the starting point of this approach, in order to contribute to the stakeholders' robustness and ability to achieve their own objectives.
- ▶ Macro-micro links: Development activity tends to focus at either the macro or the micro level, whereas the SLA tries to bridge this gap in stressing the links between the two levels. As people are often affected from decisions at the macro policy level and vice-versa, this relation needs to be considered in order to achieve sustainable development.

The sustainable livelihoods framework with all its basic principles essentially provides us a lens to look at available resources within a region. Even though there is some focus on processes in SLF, it does not cater to wider approach to Samarth Zilla framework, which is focused on institutional ecosystem which governs the five capitals and directs process of growth.

3.2 International Experiences

Across the spectrum of definitions of a region, the world has seen many models aimed at creating balanced, inclusive and sustainable growth for the population. There is a mix of purely spatial; institutional innovations; top down; participative and bottom up; etc. having different focus areas. These models offer a great learning in development of the Samarth Zilla framework. A few of the international experiences are described briefly in this section.

In Europe, the concept of a balanced spatial development arrived as early as 1994.

The European Ministers responsible for spatial planning agreed on three policy guidelines for the spatial development of the European Union (EU). (i) development of a balanced and polycentric urban system and a new urban-rural relationship; (ii) securing parity of access to infrastructure and knowledge; and (iii) sustainable development, prudent management and protection of nature and cultural heritage. This led to the adoption of a European Spatial Development Perspective in 1999. This was based on the EU aim of achieving a balanced and sustainable development, in particular by strengthening economic and social cohesion. This is reflected in the triangle of objectives linking the three following fundamental goals of European policy: (i) economic and social cohesion; (ii) conservation of natural resources and cultural heritage; and (iii) more balanced competitiveness of [each region] (European Commission 1999).

In United States of America, regional approach has been used on a much larger area in development of the Appalachian Mountains. This region has traditionally been a source of coal for American industry, and its economy almost entirely depends on coal, characterised by non-diversification and chronic distress. The Appalachian Regional Commission, set up by an Act of the Congress in 1965, is a federal-state

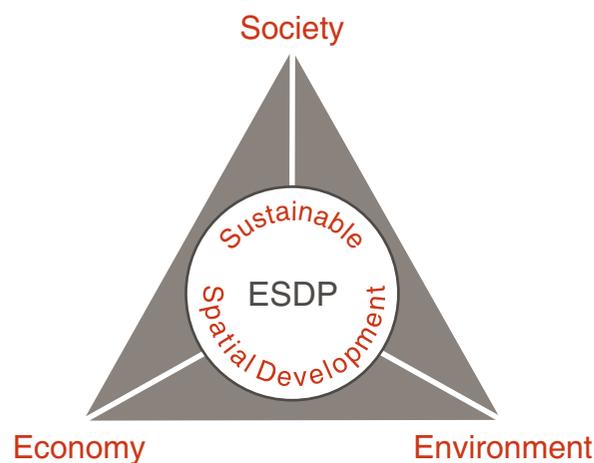


Figure 2 Triangle of Objectives: A Balanced and Sustainable Spatial Development

Source: European Spatial Development Perspective, 1999 (Ibid.)

partnership. Its mission is to innovate, partner, and invest to build community capacity and strengthen economic growth in 420 counties across the 13 Appalachian states. ARC's strategic plan identifies five investment goals to advance this mission: creating economic opportunity; preparing a ready workforce; building critical infrastructure; leveraging natural and cultural assets; and cultivating leadership and community capacity (Appalachian Regional Commission 2019).

The ARC program has spent \$13 billion on public investments in the region over three decades till 2000. In 2017, a quasi-experimental impact evaluation study of non transport investments found out that long-run per capita income growth rate in ARC investment counties was an average of 5.5 percent higher than in the control counties. Employment also grew significantly faster in these ARC counties than in the control counties for most of the study period (Sayago-Gomez, et al. 2017). There are sceptics who consider that “it is unlikely that the effects of a \$13 billion program spread over a giant swath of America over three decades can

be accurately evaluated. Far too many things were affecting regional growth at the same time for a relatively modest government program to have had clear positive effects. Powerful economic forces are driving people to the Sunbelt and to coastal cities. Current spending on the ARC is no more than the cost of a few large Manhattan buildings. Could such a program really have changed the course of a region considerably larger than California?” (Glaeser and Gottlieb 2008)

In urban development context, Porto Alegre (Brazil), the birth place of participatory budgeting (PB) offers some insights on institutional innovations to address pressing challenges for a community. “Porto Alegre was a city where, despite high life expectancy and literacy, a third of the city's population lived in isolated slums at the city outskirts and lacked access to such public amenities as clean water, sanitation, medical facilities, and schools” (The World Bank 2002). “Participatory budgeting was invented in Porto Alegre as a response to the city's rapid growth and inability to provide basic services to its residents. In 1989, following its democratic



socialist ideas, the newly elected Workers' Party inverted the decision-making process so citizens decided how a portion of a city's budget was spent. The process gave a voice to the poor whose interests were usually ignored. They now had a say in which projects should be funded and built.” (Gelman and Votto 2018)

The program after facing several initial hurdles succeeded as the institutions learned to engage with the citizens and vice versa. There was evolution of a whole new ecosystem of institutions that facilitated the program in longer run (Santos 1998). “Participatory budgeting contributed to a more equitable distribution of city services. By 1997, sewer and water connections went up from 75 percent to 98 percent; health and education budgets increased from 13 percent to about 40 percent; the number of schools quadrupled; and road building in poor neighbourhoods increased five-fold. Importantly, participation in budgeting meetings grew from fewer than 1,000 people per year in 1990 to about 40,000 in 1999” (Gelman and Votto 2018).

A World Bank study enlists following lessons that can be learnt from Porto Alegre:

- ▶ “Processes such as participatory budgeting can have a significant impact in regions with high disparities in income. Through a platform such as PB, the poor can put forth their needs and obtain access to facilities or services that the other groups already have. The participation and involvement of the poor can help to focus public welfare works on less developed areas.
- ▶ The Porto Alegre example suggests that: (1) initially, local citizens can be involved in the allocation of a small part of the city's total budget, and (2) over time, more of the city's budget can be allocated through public participation. The increase in the amount of funds allocated through PB in Porto Alegre reflects the growing power of citizens to decide civic matters that affect them directly.

- ▶ There are claims that PB is not reaching the very poor in Porto Alegre, but it is accomplishing an important goal by moving resources to segments earlier deprived of government attention. This experience points to a step-by-step approach in implementing PB projects, which can start with low-income groups and move to the very poor in the next phase.
- ▶ The case of PB at Porto Alegre suggests that lack of support by the local media for local initiatives, such as PB, can hinder the dissemination of such initiatives to other parts of the country.
- ▶ Participatory budgeting can influence long-term planning. Local solidarity and concern for the environment have resulted in some bold decisions in Porto Alegre.
- ▶ PB can strengthen accountability in the government's budgeting mechanism. In Porto Alegre, for instance, several rounds of meetings give public representatives ample opportunity to hold the administration answerable for false promises or for slow progress in work in their localities.
- ▶ For successful implementation of PB, and to avoid the possibility of unreasonable demands made by the citizens, it is important to maintain transparency and make the citizens aware of the funds position and constraints of the municipal administration.” (The World Bank 2002)

China, facing similar challenges as India, has developed and executed various strategies in creating a more balanced regional development. “The country initiated a key strategy in 2014 to coordinate the development of Beijing, its neighbouring port city Tianjin and Hebei Province -- a regional city cluster called “Jing-jin-ji.” A prominent task of the “Jing-jin-ji” strategy is to move non-capital functions out of Beijing to treat urban ills such as traffic jams and pollution in the Chinese capital. In the past five years, 2,648 manufacturing enterprises, 581

markets and 106 logistic centres in Beijing have been relocated, according to the National Bureau of Statistics (NBS).

During the period, the per capita disposable income of residents in Beijing, Tianjin and Hebei registered an annual growth rate of 8.8 percent, 8.2 percent and 8.9 percent, respectively. As a further boost to the development of Hebei, the country announced the establishment of the Xiongan New Area in 2017, which lies about 100 km southwest of Beijing and spans three counties in Hebei. Billed as China's "city of the future," Xiongan has been designed to become a zone for innovation, a digital city synchronized with a brick-and-mortar counterpart, and a liveable and business-friendly area" (Xinhua 2019).

In Australia, where regional councils already exist, e.g. in New South Wales, there is

increasing cognisance for a need to change the way they have been working. From a technocratic and spatially oriented silo-ised working groups, there are now calls for wider range of experts and integration of regional planning across social, economic, environmental and financial impacts. In Armidale Regional Council, recently, a Regional Growth & Place Activation Peak Advisory Committee was formed by merging for two advisory groups on regional growth and business activity. The peak advisory committee has invited bids to expand the group by including people with diverse range of expertise, and an ability to build relations within the community. The community engagement and community oriented planning weighs heavily in the regional council's integrated regional planning and monitoring framework (Armidale Regional Council 2019).



4

Samarth Zilla Research Study

In India, the level of regional and rural-urban disparities is high and increasing. In an endeavour to create a framework to address these challenges, Rajiv Gandhi Institute for Contemporary Studies began a policy research study, named Samarth Zilla. The study synthesises contemporary knowledge with field observations, which inherently



addresses issues with previous attempts in regional approach. As we observe, from cases discussed in previous sections, there is no consensus on what must be the characteristics of 'region' in regional planning approach, as right from village level to a large geological formation, such as the Appalachians, have been used. The Samarth Zilla avoids the micro or macro region, and places itself at the meso level with a district being the unit of research, analysis, planning and development. The advantages for using a district as a unit are:

- ▶ It coincides with already existing administrative unit in the government system that makes implementation easier on the ground.
- ▶ It escapes multiplicity of jurisdiction which becomes a challenge in larger region consisting of areas larger than a district, division or a state.
- ▶ Districts largely have uniform socio-economic, agro-climatic, and political conditions, without tremendous variability in resource availability.
- ▶ It takes care of the intra-state disparity as a unit substantially large than a village or a block and smaller than a whole state.
- ▶ The Constitution provides for utilisation of a district as a unit of development and planning, as discussed in previous sections.

- ▶ A district has both urban and rural areas with already established linkages which provide a good starting point.
- ▶ Many government agencies collect and make available data at district level that aids in any secondary data analysis. A region larger than a district would present challenges related to data availability.

Samarth Zilla translates into 'Capable District', that is a district which is capable of supporting the basic needs of its population - for food, clothing, shelter, livelihoods, health and education. The Samarth Zilla borrows from Sustainable Livelihoods Framework (SLF) (Refer Section 3.1.6) that presents five capitals endowed on any habitat, that are; natural capital, which includes natural resources and the whole ecosystem of flora and fauna; the human capital, which includes human resources in all its diversity; the social capital, defined as linkages and relationships of mutuality, trust and reciprocity among individuals; the physical capital, which includes man-made infrastructure and facilities; and finally the financial capital, which comprises of available economic wealth.

The access to these resources is unequal to various households due to the prevailing political economy and social structure. This creates vulnerabilities for some in terms of inadequacy of livelihoods and consequent inadequate quality of life. There are also risks such as monsoon failure, natural disasters, disease and social disorder which create shocks for households and make them more vulnerable. The collective and cumulative response to this constant process is mediated by institutions – some of which are informal, such as mutual help norms, and some are formal, such as institutions for governance and development. Therefore, in order to develop the framework, five types of capitals were studied in selected districts in context of three types of constraints, those are, political economy, institutional capability and financial feasibility.

To guide the process of development of the framework and measure the Samarth-ness of a district, an index called Samarth Zilla Index (SZI), is worked out. Please see Annexure 1. SZI captures the capability of a district to support and sustain its inhabitants with decent livelihoods and a decent quality of life, through measurable components or parameters. The study was carried out in 16 districts in 8 states. The selection of districts was made based on the SZI.

4.1 Samarth Zilla – Objectives and Scope

The objective of the study was to develop a framework which does the following:

- ▶ Take regional approach to planning and development
- ▶ Integrate rural and urban areas within the framework, recognising the continuum and rejecting the prevalent isolated approach
- ▶ Identify method of assessment of potential of the unit of study, the process of conversion of potential to status
- ▶ Identify and define a way to achieve Samarth-ness

The unit of the study was selected as a district, hence the name Samarth Zilla. The objectives of Samarth Zilla framework is to reduce long-term migration and substitute it with day travel to the nearer urban centres by making them capable of providing decent livelihood options through non-farm activities; judicious use of natural resources available within a district; providing uniform standard of

amenities and services throughout a district aiding in uniform human development, and finally, building an institutional eco-system to make the district more capable (Samarth) of providing decent livelihoods and a good quality of life to its inhabitants.

The scope of the study is to develop a framework for holistic district governance analysing five types of capital as describes earlier, and three types of constraints – political economy, institutional capability and financial feasibility. The study is carried out in 8 states and 16 districts across the country. The study is predominantly qualitative, with emphasis on usually intangible and unmeasurable factors in the development planning. Quantitative data is used sparingly to substantiate qualitative understanding.

4.2 Selection of Districts

The states under study were selected based on organisational support and networks available to RGICS. An attempt has been made to represent all regions of the country. The selection of districts was based on SZI scores. In all states but Rajasthan, at least two districts have been selected, to represent both ends of SZI scores in that state. The list of districts is presented below. Please see Annexure 1 for more on Samarth Zilla Index (SZI).

Samarth Zilla framework study has significant component of fieldwork in districts across regions and states. Out of 16 districts, work in 14 districts could be completed. This study report is based on findings from 14 districts.

Table 3 Districts under Samarth Zilla Study

S. No	District	SZI	State Rank	Region	State
1	Badgam	0.35	4	North	Jammu & Kashmir
2	Doda	0.14	11		
3	Jalandhar	0.72	2	North-West	Punjab
4	Moga	0.45	16		
5	Ajmer	0.49	2	West	Rajasthan
6	Karauli	0.1	31		
7	Sonitpur	0.32	6	North-East	Assam
8	Kokrajhar	0.16	17		
9	Ganjam	0.63	4	East	Odisha
10	Naupada	0.27	28		
11	Bilaspur	0.3	4	Central-East	Chhattishgarh
12	Bastar	0.13	14		
13	Indore	0.62	2	Central-West	Madhya Pradesh
14	Shahdol	0.28	10		
15	Kaniyakumari	0.9	3	South	Tamil Nadu
16	Dharamapuri	0.47	29		

4.3 Methodology

4.3.1 Collection of Secondary Data

Before fieldwork, basic secondary data was collected to identify current status of resources in the study districts, and prepare for fieldwork. Following documents were collected for selected districts:

- ▶ Census Handbook
- ▶ District Gazetteer
- ▶ Potential Linked Credit Plan of NABARD
- ▶ District Credit Plan of the District Lead Bank
- ▶ Annual action plan of District Rural Development Agency (DRDA) and District Urban Development Agency (DUDA)
- ▶ Zilla Parishad Plan
- ▶ NFHS Data

- ▶ Agriculture and Livestock Survey
- ▶ District Industries Centre Annual Plan
- ▶ Economic Survey
- ▶ Vision Plan, etc.

4.3.2 Fieldwork for Primary Observation

The field work focused on creating an institutional landscape mapping. The data collection was largely qualitative with little quantitative data. The field researchers met following categories of actors and mapped them in district level landscape. This was done to make sense of prevailing political economy constraints along with assessment of institutional capability in the district.

District Level Officials: The allocation and performance of functions with district level officials such as Deputy Commissioner, Project Directors of DRDA and DUDA, Zilla Parishad President, District Planning Committee chairman, District Development Manager of NABARD, District Lead Bank Manager, General

Manager of District Industries Centre, District Agriculture officer, District Livestock Officer, District Statistics Officer, Public Works Department, etc.

Educational/Research Institutions:

Research institutions in the district involved in socio-economic research with focus on surrounding areas. Universities; specialised educational institutions such as agricultural research extension, engineering, etc.; their strengths and role in developmental process in the district.

Non-governmental organisations (NGOs) and Self Help Groups (SHGs): Prominent NGOs and active SHGs working in the area and extent and scope of their activity.

Occupational and Professional associations: Groupings such as District Chamber of Industries and Commerce, hoteliers, doctors, journalists, sports associations, non-resident Indians (NRIs) etc.

The Five Capitals: Institutional landscape mapping is followed by in-depth collection of data on five capitals. The major portion would be concerned with natural and social capital as for other three capitals, secondary data is available. The data collected in the field is largely qualitative to understand the process of capital formation. Here too, emphasis is placed on understanding the role of norms and beliefs as institutions within the process. Substantial flexibility was purposefully kept into the methodology to capture the complexity of the context presented by each district under study.

4.4

Limitations of the Study

There are following limitations to the study:

- ▶ Lack of a precise definition – There is a blurry definition of Samarth-ness to begin with. To couple with that unmeasurable variables and factors in assessment of human and social capital and political economy constraints pose challenges during the fieldwork.
- ▶ Small sample size – since, the study is qualitative one, the resource constraints limit our sample to just 16 districts in the country, out of roughly 720 as of 2019 and 640 as per the reference of 2011 Census.
- ▶ Lack of available literature – Even though the study uses a regional approach to planning and development, which is an old concept, the contours of the study manoeuvre through failures and learnings of the past methods. Consequently, there are no similar studies to reference it with.

Following steps have been taken to enhance validity of the observations and inferences made in the study:

- ▶ Each state under the study was assigned different field researcher, and given huge flexibility in methodology, the scope of wide variations in perceptive understanding is reduced while making final inferences.
- ▶ Existing theoretical and practice frameworks have been used for synthesis to minimise subjectivity through multiple iterations, from field to theory and theory to field.





5

Key Findings and Inferences

With methodology focusing primarily on five types of capital and extent of their development, paying attention to three types of constraints; the research led to a number of interesting findings. This section enumerates these findings and inferences that are made.

5.1 Do Resource Endowments Lead to Samarth-ness?

In order to address issues of inadequate capital (five types of it, not just financial or physical) formation, it is a prerequisite to understand that whether there is a process or sequence to such growth. If yes, what does the process look like? What are the characteristics of such a process? The attempt of the study, largely through learnings from the field, to decipher such a process is described in this section.

It is observed that for capital formation to take place there is, indeed, a process that looks like a cycle described in subsequent subsections. At the same time, the desired characteristics and dimensions of each type of capital for Samarth-ness of a region are also detailed. It is implied here that capital formation can take place without really achieving Samarth-ness. These characteristics distinguish mere capital formation from Samarth-ness.

Availability of natural capital provides a base for overall growth of a region

5.1.1 Natural Capital and Sustainable Livelihoods

Availability of natural capital provides a base for overall growth of a region. There is nothing new here, as it is common sense. Without water, there will be no prosperity in any region, as it will always be a reigning constraint for sustaining life in general and human life in particular. Arid region of north-western Rajasthan offers a good example of this – before construction of Indira Gandhi Canal that diverts water from the Punjab Rivers, the area was dependent on rainfall for agriculture that supported life and livelihoods in the region. Owing to frequent droughts, the whole region remained an example of chronic poverty and inhabitable environment leading to large scale long term migration. After the canal project, the biggest in India, took water to Western parts of Rajasthan, the region has seen unprecedented growth and greening (Sud 2013).

Does that mean that abundant natural capital will lead to enormous growth and prosperity? There is evidence, that it is not so. One of the districts under Samarth Zilla, Doda in Jammu region of state of Jammu and Kashmir (J&K), has high levels of natural resources. As per 2011 assessment, forest cover in Doda is 34%; large part of the district is meadows; average annual rainfall is 920 mm and snowfall in upper regions is 135 mm. Yet, the socio-economic indicators of the district are among the poorest, not only in the state, but in the country. The SZI score of the district is 0.14.

What then, explains the utilisation of available natural resources for the development of the region? This brings us to next type of capital that is the Human Capital.

5.1.2 Human Capital and 'Agency'

For natural capital to be utilised for growth and progress, it needs to be worked upon by human capital. In fact, a high quality of human capital is required to produce more than what is required for survival. This high quality of human capital needed to achieve Samarth-ness is defined by three characteristics:

- ▮ capability, as a malnourished or ignorant person cannot be expected to work much on the natural capital;
- ▮ a sense of agency, as a person restricted by structures (maybe social, political, mental, etc.) does not see any benefit in acting to improve conditions. More gravely, a person does not believe that any action on their part would bring positive change in state of affairs; and
- ▮ a sense of social purpose, as working on natural capital as an individual for their own benefit is rather short sighted and limits the gains for the society.

It is quite plain and simple as to capability, human capital with high illiteracy or low education levels, with low levels of health, or with unmet basic needs, is not fit to work on natural capital. As in case of Doda, as described in previous section, the literacy level of around 65% with very high gender gap. Most of the approaches have almost entire focus on this aspect of human capital. It is of course fundamental, however, there is something more that is required to put a capable human resource to work. That something is a sense of agency.

Human Agency, as described in section 3.1.1, is the capability to influence one's functioning and the course of events by one's actions. Under numerous structures (mechanisms of control), human agency gets restricted, sometimes to an extent that one may not have a sense of their agency. A human population may not be considered a resource or

capital if the sense of agency is absent. Further, the case of Budgam (please refer to Box 3), where process of economic change was not hindered by absence of organisations and institutions brings into focus the Social Cognitive Theory, which started as Social Learning Theory in 1960s. It essentially takes an agentic perspective and holds that portions of an individual's knowledge acquisition can be directly related to observing others within the context of social interactions, experiences, and outside media influences.

Lastly, another characteristic of a high quality human capital is the social purpose. From cited example of Budgam, it is evident that human agency is crucial for transformation. However, the story of Budgam can be considered incomplete as the rapid shift in economic conditions of the people has not really translated in improvement in social indicators. The general issues about health and education infrastructure remain as they were. In absence of social purpose, human capital fails to deliver to the community which creates Samarth-ness of the region. In Sonitpur district, Assam, there has been a history of tremendous effort on part of high quality human capital for social cause that benefitted the region as a whole. Please see Box 8 on Sonitpur district, Assam.

We have discussed earlier that when an individual or a small group of individuals (high quality human capital) come together (and form reciprocal positive trust relationships) with a sense of agency, it benefits both the individuals as well the society. Exploring this further, the next section delves into the question of social capital and its role in the process of capital formation and growth.

5.1.3 Social Capital and 'Bridging'

We have seen how endowment of natural resources and a high quality human capital that works on natural resources creates sustenance for individuals and their families. To achieve

High quality of human capital needed to achieve Samarth-ness is defined by three characteristics: capability, a sense of agency, a sense of social purpose

To achieve greater good, it requires a collective effort on part of human capital which is performed on the basis of positive trust based relationships among people. Social capital is just that

It can be observed that a positive social capital even if 'bonding' can and does lead to capital formation. However, for achieving Samarth-ness, it is the 'bridging' type that is required to be developed in a region

greater good, it requires a collective effort on part of human capital which is performed on the basis of positive trust based relationships among people. Social capital is just that. "Social capital refers to features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit" (Putnam 1995).

The 'jajmani' system can be considered as an imperfect example of social capital, as it was reciprocal and based on mutual trust and dependency, wherein one person offers goods or services to another in return of different goods or services. For example, a blacksmith offers his services in return of a part of agricultural produce of his patrons. Social capital is a 'capital' as it facilitates a community or a society to produce more than sum of what each individual would produce if left to themselves.

Does that mean having high social capital is always a good thing? Not really. High level of social capital among actors with criminal bent of mind is regressive for the society as a whole. Illegal trade, crime syndicates, and mafia all run on basis of trust and reciprocity, i.e. high social capital between and among them. From the field, it was observed that high social capital within one group in a community as opposed to between groups in the community tends to become counterproductive. Please see Box 4 on Karauli district, Rajasthan.

The distinction is available in theory as well, in 'bonding' or 'bridging' types of social capital. Bonding social capital is within a group or community whereas bridging social capital is between social groups, social class, race, religion or other important socio-demographic or socio-economic characteristics. Bonding type of social capital is characterised by very strong ties between people similar in a particular sense (familiar), having very high levels of trust forming a closed horizontal network.

Bridging social capital on the other hand, is when ties within a vertical network of dissimi-

lar people are weak, having thin trust and build on openness to include disconnected segments. The bonding type is exclusive and entails low risk for people in the network, whereas bridging type is more inclusive with more risk. The largely unsuccessful story of Self Help Groups (SHGs) in Karauli can be attributed to high levels of bonding social capital and absence of bridging type.

It can be observed that a positive social capital even if 'bonding' can and does lead to capital formation. However, for achieving Samarth-ness, it is the 'bridging' type that is required to be developed in a region.

5.1.4 Physical Capital – Efficiency, Effectiveness and Equity

The physical capital is the tangible physical goods (machinery, implements, buildings, etc.) which facilitate productive activity. Physical capital is embodied in material form. It is both created by human effort and acts as means of producing more physical capital, enriching human capital, may even provide means to build social capital.

In terms of process of capital formation, physical capital comes into picture when human capital acts on natural capital in a limited sense. A better form of physical capital is observed when human capital in concert with social capital work on natural capital to produce more than what is required for mere sustenance. This surplus gets reflected in the form of physical capital generated.

As to role of physical capital in achieving Samarth-ness, three characteristics are important:

- ▶ Efficiency – physical systems must be efficient or else they tend to become a drain on other type of capitals,

- ▶ Effectiveness – physical capital must perform its function effectively, that is what it there for in the first place, i.e. to improve productivity of the human effort, and
- ▶ Equity—all of physical systems must be accessible to all the citizens for use.

In an event where desired type of human and social capitals has to be generated, existing physical capital without any of the desired features may be counterproductive. Utilisation

of physical capital in actions of human and social capital on the natural capital produces enough surplus to generate financial capital.

5.1.5 Financial Capital – The Critical Role of Investments

Financial capital is a purely economic resource which holds value, but does not do anything by itself, like other forms of capital. The surplus generated through human efforts gets

Box 1 MASK – Completing the Cycle of Growth

Mahila Shakti Kendra a.k.a. MASK, an SHG Federation based in Balipara Block of the Sonitpur district of Assam under Samarth Zilla study.

The journey before the formation of MASK started with formation of one SHG in a village. As narrated by Eliza Boro alias Poornima, the current Secretary and Director of MASK, and one of the members of the first SHG formed in the village, it was a gradual process of building mutual trust. In the village in question, nine different communities resided, out of which 7 were tribal communities and others were Assamese Hindus, and Sonkoris (followers of anti-Brahmanism Bhakti Movement leader Srimanta Sankardev). The villages in Sonitpur district are usually cash starved, as there are no significant surpluses from factors of production. In 1990s, the communities in that small village were deeply divided to the extent that some communities fined the person if they enter the houses of particular community even if they wanted to. The formation of an SHG by an NGO came with a promise of access to capital and required 20 members to begin with. As an evidence of high quality human capital, it can be noted that Eliza and her colleagues were educated and saw value of capital in the circumstances existing in the village, and were able to persuade others to see the same value.

Since the village was very small, members from all nine communities had to come together to form an SHG. As meetings of the SHG were held in houses of all members of the SHG in turn, the members were hesitant given the strict norms of conduct. It was agreed that activities of SHG were outside the social ambit and were strictly business and, hence, will not invite fines or excommunication. The meetings were then organised in houses of all members alternatively. There was still reluctance and members avoided

drinking water in the houses of inimical communities. This stance diluted gradually when SHG's work progressed and there was increased access to capital, increased economic activity and substantial personal gains to all the members from the activities of the SHG over the years. Here, efforts of high quality human capital generated 'bridging' variety of social capital. The success of one SHG in the village led to more demand for SHGs and women from all communities came together to form around 15 SHGs in that the village.

The success of the women in this village was significant enough to attract women from neighbouring villages to emulate the same. Eliza and her partners starting training women in neighbouring villages and nurturing SHGs to make them self driven centres of economic activity. Over time, there was enough surplus from the first village where Eliza Boro had started that they started funding SHGs in other villages and providing them training.

In 2002 when there were significant number of SHGs in the network, these women came together to form the federation, which was registered as a Society in 2007. They sent their women form training in additional functions that the federation was required to perform by law. They also institutionalised the process of sending women to train other women in different villages and nurturing SHGs.

Today, there are over 150 SHGs in 35 villages in Balipara Block. MASK has become a credible micro-finance institution, is diversifying its activities from livelihoods to other areas such as natural resource regeneration, capacity building of farmers, promoting sustainable agriculture, health and hygiene, etc.

accumulated in financial form. It also facilitates the process of payments on factors of production and reinvestment of generated surplus back into the system, working on generating high quality human capital, desired social and physical capital.

For an example of complete process of growth and role of different types of capital, please refer to Box 1 on Mahila Shakti Kendra in Sonitpur, Assam.

5.2 Institutional Development – the Key to Samarth-ness

In the previous section, it is seen that there is a sequence to utilisation of different types of capital, which is being described as a process of growth. And for achieving Samarth-ness there are certain characteristics of different types of capitals that are desirable. All this may lead to growth and prosperity, however, Samarth-ness is still not assured. Samarth-ness lies not only in what is produced or how much is produced, but also in why and how it is produced and how it is distributed. There are certain rules that govern human interactions with other types of capitals. These are the institutions of the society, or the rules of the game. They structure incentives and over a period of time shape how society evolves. If institutions are considered as a continuum, then informal rules are on one end and formal rules on the other (Li 2009).

5.2.1 Norms, Beliefs and Values in Practice

The Samarth Zilla framework recognises that development is a complex function - economic, political and social. Broadening the scope of understanding institutions, Samarth Zilla framework uses both informal and formal

institutions, deeply interlinked without explicit arrangements.

We have explained earlier that norms, beliefs, and values of a society or community are the informal institutions that determine as to how any capital is utilised and distributed over space and time. These are the rules that are unwritten and evolve from culture and customs, or maybe even from religion. At any given point in time, there is a set of norms that exist in a society or a community exhibited by different actors (individual and also corporate) and interest groups. However, the prevailing norms that are supported by critical mass of thinking set the rules of managing the growth of the society. One important characteristic of informal institutions is that they are dynamic, and maybe even considered as forming a system of their own (Li 2009).

On how these informal institutions impact Samarth-ness requires thorough consideration. Keeping in mind that natural capital is the primary resource available to work upon, let's look at what impact do norms governing natural capital have on growth process. When the prevailing norms permit exploitation of natural resources at greater rate than they are replenished, it affects other forms of capital adversely too. It is basically a 'man versus nature' scenario, wherein human capital excessively exploits natural resources, seeing itself distinct than and sometimes opposed to the natural resources including natural vegetation and wildlife. Whereas, societal norms are accommodative of rights of other species to live and have 'man within nature' perspective, along with sustainable use of natural resources, high quality human capital puts in generated physical and financial capital for regeneration and conservation as well. Please see Box 2 on normative dissonance in Bastar district, Chhattisgarh.

For example, in both districts in Punjab under the Samarth Zilla study, it has been observed that water resource and soil have been exploited beyond replenishment, with

Norms, beliefs, and values of a society or community are the rules that are unwritten and evolve from culture and customs, or maybe even from religion

When the prevailing norms permit exploitation of natural resources at greater rate than they are replenished, it affects other forms of capital adversely too

Box 2 Bastar – Extreme Normative Dissonance



One of the districts under Samarth Zilla study in Chhattisgarh, Bastar is the finest examples to understand how norms and values or informal institutions define the state of affairs in a region. Bastar has low population density of 140 inhabitants per square kilometre against national figure of 416. The district has abundant natural capital in terms of dense forests, rivers, fertile land, etc. However, human development indicators are not very great, in fact, for a very long time the district bore the brunt of a violent conflict emanating from what is termed as left wing extremism. Based on interviews with multiple actors in urban areas and revenue villages, and indigenous people in tribal hamlets, this understanding has come to the fore.

Bastar is home to high population of indigenous peoples, who have inhabited the forests of the region from millennia. They have depended on forest for all their needs and consider forest as their home. It is their belief that their gods live in the forest and protect them from calamities. They have rich art, culture and dance forms which are comprehensively in sync with forest based lifestyle. They harvest forest produce for their sustenance and nutritional security. Within their belief system, they do not harvest before a particular time when they celebrate their harvest festival, make offerings to their gods. And the amount they harvest is just about what they need. In a way they have had a symbiotic relation with the forests.

On the other hand, are non indigenous people, who have migrated into the region probably not more than 200 years ago. These people reside in urban areas, or revenue villages and are involved in cultivation, trade, commerce and related commercial activities. They view forests as an economic resource, for its value both above and below the ground

(minerals). There have been allegations of misuse of the Forest Rights Act by non tribal people to acquire forest land. Forest produce such as amla, imli, bamboo is harvested by these people as well for commercial purposes.

It was observed in one of the tribal hamlet near revenue village of Nangur, that bamboo, amla or imli were not there in the forest anymore. As opposed to limited and timely harvest of forest produce by the indigenous tribal people, non tribal have no such restrictions. This led to over exploitation of natural resources in that area beyond the levels of replenishment. For non tribal people, there are other forests to source these forest produce, but for tribal people it is not feasible for them to travel to farther forests to meet their needs. It has impacted lifestyle of indigenous people in a big way. Apart from disruption of traditions, customs and habits, now they are dependent on the market to meet their needs; they look at money as a commodity which is scarce, and sell whatever little forest produce they get or have to do manual labour to get it.

Boda, a kind of mushroom that grows in that forest is rich in vitamins, minerals and proteins. It has traditionally been a part of diet of indigenous people. Over a period of time, this vegetable has found appreciation in non tribal urban population, and in neighbouring states. During the field-work, boda was fetching upwards of INR 1000 per kilogram (going up to INR 3000 at times) in Jagdalpur market. Indigenous people, address scarcity of money by selling most of harvested boda in the market, leaving none or very little for their own consumption. It has severely affected nutritional security of these people. Children of tribal families in that area are malnourished and on verge of stunting.

It is observed that when human interaction is governed by an exploitative mind set, rather than an approach that respect human rights of person and in that way puts everyone on a same plank, the results could be disastrous. When payment on factors of production is not fair, especially wages, the accumulation happens in the hands of the few. Coupled with a bonding type of social capital, these few exclude majority out of reinvestment of capital generated into enhancement of their own human and physical capital

unsustainable agricultural practices over a long period of time. This type of use of natural capital of the area, no doubt generated great surplus in the past for the region to prosper. At present, however, the costs of production of same amount of crop have drastically gone up, and productivity have either plateaued or started to decline. It is estimated that the region will see desertification in next 20 to 25 years if business as usual continues. The situation has started impacting human capital as well, in so far as large number of suicides being committed in the state, over 900 from 2017 to 2019 and over 16,606 in 2000 to 2015. At the same time, economic growth of the state has experienced a slowdown over last decade; in terms of percapita incomes, Punjab now lags behind neighbouring states that once it used to lead. There is a large scale exodus of Punjabi youth to overseas destinations in search of better opportunities.

Another important set of norms is that towards human capital. In almost all districts under the study, a seemingly national phenomenon of deep inequalities was very prominent, more visible but not limited to in income levels. A number of scholars have pointed it out in the past (Deaton and Dreze 2002) (Balarajan, Selvaraj and Subramanian 2011). It is observed that when human interaction is governed by an exploitative norms, rather than an approach that respect human rights of person and in that way puts everyone on a same plank, the results could be disastrous. When payment on factors of production is not fair, especially wages, the accumulation happens in the hands of the few. Coupled with a bonding type of social capital, these few exclude majority out of reinvestment of capital generated into enhancement of their own human and physical capital.

It is hard to justify this normative violence through any of the theories of justice, much less by utilitarianism/ consequentialism or constraints based deontology. When this process of exclusion and exploitation goes on long enough, structural blocks appear to set in the economy. In extreme cases, it even leads to physical violence in absence of redistributive

justice, as seen in case of Bastar district (Please see Box 2). As opposed to this, when prevailing norms are egalitarian, it ensures that fruits of growth are distributed and redistributed for a uniform growth of the population.

5.2.2 Law and Formal Structures in Practice

Formal institutions and their constituent organisations are highly specialised by domain and are very important to achieve Samarth-ness, especially when they correspond to management of five types of capitals. Informal institutions and formal ones are not entirely independent of each other. The effect of the other and in turn gets effected. However, it is observed that within districts with low SZI scores, this dynamism is missing. In essence, the formal institutions do not evolve with corresponding change in informal institutions; or some key institutions do not follow the change in larger ecosystem of institutions. Also, in most cases formal institutions of the district, however progressive, not only fail to impact norms, values and beliefs of the people but also fail to deliver on their functions as they are occupied by individuals having different norms.

Some important factors, observed from the field, in play when we consider performance of districts are described below.

- 1) **Historical factors**, such as, differences in governance and land revenue system seems to be correlated with performance or non-performance of a district. For example, Dharmapuri was a part of Mysore kingdom until annexed by the British in 1792, whereas Kanniyakumari was never a part of Madras Presidency. There is significant difference between SZI scores of these districts. Significant difference is also observed in Punjab. Moga district in Punjab, although governed by a Sikh ruler (under British suzerainty from 1809), was not a part of Sikh Empire under Maharaja Ranjit Singh, while Jalandhar was; and both came under direct British rule in 1840s.

- 2) **Presence of a dominant community:** Districts with low SZI score have also shown presence of a dominant community in terms of number and/or socio-economic status. Whereas, those with high SZI score show complete absence of one dominant community, but there are cases where one community is marginalised in these districts. Districts where one community dominates witness formal institutions being relegated. The interest of the dominant community (within which there is high level of connectedness and trust) takes primacy. For example, Sonitpur in Assam, does not have a dominant community, instead shows a number of communities with a history competition and cooperation within and among these communities. It strongly depicts prevalence of a bonding type of social capital as opposed to a bridging type. Please refer Section 3.1.2 on Social Capital Theory.
- 3) **Migration:** Districts with high SZI show high immigration from other districts/states. Perhaps, these districts have high SZI due to confluence of ideas and different ways of working from among the migrants. There seems to be greater acceptance of migrants in these districts. In some cases, emigration seems to work well, such as in Jalandhar, Punjab, where high rates of emigration to foreign countries seems to have exposed families in the district to a different value system. Whereas, those with low SZI show high emigration coupled with factional rivalries within the native communities. It may be said that different physical capital leads to variation in social capital and also the way institutions are shaped.
- 4) **Trade and Commerce:** Presence of districts along major trade and commerce routes seems to aid in building ecosystem of cooperation within the community and creating relatively efficient institutions, seen in high SZI districts. The process for the same seems like evolution of traditional trust based relations within a community which are restrictive into more liberal and inclusive trustful relations facilitated by interactions with wider diversity of people for mutual benefit. Fundamentally, expansion of social capital is beyond traditional and family/clan based relations. This not only leads to evolution of rule of law, but also high level of social capital and trust seems to nudge people to follow law more. As opposed to that, districts with low SZI score exhibit high level of clan/caste/social group based trust relations and a distrust and in some cases inimical views towards other communities within a district aided by low level of economic interdependencies. This observation fits well with Douglas C North's idea of why and how formal institutions come into existence. Please refer to Section 3.1.4.
- 5) **Institutions:** Districts that feature higher on Samarth Zilla Index (SZI) have working institutions (both governmental and non-governmental), although the degree of functionality varies a lot. Whereas, districts with lower SZI scores show largely dysfunctional institutions. Hence, institutions seem to form the core of solutions in achieving Samarth-ness. Districts where institutions fail to adapt to evolving socio-cultural scenario get into a state of decay. Even though such districts show high score on SZI, the institutions are barely functioning. This may be attributed to mismatch in societal and institutional values and norms, which acts as a bottleneck in using institutions as vehicle of human and social progress.
- 6) **Embeddedness:** Key feature of functioning institutions in the districts, either governmental or non-governmental, seems to be embeddedness. It can be described as being firmly or deeply ingrained in a place or local environment. In more concrete sense, embeddedness is non-contractual basis of a contract of any kind. For example, in various places where NGOs work,

they may act as an external institution functioning with objectives articulated by their donors or funders, characterised by small duration of engagement, prescriptive approach to work and perhaps incentive based collective decision

making among people. As opposed to that, some institutions tend to work closely with the communities, are placed in the environment for a long time, develop relationship with people, identify fundamental challenges and develop solutions

Box 3 Budgam – Apples and Human Agency



In another SZ district in Kashmir, Budgam gives an excellent example of displaying human agency which has led to improvement in economic conditions of the people. Budgam district has almost equal proportions of plains, medium altitude lands called Karewa, and high altitude mountains. Traditionally, people have grown rice as major crop in the district in both plains and medium altitude areas. However, productivity varies greatly, as Karewa having higher altitude and undulating topography are not suitable for paddy cultivation. As per one farmer's account, the difference is as large as 70%. In past 15 years, the district has seen mushrooming of apple orchards in almost all of the Karewa areas, which are highly suitable for growing apples.

On how this shift happened, the local say it was all when they observed similar areas in neighbouring Shopian district growing apples and getting good price for their crop in the market. The knowledge sharing on apple cultivation was all organic and people to people. People took up apple farming

in Budgam in parts of their lands, as apple crops take years to start bearing fruit. As inputs are low and prices were good, gradually, almost all medium altitude areas are now apple orchards. This shift is visible when one visits villages of the area to find two kinds of buildings there. First, very old (30-70 year) and beautiful traditional wooden structures, which on main streets have a shop on the ground floor and a place to stay above that. Second, very new (not more than 7 years) brick and mortar structures with modern amenities. There is a spurt in construction activity and a lot of structures can be seen under progress.

It is noteworthy that this shift in economy of the area is entirely the result of people's choices on gaining knowledge. There is no organisation, government or private, which facilitated this change. There are other factors which also played a role in this shift, such as high number of truck drivers and transporters from the area made crucial market linkage possible.

Box 4 Karauli – SHGs and Social Capital

Karauli district in Dang region of Rajasthan, presents a peculiar case to understand effects of social capital. The sandstone in the area is the most prominent natural resource. The population seems to be deeply driven by caste considerations. There has been stellar rise of Meena community socially, economically and politically, based on various factors. The community exhibits strong social capital of a bonding variety. The aspirations of other prominent community in the area, the Gurjars, is to emulate the success of Meenas. Since, the advanced community has closed networks; while focussing on enriching their human capital, Gurjars exhibit bonding social capital as well. Essentially, other communities, including the scheduled castes (SC) are left with no option but to follow suit.

One common observation from local NGOs, people and government officials was that Self Help Groups (SHGs) in the area have not been successful and almost all are non functional. Among those functional, members who see SHGs as a medium of getting short term credit for their consumption needs form a majority. The failure of SHGs was largely attributed to personal disputes among members. Caste divisions were often cited as reasons of disputes, as members from one caste group refuse to attend meetings in houses of members from other caste groups, both by Gurjar and SC communities. SHGs, which otherwise provide a platform to create desired 'bridging' kind of social capital and improve livelihoods and living standards in resource constrained areas seem to have fallen victim to excessive distrust between communities in Karauli. The system of exclusion becomes perpetuated in such a scenario.

with participation of local stakeholders. The latter, seemingly by virtue of their embeddedness, are found to be more successful.

- 7) **Human and Social Capital:** Districts with low status of human and social capital, usually the ones with low SZI, have shown low performing institutions. This reflects the importance of human and social capital in activating other types of capital – natural, physical and financial. Levels of human and social capital remain the undercurrent of all of the factors which seem to impact performance of an area/district.
- 8) **Falling Social Capital:** There seems to be a trend which indicates falling social capital across the spectrum. Traditional practices/ institutions which implied healthy level of trust and reciprocity among the people are becoming rare. These practices and institutions were arguable one of the mediums of generating good social

relations. For example, in all villages visited in Karauli (low SZI), it was found that sitting together of villagers cutting across caste lines in the evening at a common place in the village was no longer a usual practice. In fact, they have let go of that practice some 15 years ago. Even women from these villages do not visit other women's houses, even if they were from same caste. On questioning the reasons for it, they point to high level of distrust towards each other, especially along caste lines.

- 9) **Leadership:** An indispensable component of small examples of shared human progress by community effort is sustained leadership. Established institutions see downfall when they fail to adapt to socio-cultural changes; perhaps the major reason is absence of leadership. Leadership within one community, which excludes other communities, also seems to be ineffective for larger development and shared prosperity. For example, in Rajasthan (Karauli), Kirori Singh Bainsla,

Box 5 Jalandhar and Moga – Different norms lead to different outcomes

The two districts in Punjab offered a comparative learning in the way prevailing norms effect efforts aimed at growth. Jalandhar district has much higher share (around 60%) of non-farm activities district GDP as compared to Moga that is highly agriculture based. There are numerous manufacturing businesses in Jalandhar which are diversified in hand tools, food processing, leather goods, surgical instruments, etc. Whereas in Moga, only agricultural implements are manufactured and that too, not at a large scale.

On survey it was found that efforts of the industrial promotion department in Moga to create a cluster of agricultural implements

manufacturing could not take off. The reason for this failure was that handful of industrialists in the district involved in manufacturing did not wish to cooperate with each other as a group because of their personal enmities. This was so when there were many benefits on offer from the government, including that of free land. Completely opposite to this, Jalandhar has seen creation of such clusters in the past, e.g. the Leather Complex created solely for leather exports, cluster of hand tools manufacturing, etc.

It is inferred that in Moga prevailing norms favour kinship based linkages with a closed network bonding type of social capital, whereas in Jalandhar, positive trust based relationships for mutual benefit take precedence that promote connections.

the fiery Gurjar leader is promoting desirable norms only within Gurjar community. On the other hand, there are examples where effective leadership assimilating members of all groups and communities. Absence of leadership is strongly seen in districts like Moga, Dharamapuri, etc.

- 10) **Conflict and Samarth-ness:** In what may be a chicken and egg situation, conflict and Samarth-ness are observed to be inversely related. Districts like Kokrajhar, Bastar, Dharamapuri, are examples where long history of violent conflict, in the form of left wing extremism or pro independence insurgency, seems to be correlated with their low SZI scores. It is inferred that extreme cases of normative clash or social disharmony, often with exploitation of large number of marginalised people leads to conflict, which feeds further into the causes. Districts with high SZI scores have observed to have experienced long periods of peace and social harmony.
- 11) **Process orientation of government institutions:** It has been observed from field interviews at almost all locations that

government institutions are overwhelmingly process oriented. Interview questions were aimed at gathering qualitative understanding of the district. Various govt. officials were often asked to describe what work they were doing and why it was needed there. The responses were largely the process of what they were doing, with clear role descriptions in that process. A very few officials interviewed were satisfactory in their attempt to understand why their work was needed and what constraints hindered the work. These points to serious lack of capacity and training in government structures at the district level.

- 12) **Community:** In all districts studied, there is presence of small and large NGOs working in the development sector on varying scales. It is observed that interventions with the community work while the external organisation continues to intervene. Unless, the community concerned takes the helm of affairs themselves, the interventions fail when the funders or implementers of the intervention withdraw over time. On the other hand, institutions born within the community seem to work

Box 6 BMW and cleanest city in India – Indore



Indore city has been adjudged the cleanest in the country for three years straight as per SwachhSurvekshan, an annual survey on cleanliness under Government of India's Swachh Bharat Abhiyan or Clean India Mission. This is a far cry from Indore of a few years ago that looked like any other city in India. While Indore Municipal Corporation has been credited with this success, a closer look reveals a bigger picture. A key private, for-profit institution called Basix Municipal Waste Ventures Limited or BMW for short, has acted as a fulcrum of this change.

As per Mr Srigopal Jagtap, CEO of BMW, there are several factors that aided BMW to do what it has been able to do. There are key roles played by all stakeholders in making hygiene a way of life in Indore city, be it municipal officials from top to bottom, political representatives, and most importantly the citizens. BMW has stayed embedded in the local community right from the pilot stages, and it had been sustained. The leadership within BMW too has been uninterrupted and sustained. Since municipal waste management is a public good, the cooperation and support of Municipal Corporation (MC) has been crucial. In fact, on ground implementation of the complete process of waste management has been done by MC including collection of segregated waste, transportation to treating or dumping sites, etc.

Involvement of local people by efforts of BMW to remove information gaps between efforts of administration and demands of people filled a crucial gap in making any public system work. This was vital to bring about a behavioural change among the community.

After a minimum gestation period in which on ground results started to show, participation of political actors was utilised to sustain public sentiment towards cleanliness and hygiene. BMW also worked on capacity building of municipal officials, with complete understanding of the process to all the functionaries, right from sweepers, waste collectors to high level officials in MC. This led to greater role clarity and responsibility within the process. Continuity of actors within institutions that ensured that movement kept building on, without having to start again with any of the institutions involved in the process.

Effectively, BMW became the institution which acted as a knowledge resource for government institutions. It also placed itself between government institutions and local community and community institutions to manage expectations, building the capacity on both ends.

far better than other NGOs or even the governmental interventions. This is different from embeddedness as talked about before in the context of general institutions working in a particular area. Community institutions are by definition embedded.

- 13) **Networks and institutions:** It is observed that in districts with high SZI, not only institutions are functioning, there exists a network of like-minded individuals which create a flow of ideas, norms and practices and even resources in different fields of work, maybe government, business or social action. On the contrary, districts with low SZI show absence of such networks. In fact, institutions working in similar field often do not undertake exchange of practices, capacities or resources in low SZI districts. It reflects the way development institutions, especially governmental ones function, wherein, it seems development planning is replaced by resource allocation exercise.

5.2.3 Limitations of Institutions as Actors

In Indian development strategy, a large portion is occupied by the State or governmental institutions as the provider goods and services to meet developmental needs of the population. Somewhere along, realising the limitations of the government in being what it proclaimed to be, came the civil society institutions of the non-government organisations (NGOs). NGOs attempted parallel provision, all the while stressing that the government cannot perform the function of development alone. But at the same time, by not engaging with each other or with the government to approach development in a new way; the NGOs too remained highly limited in scope and capacity, although arguably performing well in their microcosms.

In 1990s, recognising its own limitations in bringing about required development, the Indian State bought into the neoliberal para-

digm. The decision of opening up the economy and unleashing of market forces came with huge promises of bringing in much needed resources required for growth and development, something that the Indian state had severely lacked. Since then, with contraction of the State, development challenges have only worsened with even deeper disparities showing up regionally. One can easily contend that, market institutions are not the panacea they were considered to be more than a couple of decades back.

Another set of institutions that have tried their luck in India are the international, multilateral or philanthropic, development institutions. Although they bring in financial resources and technical know-how, their experience has been moot. It seems that little focus on overarching constraints, as described in Section 6.1, has led to weakness in performance of international institutions. United Nations Development Program (UNDP) noted as early as 1989 that “In many of [its] projects, the institutional strengthening components were either largely ignored or dealt with superficially. It was often assumed that achieving the technical objectives of a project would automatically lead to greater institutional capability . . . In practice, institutional capacity-building remains a “black box” of UNDP project design” (McGill 1996). A 2016 study by Department for International Development (DFID), UK highlighted prevailing political economy constraints as reasons for failure of international aid and funding agencies in implementing interventions in Asia (Kydd 2016).

It is increasingly becoming clear that different sets of institutions, in their wisdom (or arrogance) have all tried in an isolated fashion to address the developmental challenges. This approach is of the past age. Contemporary realities are demanding these institutions to shed old cloaks of ignorance and adopt the gear of innovation. The Samarth Zilla framework of planning, governance and development prescribes such an innovation, outlined in the next section.

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6

The Evolutionary Path for a Samarth Zilla

Having described what the path to Samarth-ness looks like in the foregoing section, the current section deals with the question on how to tread that path, or how to go about achieving Samarth-ness. The way to achieve this is paved with development of institutions which are required to fulfil the felt needs of the population of a district through enhancing the way available capitals are developed and utilised.

Before we get into question how institutional development can be undertaken for making a Zilla Samarth, it would be useful to look into overarching constraints that need to be removed simultaneously.

6.1 Removing Overarching Constraints

Within the Samarth Zilla framework, great emphasis is placed on three types of constraints, which were studied in detail in all districts and District Constraints Analysis Reports (DCARs) were prepared. It essential to understand the nature of these constraints in order to mitigate their impact, if not eliminate at once, so that larger task at hand, that is to invigorate the institutions at the district level can be undertaken.

6.1.1 Political Economy Constraints

The most fundamental and deep seated of all the constraints observed in the field was the political economy prevailing in the district. It can be understood as the pattern of control over resources available in the district. These constraints were particularly strong in the districts having low SZI scores. Almost all these districts displayed one common feature, that is, presence of a 'dominant' community, with disproportionate control over wealth and resources, socio-economic and political, of the district.

“Political economy analysis is concerned with the interaction of political and economic processes within a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time” (Collinson 2003). It is understandable that communities or groups at an advantageous position would resist change in policy and support status quo. And since, these communities and groups hold sway over both political and economic processes, they tend to become a constraint in the any developmental effort that erodes their position vis-à-vis the majority. In fact, such communities use resources at their disposal to further consolidate their political and economic power, by participating in the policy making or using their influence.

Another observation from the field regarding prevailing political economy was its intersections with caste and class. It was found that in most of the districts, the dominant community was more often than not a so-called upper caste community. Also that, said community traditionally maintained an upper class position as well.

On the contrary, the districts that featured higher on the SZI score, showed absence of one dominant community. In such areas, the political and economic power was much more dis-

persed than districts with low scores. However, it does not mean that there was no pattern of control over resources. What it does mean is that instead of concentration of resources in hands of one community, multiple communities displayed adequate accumulation and linkage between each other. This seemed to have created a healthier interaction among communities for overall growth.

Political economy constraints have bearing at and are shaped by interests, ideology, and institutions pertaining to people of the area. That said; these constraints pose greatest hurdle to process of growth from becoming a virtuous cycle of shared prosperity. Hence, it becomes paramount to address these constraints, which can be done by creating mechanisms/ institutions that work for greater devolvement of power.

6.1.2 Institutional Capability Constraints

Institutional capability constraints can be summarised as gaps in capability of the institutions in the district to drive the process of growth in a desired manner. This may be characterised by absence of formal institutions, lack of capacity in existing institutions or normative differences between formal and informal institutions.

It has been observed that there was over reliance on governmental institutions among low SZI score districts. In other words, private entrepreneurial/ associational institutions were not emerging to address the requirements, leading to overburdening of governmental institutions. This exposed the limitations of such institutions. On the other hand, among high SZI score districts; there were a number of institutions that were filling in the gap where particular capabilities were required. In Sonitpur district (high SZI score), Assam, the cooperative movement was a big factor in tiding over the natural calamities, famines, shortage of essential commodities; which worked when govern-

ment institutions failed to meet the needs of the people. In Moga district (low SZI), Punjab, there is a near complete absence of any institutions which are capable to meet pressing needs of the people there. Even the government institutions are incapable of bridging the normative gap and develop capabilities to address challenges.

6.1.3 Financial Resource Constraints

When it comes to translating plans into action most agencies cite unavailability of funds as the prime reason for inaction. The same was the experience during the field surveys under the study. The mechanism of District Planning Committees was dysfunctional for various reasons in the districts, irrespective of the SZI score, and the most common reason was lack of funds from the state government.

Unavailability of financial resources comes at two levels. First, there is indeed a dearth of financial resources in the district, which may be due to extremely low economic activity on the whole, e.g. in Karauli, Rajasthan. Second, the lack of utilisation of available financial resources indicating lack of entrepreneurship capability among the local people, e.g. Jalandhar, which has highest deposit rate in Punjab and among lowest Credit-Deposit ratio.

It may be useful to mention, that in most districts, people placed their expectations on the government or the State to arrange for financial resources for carrying out any developmental work. To address financial resource constraint, the best way forward may be to create an ecosystem for private entrepreneurs/ self-funded businesses to prosper and share the onus of bringing positive change on path to Samarth-ness. In absence of that, the story remains what is has remained form many years, limited government resources spread out thinly that are unable to meet the requirements fully while creating dependency among the population.

Political economy constraints have bearing at and are shaped by interests, ideology, and institutions pertaining to people of the area

To address financial resource constraint, the best way forward may be to create an ecosystem for private entrepreneurs/ self-funded businesses to prosper and share the onus of bringing positive change on path to Samarth-ness

6.2

Ensuring Institutional Development for Progress

6.2.1 Acceptance for Desired Norms

Learnings from field work suggest that, in absence of any credible institutions, people who need development require creation of institutions that can take over that function. And for that process to fit into Samarth Zilla framework, it requires a certain set of norms to prevail that ensure human progress. This requires a consultative mechanism, a platform where different actors and interest groups can share motivations behind their interests, their ideas, etc. This process of building a wide acceptance of desirable set of norms sets in motion the creation of new informal and formal institutions, and improvement in existing ones.

6.2.2 Collective Action or Leadership by the Elite

The development process is rarely driven by the people of the area. Only where it is the majority which needs such a process (as dominant minority supports status quo), it becomes a case for collective action. But in a majority of situations, we observed leadership provided by a small elite group, in line with Dipankar Gupta's theory mentioned earlier in Section 3.

6.2.3 Institutional Change

As stated earlier, informal institutions, i.e. norms and values are more dynamic than the formal ones. However, formal institutions undergo change too. This fact enables us to envision that current formal institutions can also be made aligned with larger societal goals to achieve

Samarth-ness. The process of institutional change is either slow or rapid. Rapid changes are generally due to exogenous shocks, whereas, slow change processes are largely internal but not necessarily.

A real challenge also exists for institutions that do not undergo change even in response to environmental change, due to any reason. Such examples were abundant in Samarth Zilla districts, wherein many old institutions that once solve many problems of the people of their area. But owing to stagnation and resistance or incapacity to change, face extinction. Maybe a larger lesson for institutions anywhere is to evolve or perish. Please refer to Box 8 on institutional development and change in Sonitpur district, Assam.

6.2.4 Networks and Formal Institutions

It has been observed that in well-functioning districts, formal institutions are closely linked with formal and informal networks of like-minded individuals. Through these networks, these individuals influence norms and values in a particular domain within informal aspect of institutions; share capacity, resources, practices and take part in institutional development in formal aspect of institutional landscape. These networks get influenced by institutions as well. The dynamics of this push and tug seems to vary greatly from region to region. Such networks cut across different types of institutions, such as market, academia, state and community, within a particular domain and often become instruments of institutional collaboration and partnerships. This becomes possible due to nature of these networks.

On the other extreme, low performing districts show near absence of influential individuals or absence of 'like-mindedness' or absence of networks among individuals. This has been observed among institutions working

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Box 7 Kheti Virasat Mission – An “Elite of Calling” bootstrapping change



Kheti Virasat Mission or KVM is an organisation, based in Jaito, working to promote natural and organic farming in Punjab. It was founded by Mr Umendra Dutt as a response to excessive exploitation of natural resources in Punjab over many decades of 'green revolution' agriculture. Mr Dutt considers current paradigm of agriculture as violence against nature and culture of Punjab, and has made it his mission to bring back lost traditions and customs, of which diet formed the most important part.

Closely working with women, KVM has promoted chemical free kitchen gardening in south-western districts of Punjab where incidence of cancer is high. There are more than 3500 kitchen gardens in two districts that they work in. The organisation has become a platform for knowledge sharing for organic farmers. In last 15 years of its existence, KVM has built a network of more than 2500 farmers who practice organic farming.

within a domain or with same stated goals. This absence is not observed due to lack of information or knowledge, but due to largely indiscernible and non-uniform reasons.

6.2.5 Information and Communication

A key observation from the field also points to importance of information flow and channels of communication within institutions, among

institutions and also between networks and institutions. Since, different types of institutions, more often than not, have differentiated roles in a particular domain, it becomes challenging to envision an 'accelerated' type of linkages among institutions within a domain (Please refer Section 3.1.5). The major impediment seems to be the “language” that different types of institutions use to communicate. For example, an NGO's understanding of a social issue or phenomenon and its articulation would vary



काष्ठ शिल्प



Box 8 Sonitpur – Institutions of the Past in Present



In Sonitpur district, there was a strong presence of cooperatives, mainly aimed at controlling exploitative pricing of essential commodities in the interest of largely poor consumers of the area. The roots of this cooperative 'movement' lie in the freedom movement during which a large number of identities were subsumed under one Assamese identity in response to excesses of British rule. Two of the major cooperatives in the district were analysed, one formed in 1943 and other in 1948, are still active.

One cooperative in Biswanath Chairiali called Binnapani Cooperative Stores Limited was formed in 1943. Its roots lie in Binnapani Natya Samaj, the parent body of the cooperative, formed in 1931 as a platform for preserving and showcasing Assamese culture. The Natya Samaj was involved in resisting British rule through drama, creating awareness among local people about exploitative nature of the foreign rule and rallying support against the 'common adversary'. The medium was drama and street plays of cultural and mythical stories like Mahabharata. The membership of the cooperative is restricted, and a member of the cooperative has to be a member of the Natya Samaj.

As per the current chairperson of the Cooperative who joined the institution in 1949 and became chairman in 1997, the founding members of the Natya Samaj were people of means and were well educated. The members were doctors, lawyers, tea plantation managers, teachers, etc. The 88-year-old Chairperson himself, son of an assistant manager at a tea plantation, is a retired headmaster. The founding members were based in major cities like Calcutta and Guwahati. The need for Binnapani Natya Samaj in Sonitpur

was felt when they observed freedom movement activities involving cultural shows in bigger cities. It also gave a platform to local artists and actors who were struggling to find a livelihood. Faced with rising scarcity of essential consumption commodities during Second World War, Binnapani Cooperative Store Ltd was born out of the Natya Samaj in 1943. The cooperative made essential commodities available at fair prices.

On prodding about his motivation to engage with institutions like Binnapani and his background, the Chairman describes the values inculcated by his schooling/ education and the environment he grew in, as the major reason. The fact that he grew up with plantation workers made him value manual labour. The reason he is still engaged with Binnapani at this ripe age, he says, is to inculcate the same values among people.

At present however, it is observed that old cooperatives of the district are fast losing their relevance and current governance practices lack contemporary knowledge. Binnapani Cooperative and Pabhoi Cooperative (formed in 1948), both intended to supply essential commodities and check monopolistic pricing of the same. The original objectives of these organisations have since been addressed by the market. The cooperatives are struggling to remain financially robust and relevant. Pabhoi involved in clothes business to promote local has less than 10% of sales from locally produced clothes. Pabhoi cooperative invested in building a cinema hall in early 2000s, which became financially unviable in face of multiplexes around mid 2000s. Binnapani plans to build an auditorium and make similar investments.

Information flow and communication are significant factors in determining the kind of institutional linkages and collaborations that come forward. Therefore, it becomes necessary to include a strategy within institutional development for the same

Within a domain of practice, different types of institutions bring different capabilities, resources, knowledge. Owing to increasingly complex problems of governance and development in today's context, all these resources are simultaneously required in a holistic and integrated fashion

vastly from that of a bureaucrat who is duty bound to address the same. We did observe in the field that there were examples where such barriers were crossed. One such case is the remarkable story of how Indore became the cleanest city of India with the collaboration among the political leadership, the municipal administration and NGO's working with citizens' groups.

In case of this work in Indore (please see Box 6), it acted as an institutional mediator between citizens and municipal authorities. The fact that BMW worked closely with both, helped it to create a bridge between the two and successfully manage expectations at both the ends. Further, within and among workers and officers of municipal authorities, knowledge of a uniform process with clear and distinct role identification was disseminated. This uniformity in understanding of functions tends to increase accountability and responsibility among functionaries through internal mechanism of checks.

The challenges with information flow and communication are observed to be common. It is also a significant factor in determining the kind of institutional linkages and collaborations that come forward. Therefore, it becomes necessary to include a strategy within institutional development for the same. Also it presents an avenue for specialised organisations to perform this function as performed by BMW in Indore.

6.3 Putting it together – Panchmukhi Samvaay

In India, the governance challenges are enhanced due to enormous diversity of contexts, rapidly changing technological tools availability, considerable variations in the

operation of governance structures on the ground. The development function has become more complex than before as increasing specialisation of functions and division of labour create intricate interdependencies and call for greater knowledge, effort and resources to address the same. In this section, building on the Samarth Zilla framework described in previous sections, in face of increasing complexity of challenges, limitations of different sets of institutions in addressing them alone are highlighted and a mechanism is prescribed for taking these challenges head on and move towards Samarth-ness.

It is true that within a domain of practice, different types of institutions bring different capabilities, resources, knowledge. Owing to increasingly complex problems of governance and development in today's context, all these resources are simultaneously required in a holistic and integrated fashion. International experiences in regional planning, development and governance, some of which are mentioned in Section 3.2, point to importance of roles played by different types of institutions in making the developmental efforts a success. On top of that, integration is a crucial key which is gaining prominence in regional development practice. The Panchmukhi Samvaay is a complex partnership among five different types of institutions at the district level. The institutions are:

- ▶ Civil Society Institutions
- ▶ Political Institutions
- ▶ Government/ State Institutions
- ▶ Financial and Market Institutions (industry and businesses)
- ▶ Media and Academic Institutions

Panchmukhi Samvaay is a concrete variety of the 'accelerated' type of institutional linkages (please refer Section 3.1.4). The major feature of an 'accelerated' type is acceptance of a set of norms and values driven by common objectives and motivations. In Panchmukhi

Samvaay, these common goals and objectives are provided by prioritising needs of the local community, which forms the core of this partnership. Community centeredness of institutional collaboration with engagement and participation can now be considered indispensable. Other types of institutions, as listed above align around this core to share norms, values, information, knowledge, practices and resources within a domain. In following sections, constituents of the Panchmukhi Samvaay are described. The constituent categories of institutions, as listed above, carry distinct features and advantages that complement each other in order to address complex problems. It is useful to describe each category of institutions in Panchmukhi Samvaay.

6.3.1 Civil Society Institutions

Civil society institutions (CSIs), popularly known as 'NGOs', are the grassroots institutions working in development sector. These institutions individually, although extremely ingenious and economically frugal, have limited operations owing to constraints on finances, human resource, scope and reach. It is often observed that these institutions work with 'good' intentions and are largely respected by local communities that they work with. The biggest challenges these institutions face are to make their interventions sustain even after they withdraw from an area; replication and scaling up of successful models of interventions, among others. CSIs are better placed than any other type of institution within the partnership to embed the process of genesis, evolution and functioning of Panchmukhi Samvaay in an area. Embeddedness, as discussed in section 5.2.2 and also evident in the example of Indore managing its municipal solid waste (please refer Box 6), seem to be a crucial ingredient for success of any type of institution. However, for civil society institutions, it seems to carry way more weightage in success than currently attributed.

6.3.2 Political Leaders and Institutions

Local political leaders/ institutions (PLIs) are political manifestations of local needs and power distribution. Often, local level politicians and political institutions do not get attention at higher levels of polity. PLIs have nuanced understandings of local level issues and often offer similar solutions, sometimes challenging higher echelons of power in the respective institutions.

Since, at a district level, the issues are not macro in nature and impact almost the entire population in largely the same, PLIs become power brokers with an opportunity to prevail over the political economy of the region. PLIs, in Panchmukhi Samvaay, perform the role of creating consensus over prioritisation of local issues, demands and also solutions to address these. Also, PLIs' close linkages with GSIs (next subsection) are crucial in building this partnership and sustaining over a long period of time. In this process, PLIs are well placed to provide some concrete legitimacy to work of such a partnership in a district.

6.3.3 Government / State Institutions

All government or state institutions (GSIs) at the district/ local level are part of this category of institutions. GSIs may be considered as the strongest of all institutional categories, having force of the State behind them which comes with substantial resources – human, physical and financial too. Apart from that, the transformative Constitution of India provides much room to use legal structures to bring desired socio-economic change. Provisions of governance such as for District Planning Committees or DPCs offer readymade platforms of integration at district level.

In India developmental history, GSIs have dominated conceptualisation and implementation of developmental efforts, often overriding express local demands. Within Panchmukhi Samvaay, apart from all advantages that GSIs bring; there is an opportunity to execute at local level what GSIs have failed to do since independence. The way regional councils have worked in many countries in such as China, Australia, etc., demonstrates the role that GSIs can play while making best use of capacities without to further long term goals.

6.3.4 Financial and Market Institutions

Financial and market institutions (FMIs) are operational businesses, industry, banks, micro finance institutions in the district. More often than not, these are part of larger national or multinational legal entities. Market institutions survive on the basis of highly efficient delivery of goods and services. Coupled with that, the knack for cutting down costs motivated by profit seeking behaviour, operating at large scale are desired skills, practices and knowledge in Panchmukhi Samvaay.

Financial institutions, although part of market institutions, hold independent significance, for they serve as source of most important resource that is finance. Especially within Samarth Zilla framework, sustainability, not only ecological but also financial, is among the desired norms. Therefore, the role of financial institutions within Panchmukhi Samvaay, get even more importance.

6.3.5 Media and Academic Institutions

There are multiple institutions which are engaged in generation, relay and dissemination of information and knowledge. These institutions are being termed as media and academic institutions or MAIs. Availability of and access to right information and knowledge makes a vast difference, especially when stakes are high,

such as in an event of a calamity. MAIs are often criticised for spreading misinformation, being selective in coverage of few areas, working of few interests, etc.

MAIs form an important component of Panchmukhi Samvaay as they not only become repository of knowledge, and generator of new knowledge, but also the medium of communication within and among various other types of institutions. In case of Porto Alegre, where community driven budgeting of public finances led to large scale transformation, local media played an important role in disseminating information, building capacities, and sustaining interest after initial hiccups (please refer to section 3.2).

6.4 Creation of a New Setting

Panchmukhi Samvaay comes into practice when different types of institutions, maybe domain specific, work on addressing felt needs of the local community. As described in previous section, each type of institution holds certain strengths that others do not. Therefore, to address the multifaceted developmental issues and challenges holistically, it requires integration of multiple types of strengths that each type of institutions brings.

It is the institutional innovation that becomes a vehicle of achieving Samarth-ness in all of districts in India. In that, some of the functions it performs are mentioned below:

- **Social capital development:** It focuses on developing a desired kind of social capital as describes earlier, first among institutions and then the community to address issues that concern them the most. In fact, the pace and level of success of Panchmukhi Samvaay

may depend on level of social capital that exists in a district before it is created.

- ▮ Synergising networks: It builds on existing networks and creates a space where there are none. From a 'diffused' type of network to a 'steady' and then on to an 'accelerated' one, Panchmukhi Samvaay becomes essential for synergising networks of individuals, organisations, and institutions. It is a flexible arrangement with an option of becoming a domain specific platform too. For example, under a larger district level samvaay, there may be numerous networks working on domains like resource (water, forests, land, etc.) management, or health, etc. It helps in greater resource and knowledge sharing across institutions.
- ▮ Provide community orientation: Often, institutions of all type become self serving, as seen in case of many districts during the fieldwork, losing vision of their long term existence. It provides a platform to build an orientation of local/regional institutions towards serving the community interests. While doing so, it also engages with the community and has immense potential of community participation, which has been a long standing goal of policy makers.
- ▮ Role definitions: It becomes a platform for clearly defining not only the community needs, but also among the constellation of institutions, their roles based on their strengths and capacity. It nudges and guides the constituent institutions to a substantial contribution to a district's development, rather than a highly procedural functioning.
- ▮ Normative acceptance: Creating an acceptance for desirable set of norms within a population is in the core of Samarth Zilla framework. The Panchmukhi Samvaay is a platform for deliberations among a wide set of district level institutions close to the community. Not only the institutions collaborate, creating common norms in the process, but also disseminate the same within the community and work for their sustained acceptance.
- ▮ Institutional development: With roles and strengths identified and normative acceptance, it aids in formal institutional development within the community. Wherever improvement is required, the process brings in change within the institutions to better utilise their strengths and capacities to perform their roles. Where there is an absence of an institution or set of institutions,

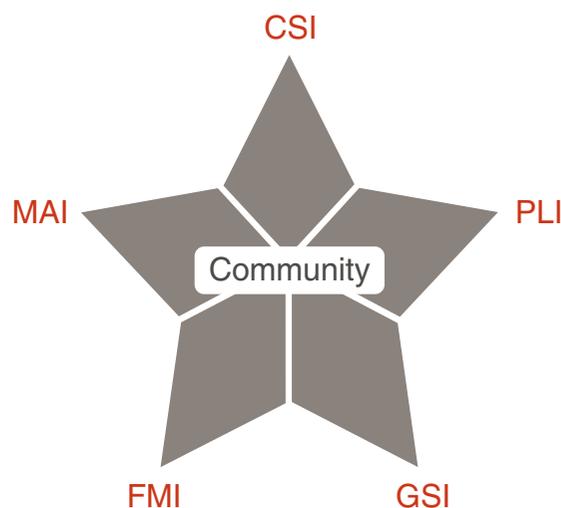


Figure 3 Panchmukhi Samvaay

there is either an import or development of new institutions therein.

- ▶ **Integration:** One of the crucial features of Panchmukhi Samvaay is that it is highly integrative; across types of institutions; across domains; functions within a domain; etc, because of its design. This addresses one key challenge that developmental efforts often succumb to, that is, silo-isation and absence of multidisciplinary and multi-sectoral approach.
- ▶ **Communication:** It improves the communication between and among different types of institutions that are usually not familiar with the kind communication takes place within the other.

Let us construct a hypothetical Panchmukhi Samvaay in the domain of natural environment conservation and regeneration. In addressing the issue for a local community, here is how different types of institutions collaborate. Say, the initiative is from a civil society organisation which identifies and highlights the need before any other type of institutions due to their virtue of embeddedness, and begins to work with small scale works such as planting trees, etc. Thereon, say, local politicians facilitate bringing in government's employment program

such as National Rural Employment Guarantee Act (NREGA) with a structure and mandate to provide work to local people.

Same resource then, given normative coherence with local needs and civil society institutions, is employed to build water harvesting structures, creating forest walls, etc. In guiding such process, research institutions stand to provide scientific advice on what is bound to work in a longer term sustainability view of things. This knowledge is assured to increase efficiency in use of resources being out in by civil society institutions, state institutions and local people. Information dissemination by media institutions may work to bring in market institutions such as farmer producer companies in agro-forestry, etc. for an all round solution to local needs.

In the above hypothetical example, all that the crucial ingredients of Samarth Zilla framework as outlined earlier in the report must not be discounted just as they are not mentioned. Panchmukhi Samvaay is, therefore, essentially an accelerated network of institutions aligned to address local needs that share norms, practices and resources, while meeting their own objectives.



Annexure 1 - Samarth Zilla Index

The components of the Samarth Zilla Index are described below, and data sources are indicated. The components of Samarth Zilla Index or SZI are combined using a formula to yield the Samarth-ness of a district.

Natural Capital

The natural resource stocks (soil, water, air, genetic resources, etc.) and environmental services (hydrological cycle, pollution sinks, etc.) from which resource flows and services useful for livelihoods are derived.

Agricultural and Forest land availability within the district (AL): The per capita availability of cultivable land as well as forest land for ecological purposes is an important indicator of the natural capital of a district, which forms the basis of all further development.

Surface and Ground Water availability (WR): In addition to land, the per capita availability of water from both surface and ground water resources has been included in definition of Samarth Zilla. This includes three components – the extent of annual rainfall per annum, the percentage of area of the district under water bodies like ponds and reservoirs and the extent of groundwater availability.

Share of non-farm activities in employment within the district (NF): With limited capacity of agriculture to provide meaningful livelihood to large population due to various structural factors, a Samarth Zilla is envisioned having a healthy balance of share of farm and non-farm activities in employment. If a district is well-endowed with opportunities for non-farm activities, such as plentiful agricultural produce or livestock products or minerals which can be processed, or it is endowed with scenic beauty, it will result in diversified employment.

Human Capital

The skills, knowledge, ability to labour and good health, and physical capability are important for the successful pursuit of different livelihood strategies.

Multidimensional Poverty Index (MP): It takes into account more parameters than the Human Development Index (HDI) – nutrition, electricity, drinking water, sanitation, cooking fuel, housing floor quality and asset ownership. In addition, it measures the both the percentage of people who are poor as well as average intensity of poverty across the poor.

Social Capital

Social Capital refers to relationships of mutuality, trust and reciprocity among individuals within and across communities is an important factor for making a district Samarth.

Number of Self Help Groups in a district (SG): The number of women's self-help groups in a district provides a convenient, although limited, way to measure the extent of social capital. There could be many other ways to look at social capital but availability of cross-district data was a constraint in constructing the index. Social capital also includes institutional capability which impacts how the capital endowments in a district is utilised for human development.

Higher Education Institutions (HE): To measure the institutional capability that exists in a district for undertaking integrated district planning, it was intended that annual budget of the ZP and the DPC as well as the level of staffing available shall be used. However, due to limited uniform data availability, only number of higher education institutions has been used.

Physical Capital

It comprises of the physical (man-made) infrastructure available within the district, which enables connectivity, communication and facilitates access to markets and public amenities.

Road connectivity within the district (RC): Physical connectivity is essential to enhance and maintain access to crucial amenities and structures of

governance and development. Within a district, roadways are the primary mode of transport, which provide linkages for movement of people and goods. Hence, road connectivity (RC) represented by road density (KM of all-weather road length per KM squared of area) has been included in the Index.

Financial Capital

The capital base (cash, credit/debt, savings, and other economic assets), including basic infrastructure and production equipment and technologies.

Financial Inclusion Index (FI): Some of the key hindrances identified in studies pertaining to rural development are lack of availability of institutional credit and other financial services to the people who need it. This measure has been included using the Financial Inclusion Index of CRISIL, which captures the penetration of branches, credit, deposit and insurance and assesses the degree of financial inclusion at national, state and district level.

Table 4 Samarth Zilla Index components

Components Included	Description	Source
Natural Capital (NC)		
Agricultural and Forest land availability within the district (AL)	Per capita availability of cultivable land as well as forest land	DACNET
Surface and Ground Water availability (WR)	Annual rainfall per annum, percentage of area under water bodies and the extent of groundwater availability; added, normalised	Central Ground Water Board, Ministry of Environment and Forests
Share of non-farm activities in employment within a district (NF)	Percentage of working population employed outside of agriculture	Census of India
Human Capital (HC)		
Multidimensional Poverty Index (MP)	HDI plus nutrition, electricity, drinking water, sanitation, cooking fuel, housing floor quality and asset ownership.	Oxford Poverty and Human Development Initiative
Social Capital (SC)		
Women's Self Help Groups in a district (SG)	Number of WSHGs per capita in the district	Ministry of Rural Development
Physical Capital (PC)		
Road connectivity within the district (RC)	Kilometres of national highways, state highways and district roads per sq km area	State Statistical Handbooks
Financial Capital (FC)		
Financial Inclusion Index (FI)	CRISIL's Inclusix	CRISIL
Institutional Capability (IC)		
Higher Educational Institutions (HEI)	Higher education institutions in the district	Census of India

$$SZI = (NC + HC + SC + PC + FC + IC) / 6$$

$$SZI = [(AL + WR + NF) / 3 + (1 - MP) + (SG) + (RC) + (FI) + (HE)] / 6$$

Note: Each variable will be normalised on a 0.00 to 1.00 scale, which is why additive component are being divided by the number of components so the result will fall between 0 and 1.

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