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ELITE CAPTURE AND FOREST GOVERNANCE IN INDIA

BY

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DISSERTATION

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ABSTRACT

Elite capture is a persistent problem in forest governance. Influential and powerful elites often capture a major portion of forest-based benefits due to their well-entrenched structural domination of forest governance. The problem is chronic and many scholars have held it responsible for the continuous failure of the state efforts to manage forests equitably and sustainably. They have blamed it for inequitable outcomes. The representation of the state as an incapable entity in countering the elite domination has encouraged various actors to promote the alternative institutional arrangements.

Community-based natural resource management (CBNRM) is one of such initiatives that call for an active involvement of communities in forest governance through arrangements that do not include only government. CBNRM has been implemented in many countries through decentralization reforms mostly driven by international donors, non-governmental organizations, fiscal compulsions of central governments and the demands of the civil society and social movements.

CBNRM is considered as an antidote to the persistent problem of elite capture. By empowering communities to make plans, and implement them, CBNRM aims at tackling the influence and the domination of the elites over the decision-making processes. However, the evidence does not support this contention. Many studies have shown that CBNRM is highly prone to elite capture. Overwhelming evidence from several studies have shown that CBNRM ignores issues of power relations favoring elites. The poor fail to participate effectively in the participatory programs due to structural barriers and, therefore, fail to shape the decisions on forest resources on which their own livelihoods depend. CBNRM has largely failed in breaking the tight inter-locking and multifaceted control of the elites over forest-related decisions. The continuous failure of forest governance to tackle elite capture motivates the question: "What governance mechanisms reduce the probability of elite capture in forest management to ensure equitable and sustainable outcomes?"

Drawing on the literature from political science, political ecology, policy sciences and natural resource governance literature to conclude, elite capture is reduced when (i) state or external interventions adopt a pro-poor targeted approach, and (ii) autonomous counter power has emerged in the form of individuals or groups that constantly challenge the institutionalized authority of elites. A mixed method approach - both qualitative as well as quantitative - provides a deeper understanding of the processes involved in elite capture generalizes to large set of cases. This dissertation is based on the analysis of (i) comparative case studies of elite capture in three local governments under decentralized forest management (ii) a dataset of 38 local governments over 7 years on the distribution of timber for house construction and repair from public forests, and (iii) state regulation of felling of trees on private lands that includes market transactions between 11,005 farmers and 215 market traders in 573 villages in Northern India.

This analysis shows that only where pro-poor state or external interventions create conditions for autonomous counter power to emerge, has the hold of elites over forest governance been reduced. The counter power emerges when certain prerequisite conditions are present. These include the presence of affirmative action from external interventions, the creation of institutionalized space for collective action, and the existence of clear property rights over common-pool resources. The autonomous counter power acts as an external mechanism to ensure accountability of local resource governance. Foresters should, therefore, engage with the existing corridors of powers on behalf of the poor and disadvantaged sections to make existing forest governance equitable and sustainable.

To Rachita, incomparable life partner and true love

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CHAPTER 1

INTRODUCTION

Elite capture has become a persistent problem in forest governance in India. Elites are those persons who have an unrestricted access to resources through their structural domination on the socio-economic and political relations. Capture occurs when they grab a disproportionate share of the state driven projects and services for their own benefit. The capture leads to low availability of these resources to poor and disadvantaged sections thereby limiting their chances of socio-economic development. The analysis of capture in forest governance is critical in the context of the larger dependence of the poor on the forests for livelihood generation (Agrawal, 2007).

The elites succeed in getting preferential access to the resources and benefits from governance due to their higher influence and power¹ in local decision-making processes (Liverman, 2004). The influence and power of the elites can be judged from the fact that most of the agendas of the present-day governance mechanisms are in fact heavily tilted towards demands of the elites and divert attention from achieving the distributive aspects of these mechanisms (Lemos and Agrawal, 2009).

Forest governance is not accountable due to overwhelming influence of elites

Governance is representative only when it is responsive and is held accountable by its subjects. For being representative, authorities needs to adopt and implement policies that are signaled as preferred by people and where people have the powers to sanction persons in positions of authority for their actions. Responsiveness is the ability of the authorities, whether elected or nominated, to translate

¹ Power is conceptualized as symbolic violence, a situation wherein more powerful actors enjoy unopposed privileges in accessing resources through which they dominate social relations. Both dominant and dominated entities involved in this scheme of things take the given situation as given and natural (Bourdieu, 1977).

signals as preferred by people into policies for implementation whereas accountability is the ability of people to sanction agents for failure in responding to their preferences (Przeworski, Stokes and Manin, 1999; Crook and Sverrisson, 2001). Ensuring representativeness of governance is, therefore, a cyclical process wherein preferences expressed by people are translated into mandates by government officials and then translated into policies for execution. The outcomes from the implementation of these policies generate a new set of people's judgments and preferences as well as give them ammunition to sanction actions of the officials.

Existing forest governance in India is predominantly non-representative as it is neither responsive nor accountable in its working. The studies have shown that it is the poor who suffer the most and are unable to benefit from forest access as compared to wealthy people (Naidu, 2011). One of the main reasons for this is the overwhelming influence of elites over the policies crafted and implemented by forest governance mechanisms. There are various dimensions through which the influence of elites over forest governance can be explored.

First, elites distort preferences of the people that are ultimately transferred to the forest governance structures as signals, thereby making these preferences non-representative. The demands and claims that are passed to the state or the demands that state machinery think of as representative are, in fact, the demands of the elites and don't represent the whole communities. The voices of the poor, lower social castes and women are systematically excluded from the preferences that reach state governance structures. The implementation of these policies hurt the marginalized sections the most due to the non-incorporation of their preferences in the first place. The irony is that the nature of the state – whether democratic or autocratic – has mattered little in effectively aggregating the preferences of all sections of the society. Most of the evidence points towards the overwhelming influence of the elites in disproportionately influencing whose preferences will be finally heard and responded to by the state authorities. The influential sections overwhelm the relations between the state and the poor and

disadvantaged sections to such an extent that it results in predominant capture of public-private ties by the elites (Harriss, 2001)

Second, the state loses its ability to translate the signals from communities into representative policies due to its failure to mobilize preferences that represent the needs and aspirations of entire community. Even if state officials seriously translate these preferences into desired policies, they end up serving the interests of the elites.

Third, in unrepresentative forest governance mechanisms, it is the elites rather than the entire community that have the ability and power to sanction state officials for their failure to respond to their own demands. In representative systems, people have access to various tools of ensuring accountability of forest governance like pressuring their own elected representatives to take action against non-performing officials, carrying out open protests, communicating grievances to the media and judiciary, complaining to higher bureaucracy etc. These mechanisms mostly don't work due to the overwhelming influence of elites over the social-economic and politico-legal institutions and media. Elected representatives due to their dependence on elites for re-election mostly favor them over poor and disadvantaged sections. Elites also have socio-cultural influence due to their historical domination which politicians take as a resource to be converted into votes. The elites are well educated, well connected and resource rich, which helps them in bridging relations across institutions (Mansuri and Rao, 2013).

Failure of state driven forest governance to tackle elite capture

The variety of governance arrangements that have been implemented for the past several decades have mostly failed to minimize domination of elites in local decision-making. Benefits from public programs are more susceptible to elite-capture due to the lack of transparency in the execution of these programs (Bardhan and Mookherjee, 2006a). Even attempts to decentralized forest decision-

making to local communities to enhance transparency and accountability have been used by central agencies to recentralize authority (Ribot et al. 2006).

State-driven top-down structures of forest governance have been severely criticized for their failure to tackle the problem of elite-capture. The state has failed in its objectives of ensuring equity and sustainability in forest-derived benefits and services. Most of the benefits from state projects and governance have accrued to the local elites and the poor are systematically ignored (Mansuri and Rao, 2013). The notion that state officials and bureaucracies are apolitical and impartial in their functioning is highly contested (Ferguson, 1990).

State officials have various reasons to give preferential treatment to elites. The elites have facilities and resources to compensate officials for their work. They are the centers of local power and influence that makes it easy for these officials to implement their policies and programs without any local trouble. Elites carry a lot of political influence that comes in handy when the officials do not follow their diktats over local decisions. The favoritism shown to elites, however, systematically enhances their power and in the process, leads to further alienation of the poor and disadvantaged from the state-driven projects and schemes. The poor don't match the power and influence of the elites due to the structural barriers and therefore, do not effectively air their grievances and demands to the state.

CBNRM as an antidote to elite capture

Community-based governance has emerged as a new alternative in response to the continuous failure of the state top-down governance to manage natural resources through the "fortress conservation" model that involves higher economic costs of monitoring for the state (Adams and Hulme, 2001; Blaikie, 2006). Community-based natural resource management (CBNRM) calls for recognizing communities in the form of user committees or village councils in forest governance by linking their livelihoods with the management of resources (Saito-Jensen et al. 2010). The importance of

decentralized community-based management can be gauged from the fact that the communities and their organizations are now managing 200 million hectares of forests more than they managed in the 1980s (Agrawal et al. 2008; White and Martin, 2002).

Community-based governance is considered as an antidote to the chronic problem of elite capture in forest governance. One of the hopes of involving communities in participatory efforts is that this considerably enhances the voices of the poor and the disadvantaged sections in the local decision-making that can reduce elite capture and corruption (Mansuri and Rao, 2013; 2004).

Community-management form of governance is largely promoted by national governments and donor agencies through large-scale decentralization. These decentralization efforts are largely motivated by the concerns for resource depletion in the wake of unaccountable and inefficient central governments. However, later on, these efforts become aligned with the new objectives of poverty reduction and democratizing local institutions (Ribot, Lund and Treue, 2010).

The main idea behind decentralization is the premise that the central state agencies lack the 'time and place knowledge' compared to local people. The lack of local knowledge limits the ability of the state agencies to take into consideration the 'real' needs and preferences of the people in design and implementation of the state policies and programs. The involvement of communities is supposed to help state officials in finding the real needs and preferences of the people (Farrington et al. 2006). Decentralized institutional mechanisms can also empower citizens to impose sanctions on state officials by creating competing groups in local decision-making forums. These groups can help in better communication of interests and preferences of people to the officials (Johnson, 2006). Moreover, decentralization is supposed to bring government closer to the people and in the process, making it more transparent and accountable to poor and disadvantaged groups (Manor, 1999; Crook and Manor, 1998).

These management approaches aim at creating spaces for public deliberation for better decision-making for use and management of common-pool resources. Mansuri and Rao (2013) define public deliberation as, “a world in which citizens engage in reasoned, thoughtful debate to come to a consensual decision. Its goal is to aggregate preferences through conversation, to allow the diverse views of a community to be considered and presented in one representative view”. Deliberative processes are aimed at enhancing the voices and capabilities of marginalized communities in order to bring their interests and preferences to the state.

CBNRM prone to elite capture

The merits of decentralized community-based governance as mentioned above clearly establish it as a potential candidate to unseat the local elites from their privileged positions of power. However, the overwhelming evidence coming from many parts of the world tells an altogether different story. The studies have shown that community-based management is not a solution to elite-capture. It is, in fact, prone to elite capture (Platteau, 2004; Abraham and Platteau, 2004; Zulu, 2008). The presence of well-entrenched influence of elites limits the success of decentralized community-based initiatives (Mansuri and Rao, 2013; Johnson, 2003a).

Natural resources are a significant source of wealth and income for the elites whose strength and manipulations decide the degree and benefits from decentralized reforms (Larson and Ribot, 2004). The elites do fail to resist when there is higher probability of making money from resources, which were earlier used for subsistence use (Baland and Platteau, 1996). On the other hand, structural barriers prevent participation of the poor in the participatory programs, which necessitate transformation of local politico-economic relations (Blaikie, 1985). The poor mostly fail in shaping the discourses and decisions related to forests and other resources on which they depend for their livelihoods (Medina, 2009).

Joint Forest Management (JFM)², one of the main community-based participatory forest management programs in India, has shown a tendency to skip the poor in the allocation of its benefits due to the absence of targeted mechanisms in their favor (Kumar, 2002). Agarwal (2001) found in her study that participatory institutions mostly exclude women from their operation and benefits. Decentralized forest institutions have mostly led to capturing of benefits by elites due to their strong prior hold on these institutions (Saxena and Sarin, 1999). In some cases, JFM have replaced already existing communal governance of forests and has resulted in significant bias towards elite-dominated executive councils (Nayak and Berkes, 2008). Joint forest management initiatives end up strengthening elites and local power relationships rather than empowering the “target” populations (Hildyard et al. 2001; Borgoyary, 2005, Springate-Baginski and Blaikie, 2007).

The promise that participatory approaches would transform development and empower marginalized sections has not been fulfilled. Increasingly, evidence from the field research has shown that these approaches have ‘tyrannized’ the local communities instead of helping them and most of the cases have not shown positive results to poor and disadvantaged sections (Cooke and Kothari 2001). Moreover, such approaches do not tackle local issues of power and politics and depoliticizes developmental interventions. The negation of local power dynamics considerably lowers their potential to transform the lives of poor and marginalized people (Hickey and Mohan 2005). The conception of community as small-sized, socially-cohesive and with shared understanding is a myth as it fails to take into account the intra-community differences, local political and power differential and their corresponding impact on the resource management decisions (Agrawal and Gibson, 1999).

One of the main findings which Mansuri and Rao (2013) have come up with after review of 500 studies is that elite capture continues to mar the performance of community-based governance

² JFM is projected as one of the alternative management strategy by forest departments in India to include communities through formation of Joint Forest Management Committees. According to the Ministry of Environment and Forests, about 100,000 such committees manage 28% of total forest area of the country in collaboration with the state forest departments (MoEF, 2010).

interventions. They also found that greater community improvement leads to modest improvement in resource sustainability but their evidence make them suggests that it is the well connected, well – educated and least geographically isolated individuals who tend to benefit from these programs. Therefore, for them, the capture of the resources is not ‘benevolent’ capture. It is the rich and well-connected elites that derive disproportionate benefits from the communal management of forestry resources (Larson and Ribot 2007; Lund and Treue, 2008).

Elites continue to dominate community-based management even when governance decisions are supposed to be made through deliberation in open meetings. Based on the study of 131 village meetings in Southern India, Ban and Rao (2009) found that the preferences of the powerful groups, such as large landowners, dominate the deliberative processes and are more likely to be mentioned than other villagers.

Different strategies and factors assist the elites in their continuous domination of these deliberations and decision making. First, most of the deliberations in these meetings actually follow the contours of existing power relations and end up recognizing the priorities and preferences of elites as the voice of the community. Second, many of these open meetings attain ‘consensus’ which actually is manufactured by elites using their socio-economic, political and cultural status and existing cultural norms of domination. Third, the influence of elites is so well entrenched that the arrival of resources for mobilization and benefit of communities is more likely to be diverted by them for increasing their own influence and power. The elites use various means like theft, corruption, graft and political favoritism to benefit close relatives and community-based management has mostly failed to curb these means of capture (Mansuri and Rao, 2013).

Elites are also likely to participate more in local participatory projects aiming at involving communities due to their higher education, more exposure, active social and political networks and higher ability and willingness. Moreover, co-financing requirements in many such community-based

forestry projects may exclude the poor and disadvantaged from the participatory approaches and may privilege elites who have capacity to contribute and propose projects (Mansuri and Rao, 2013). In many cases, elites are the important nodes that control the flow of information, influence and resources in the local society. In addition, they are also the important gatekeepers for the entry of state and external interventions in society, the position that they use to utilize the political agency of the local citizens to advance their own interests (Nightingale and Ojha, 2013).

What kinds of governance mechanisms are needed?

The above account clearly shows that the elites continue to dominate local governance whether it is top-down or community-based. Therefore, the important question is not that whether state or community management is good. But the real question is how to deal with the chronic menace of elite capture. My research question is - *What kinds of governance mechanisms address or reduce the probability of elite capture?*

I pose following two hypotheses to answer my research question:

- i. Governance mechanisms that adopt pro-poor targeted approaches are associated with lower elite capture
- ii. Governance mechanisms that create conditions for the local counter power to emerge are associated with lower elite capture.

I contend that under the above conditions the influence of elites over forest governance would be minimized resulting in higher probability of equitable and sustainable outcomes. My research engages with the concerns of the scholars who explore the kinds of politics or forms of governance that envisage social, cultural and economic justice to forest users all over the world (Brosius et al. 2005).

Targeted pro-poor state approach

State can enhance the probability of poor and disadvantaged sections in accessing the state-driven programs and services if it adopts the pro-poor targeted approach. By selectively targeting the poor, the state can minimize hold of elites over state benefits and redistribute them in favor of the poor (Kohli, 1987). The state can be instrumental in neutralizing the impact of elites besides providing technical and professional services, funds and promoting participation of people in local developmental issues (Bardhan, 2002).

Structural inequities in local governance introduce considerable bias in favor of local elites to garner the community resources and benefits. In such scenarios, the state can play a bigger role in redistributive policy-making in favor of poor and disadvantaged sections of society (Lemos and Agrawal, 2009). When social inequities are wide-spread and markets fail to deliver, state interventions could be crucial. But state efforts mostly fail due to lack of commitment, coordination and information (Mansuri and Rao, 2013).

Pro-poor approaches have been shown to produce positive results in favor of the poor in several sectors. For example, participatory budgeting wherein ruling party started involving people's voices in budgeting on a large-scale resulted in a pro-poor budget due to accountable and transparent decision-making (Baiocchi 2001; Souza 2001; Evans 2004; Ackerman, 2004). A people's campaign in Kerala wherein gram sabhas (village assemblies) were systemically empowered has been shown to have positive effects on the ability of lower-caste groups and women to air their demands more effectively in decision-making processes (Heller, Harilal and Chaudhuri, 2007). Pro-poor central interventions combined with active local mobilization of political activists have resulted in pro-poor outcomes in the state of West Bengal and some Brazilian states (Crook and Sverrisson, 2001).

Participatory governance needs to move from "shallow interventions" wherein the state makes no dent in the local power dynamics to "deep interventions" wherein the state engineers institutions to

counter elites for ensuring equitable and sustainable outcomes (Mansuri and Rao, 2013). Fox (1993) also showed the importance of enlightened and supportive action from the state machinery and its interaction with socially mobilized action from below in getting successful community-based outcomes. Village governments can become more responsive if people have sanctioning power not only through elections but also through the deliberative interactions in open village assemblies.

Positive interactions among state officials, local communities and their organizations drive effective policy implementation and natural resource management (Evans 1996; Eakin and Lemos 2006). The state has the ability to scale-up natural resource management on a large scale. For example, in Nepal, the transfer of management of forests to local user groups by the government resulted in significant reduction in wood extraction (Edmonds, 2002). The role of the state is critical in creating viable local institutions to manage resources equitably and sustainably as well as in providing legal sanction to rights exercised by communities on these resources (Ribot, Lund and Treue, 2010; Agrawal 2010).

On the other side, single-minded objective of state forest departments to focus on commercial timber production has deepened poverty in joint forest management in India. The overwhelming desire to focus on growth of Sal (*Shorea robusta*) trees has led to corresponding decline in non-timber forest products used by the poor in their daily lives (Kumar, 2002).

Counter power

My second hypothesis contends that governance interventions that create conditions for counter power to emerge among poor and disadvantaged sections are associated with lower elite capture and equitable outcomes.

The short life of external interventions makes little headway in dealing with the root problem of elite capture and once state or project support is withdrawn, elites recapture the resources and

decision-making processes. It would not be appropriate to contend that the poor don't have agency. But, it is safer to say that the agency of the poor and disadvantaged sections of the society is constrained due to structural control by elites over local society. Larson and Ribot (2007) called for radical rethinking of forest policy in order to alleviate poverty in forest-based communities. They contended that only by counterbalancing regressive policies and the structural asymmetries, the exploitation by elites can be minimized and poverty can be reduced. Others have highlighted the importance of grassroots collective action and countervailing power in achieving equitable outcomes from community-based governance (Cronkleton et al. 2008; Fung and Wright, 2003).

Counter power is understood as the capacity of individuals or their groups or institutions to challenge and eventually change the power relations that are institutionalized in the societies (Castells, 2007). I argue that power needs to be analyzed in its most diverse and specific manifestations rather than exploring power in centralized forms such as a coercive elite or ruling class (McNay, 1994). Counter powers empower poor and marginalized sections to counter the everyday aspects of power relations even beyond the scope of state or project interventions. I contend that unless and until state or external interventions engage with everyday aspects of power relations employed by elites, which Foucault called microphysics of power, the governance mechanisms will fail to attain equitable and sustainable outcomes (McNay, 1994).

The institutional systems reflect power relations and the extent and limits to these powers relations. These relations and limits are negotiated by a history of domination and counter-domination of social actors and their groups. Elite domination has maintained higher power and influence over local decision-making processes by successfully negotiating through diverse and contradictory conflictual power relations. There have always been some forms of resistance to this domination among poor and disadvantaged groups, but it is only when this resistance takes form as counter power that the institutionalized power relations of elites can be changed and elites can be held accountable (McNay,

1994). The presence of institutionalized counter power builds the capacity of the poor to aspire (Appadurai, 2004) and empowers them to politically challenge the structural and cultural inequalities.

Agrawal and Ribot (1999) consider accountability as a counter-power relation wherein one actor is able to keep power of another in check. They described this form of counter power as comprised of (i) answerability of one actor or group to explain and justify actions to another and (ii) enforcement or the ability of one actor to sanction the other when this explanation is inadequate (Brinkerhoff, 2001; Goetz and Jenkins, 2005; Bovens , 2007). The explanation of answers through evidentiary form of information is a necessary ingredient of answerability whereas enforcement consists of both positive and negative sanctions with the people (Przeworski, Stokes and Manin, 1999).

My research shows that counter power among poor and disadvantaged sections can only emerge when there are some pre-requisite conditions in the governance mechanisms (Chapter 2). Some of these conditions are (i) presence of affirmative action to create financial autonomy of institutions representing poor and disadvantaged groups, (ii) enabling property rights over the forestry resources and (iii) creating institutionalized spaces for collective political action to emerge. The transparency and accountability in the performance of the state in dealing with the local elites is also found to be a critical factor. These conditions create situations wherein political bargaining power of the marginalized and disadvantaged communities increase considerably which helps in minimization of elite capture on resource benefits and management.

The last two decades have witnessed a proliferation of civic institutions across rural India – NGOs, micro-finance groups, Mothers and Teachers Associations, and user committees for irrigation, watershed management, public health and sanitation, etc. However, almost none of these satisfy the pre-requisite conditions required for effective counter power to emerge – in fact most do not have access to an external and autonomous source of revenue, and represent narrow social interests of elites. The common property literature has not paid much attention to the role of enabling property

rights in creating the autonomy of the community institutions (Ostrom, 1990; Agrawal, 2001), which is a critical prerequisite for autonomous counter power to emerge in forest governance. Institutions need to be financially autonomous before they can think of taking independent decisions in local governance (Mathew, 2007).

Forests and other natural resources can provide a potential source as the basis for autonomous counter power, exemplified by the multitude of projects implemented across India to involve residents in forest management and generate income from the sale of non-timber forest products (Agrawal, 2010). If an institution has an autonomous source of revenue from collective resources, that would provide the material basis for the institutional counter power to evolve. The revenue flow from common pool resources to institutions representing the poor can incentivize the collective action. It can build the capacity of these communities for collective action. The creation of an economic livelihood base acts as a center of gravity to collectivize the marginalized groups against the domination of elites. Overtime, these economic spaces may transform into political spaces for counter power to emerge among the poor and disadvantaged. However, this happens only with the continuous support of pro-poor targeted approaches of the state and external interventions.

State targeted pro-poor approaches together with counter power can minimize elite-capture. I contend that it is only when a state targeted pro-poor approach combines with the emergence of counter power at the local level that the domination of elites on local governance can be reduced. Scholars have acknowledged the critical role of the state and local politically mobilized community in creating enabling conditions for participatory governance. For community-based participatory governance to succeed, Heller (2001) has highlighted the importance of strong state capacity, demanding and empowered civil society and organized local party with strong social movement type characteristics. Harriss (2001) has emphasized the previous political mobilization in achieving higher civic engagement of people with the state. Fung and Wright (2001) mentioned empowered deliberative

democratic mechanism for participatory governance that includes both state officials and ordinary citizens in deliberations over areas of specific concerns.

However, the success of these deliberative mechanisms depends upon the responsiveness of the state, the capacity of the civic groups and the quality of the deliberation (Mansuri and Rao, 2012) and the substantial presence of countervailing power in the weak and less organized against the powerful actors (Fung and Wright, 2003). In addition, the community-based organizations that are recognized by the state to serve its own interests have to develop political power to sustain themselves in the longer run (Dill, 2013).

It is also important that the governance mechanisms should aim at strengthening the bargaining power of the poor and disadvantaged. However, without developing the cultural capacity of the people wherein they become capable to engage with social, political and economic structures and are able to negotiate these worlds, governance would not give voice to the poor (Appadurai, 2004). For community-based participation to succeed, it is essential that it is pursued as a part of a radical political project, target marginalized sections of society and consider social change as the prime objective (Hickey and Mohan, 2005). Fox (2007) showed how political conflictual relationships within the state and between state and civil society led to consolidation and development of bargaining power of representative societal organizations. The successful implementation of land laws to distribute public lands to the poor happened in cases where there were positive interactions between reformist state actors and the socially mobilized autonomous social movement groups in the Philippines (Borras, 2006).

Research Site

Location

Himachal Pradesh, one of the 28 states of India, is located in the Western Himalayan Region of India (Figure 1). The altitude from mean sea level ranges from 350 m to 7000 m. It has a geographical

area of 55,673 km². The state is located between latitude 30°22' to 33° 12' N and longitude 75° 45' to 79° 04'. The average annual rainfall of the state is about 1800 mm with temperature varies from sub-zero to 35° C. The state has 12 districts and a total population of about 6.8 million as per 2011 census. The density of population is 123 per km² with urban population constituting only 10.04% of the total population. The total livestock population of the state is 5.23 million (Livestock Census, 2007). About two-thirds of the population of the state is involved in agriculture which is practiced in just 11% of the total geographical area of the state. About 67% of the total land holdings of the farmers are below one hectare in size.

Public forests constitutes about 67% of the total geographical area of the state and comprises a variety of forest types ranging from moist tropical, dry tropical, montane sub-tropical, montane temperate, sub-alpine and alpine (Champion and Seth, 1968). However, actual forest cover is only 26.37 % of the total geographical area as majority of the remaining forest land is rock or permanent snow (Forest Survey of India, 2011). About 39% of the total forestland is under tree cover. The state has 5.79 % very dense, 11.46 % moderately dense, 9.11% open forest, 0.59% scrub and 73.04% non-forest categories in terms of area under tree canopy density classes. 3,295 species of flora (7.32% of the total country) are found in the state with 95% of these are endemic to Western Himalayan flora (Forest Survey of India, 2011).

The government of Himachal owns public forests and carries out protection and management works on these lands through Himachal Pradesh Forest Department. Most of the people living in Himachal Pradesh (about 90%) are highly dependent on forest areas for their livelihoods (Gauri, 2004). Rural populations depend critically on the forests for meeting with the demands of fodder, firewood, manure and small timber for their agriculture, household and livestock requirements (Agrawal and Chhatre, 2006). The entry of market has affected the variety as well as density of forests of the state

(Agrawal and Chhatre 2007). Moreover, the development of rural infrastructure in terms of road network has changed the level of dependence on forests (Chhatre and Saberwal, 2006).

History of forest regulation

Colonial Era

Formation of forest departments under British Rule in 1864 was the watershed moment in the history of forest regulation in India. The Indian Forest Act, 1878 was passed by the British government that shaped the way the environmental history of India took form in decades to come (Chhatre, 2000). For the first time, centralized top-down state officials started managing forests all across the length and breadth of India using centralized laws. The objectives of the department were to protect forests, to manage them as per prescribed working plans and to enhance their ability to yield economic revenue to the state (Guha, 1983).

The forest department has a long history of contestations with the revenue department on sharing of powers and categorization of lands as forests or revenue lands. The historical records show that the battle for controlling turf was so strong that in many cases, the British government had to directly intervene to solve matters. In the early periods, revenue officers were overall in-charge of the management of forests which later on gradually passed on to the foresters. Foresters cited scientific studies, working plan guidelines and field notes about the effect of bad management on the state of forest in the country to support their contention that forests require specialized form of governance. Their strategies and intensive fieldwork paid off when they achieved control over management of the forests as a sole agency (Stebbing, 1922-27). Scholars have mentioned complete control of forests by the forest department as a defining movement in the history of colonial India that re-defined the state-society relations in times to come (Chhatre, 2003).

Colonial governments used a range of technologies to extend their management over the forests of India. They enforced centralized laws and regulations, co-opted local elites, and suppressed opposition as tools in the name of extending scientific forestry procedures (Baviskar, 2001). Demarcation and consolidation of forests for management was carried out and rights of the local users were settled through the process of land and forest settlements. The settlements were carried out based on the procedures listed in the forest acts and laws of the colonial government. When these settlements were actually implemented on the ground, local officials made several changes unofficially to accommodate local demands (Sivaramakrishnan, 1999). The implementation of laws was not uniform and reflected the prevailing land tenure systems (Rangarajan, 1996). Himachal Pradesh is considered as one case wherein local communities at many places were able to secure significant usufruct rights owing to the settlement that was done under Chapter IV of Indian forest Act 1878 (protected forests) rather than Chapter II (Reserved forests) (Chhatre, 2000).

After independence

The control of the forest department over the forests of India continued even after Independence. The centralized hierarchical forest department carried out its rules and regulations almost uniformly following acts and laws framed by colonial government and after independence, by the Indian state. The forests were exploited rapidly due to the desire to progress fast and forest resources were diverted at subsidized rates to the industries for rapid industrial growth (Gadgil and Guha, 1992; 1995). The National Forest Policy of 1952 gave preference to national interests like rapid industrialization, communication and defense over interests of village communities in using forest resources (Pratap, 2010).

The international clamor for saving the environment had its effects on the Indian state in 1970s. The Indian Government passed the Wildlife Protection Act in 1972 to protect the flora and fauna and

gave extensive legal powers to the forest officials to deal with wildlife poaching. The act also created a national wildlife board and established procedures to create national parks and wildlife sanctuaries. A number of national parks and wildlife sanctuaries were notified under the act to enhance the area under the protected area network during this time. The area under the protected network grew to 5% of the total area of the country between 1969 and 2001 (Rangarajan, 2001). However, the final notification of several of these sanctuaries came in the 1990s in response to Supreme Court decision. This decision not only started the process of final notification by the state governments but also triggered a strong opposition of the local populations against the national parks and wildlife sanctuaries.

The people's protests against the protected areas have been a critical feature of the forest-people interface in India (Kothari et al. 1995; Rangarajan and Shahabuddin, 2006; Chhatre and Saberwal, 2006; Baker and Saberwal, 2003). In Himachal Pradesh, the protests got the political support that started the demand for changes in the notified boundaries of the several parks and sanctuaries. The process of rationalization of boundaries of several parks and wildlife sanctuaries is currently under progress in the state.

In 1976, Indira Gandhi's government transferred the subject of forests from the state list to the concurrent list making it a federal subject in Indian constitution. This means that now central government has a power to overrule decisions of the state government and their policies on the regulation and management of forests.

In 1980, a forest conservation act was passed by the Indian Parliament. The central act gave a lot of powers to the national government to protect forestland in the federal states of the India. The act states that no forest land anywhere in the country can be diverted to non-forestry use without the prior approval of the government of India. This act has been criticized by several state governments as the draconian act that creates a hindrance in the growth of the state by delaying or denying approval to rural infrastructure and many other state development projects. However, the operationalization of the

act still continues mainly because the Indian Forest Service has cleverly used the narrative of environmental crisis to extend its control over federal states of India and to justify its control of forestry resources (Blaikie and Muldavin, 2004).

In 1980, a Department of Forests was created at New Delhi, and was later elevated to Union Ministry of Environment and Forests in 1985. The Himachal Pradesh government also put a ban on green felling in public forests in mid-1980s in response to the complaints about the presence of a strong timber mafia involving politicians and the demands of protecting the forests for ecological reasons.

Participatory phase

The national forest policy of 1988 was a changing moment in the history of regulation of forests in the country. For the first time, forests were considered equally important to the forest dependent communities and the participation of communities in the forest management was considered critical in managing the forests. Moreover, now policy called for meeting with the goals of ecological stability and the subsistence needs of the people. In 1990, the government of India passed a joint forest management resolution that asked state governments to involve local communities in the protection of forests and sharing the benefits with them. According to the Ministry of Environment and Forests, about 100,000 such committees manage 28% of total forest area of the country in collaboration with the state forest departments (MoEF, 2010).

State of Himachal Pradesh passed its own participatory forest management (PFM) order in 1993 to promote Joint Forest Management in the state. Taking note of these policy changes, the donor and centralized agencies working in the forestry sector in Himachal Pradesh, started focusing on eliciting people's participation through various forms (Vasan, 2003; Morrison, 2001). The community-based projects implemented in the forestry sector through the forest department are listed in the table below

(Table 1). The table also shows the name and the number of institutions/committees that were or are involved by forest department in the forest management.

Table 1: Participatory projects/Schemes implemented by Himachal Pradesh Forest Department

S.N.	Name of Projects/Schemes	Year	Name of Institution	No. of Institutions	Registered under	Funding agencies
1	HP Forestry Project (HPFP)	1994-2001	Village Forest Development Committees (VFDCs)	154	JFM Notification dated 12.5.1993	Official Development Assistance, UK
2	Indo-German Eco-Development Project	1994-2005	Village Development Committees (VDCs)	294	JFM Notification dated 12.5.1993	German Technical Cooperation Agency, Germany
3	IWD (Kandi) Project	1993-2005	Village Development Committees (VDCs)	137	Societies of Registration Act 1860	World Bank
4	Sanjhi Van Yojana (SVY)	1998 Ongoing	Village Forest Development Societies (VFDS)	360	Societies of Registration Act 1860	Government of Himachal Pradesh
5	Great Himalayan National Park	1993 Ongoing	Village Eco-Development Committee (VEDCs)	18	Director , GHNP	World Bank
6	Himachal Pradesh Forest Sector Reforms Project	2003-2007	Gram Panchayats and Ward Development Committees(WDCs)	90 panchayats	Constituted under Panchayati Raj Act, 1994	Department for international Development, UK

Source: Himachal Pradesh Forest Department <http://hpforest.nic.in/pages/view/118-information-technologies>- the table has been updated.

In parallel to forestry decentralization, political decentralization reforms in early 1990s in India established local elected governments, known as Panchayati Raj Institutions (PRIs) and gave them the constitutional powers and mandates (Morrison, 2001). The state of Himachal Pradesh also passed its own Himachal Pradesh Panchayati Raj Act, 1994 to strengthen local governments. Under PRIs, “Zila Parishads” at district level, “Panchayat Samitis” at block level and “Gram Panchayats” at the village level were formed to give local governments control over their management issues at various levels of governance.

The political decentralization reforms attracted attention of the agencies working in the field of decentralized forest management to seek connections with the elected local governments to give more legitimacy to their reforms. The DFID funded ‘Himachal Pradesh Forest Sector Reforms Project’ was implemented in about 90 panchayats from 2003 to 2007 with the aim of integrating forest management with the local panchayats in building forest based livelihoods. The World Bank-funded Himachal Pradesh Mid Himalayan Watershed Development Project and JICA-funded Swan River Project also aimed at building capacities of communities and panchayats to manage watershed development in a participatory manner.

The above account shows that Himachal Pradesh is witnessing both centralized forms of governance as well as community-based participatory governance. The community-based management is mostly restricted to locations wherein externally aided projects are being carried out and is mainly implemented through separate wings of forest departments. However, the institutionalization of participation in the forest department is a far cry and is similar to other parts of India. Most of its functions related to mainstream forestry operations do not envisage participation of people and strict to old acts and guidelines (Springate-Baginski and Blaikie, 2007).

Plan of the dissertation

My dissertation describes three research illustrations of elite capture in the natural resource governance in the state of Himachal Pradesh, India. My cases show pre-eminence of elite capture in the forest governance in India, which is manifested in various forms as shown in table 2 and 3.

Table 2: Elite capture as evidenced in Bandipur, Khaira and Padampur

	Characteristics	Bandipur	Khaira	Padampur
1	Capture of social infrastructure and institutions	Elite captured leadership initially, but later on countered by women palm group	Elites rapidly captured leadership positions, later on dethroned	Initial capture of leadership by elite women leader
2	Capture of physical infrastructure	Initial attempts to capture project resources resisted, women palm group resisted capture of their production center	Elites easily captured lift irrigation pump but later on new committee took it over	Initial capture by elite women and later on again by husband of one of the local elite, bhabbar grass captured
3	Nature of elite capture	Elites mainly from upper castes, employed environment as a tool of control, social, political and economic status as grounds of authority and consensus as a device of political control.	Elites from upper castes, employed high barriers to entry and application of complex institutional rules	Economic elites from lower castes and Muslim faith, employed interlocking system of labor, resource and market control

Table 3: Elite capture as evidenced in subsidized timber distribution and regulation of private tree felling

	Characteristics of elite capture	Subsidized timber distribution	Regulation of private tree felling
1	Capture of social infrastructure and institutions	Forest officer distributes timber in his office as per the diktats of elites against the government rules; Government continues with its old rules favoring elites even after successful redistribution	Traders have tremendous impact on how policies are framed and implemented with regard to minimum support price, selling in government depot, export of heartwood outside state and access to exceptions to rules
2	Capture of physical infrastructure	Rich panchayats have more access to subsidized timber than poor ones	Huge profits margins for traders and industrialists; preferential access to illegal timber
3	Nature of elite capture	Collusion among local political leaders, state officials and timber traders; Wealthy, resource-rich and well-connected elites are more qualified to access timber	Collusion among local political leaders, state officials and timber traders; double standards in application of rules

Elites employ various means and ways to capture the social and physical infrastructure and institutions created under various state or externally driven participatory projects and forest management policies. My research explores the governance mechanisms under which elite capture as evidenced in my cases is reduced.

The first theme of my research investigates the conditions under which state or external interventions minimize elite capture. Drawing on three case studies, my research shows that government agencies working with donors can create the conditions under which the hold of elites over local governance can be considerably reduced. The presence of affirmative action to create financial autonomy of the communal institutions, enabling property rights over common pool resources, and creating institutionalized spaces for collective action to emerge are some of these conditions that can transform community groups and institutions of poor and disadvantaged sections into autonomous counter power at local level to make governance accountable. The transparency and accountability in the performance of the state in dealing with the local elites is also found to be a critical factor. These conditions create situations wherein political bargaining power of the marginalized and disadvantaged communities increase considerably which helps in minimization of elite capture. The paper presents comparative case studies of three local governments with two success stories and one failure in Northern India.

The second theme explores the case wherein the state creates conditions to minimize the elite capture but fails to stop the recapture of the resources by the elites due to absence of counter power among poor. Decentralization of management authority to communities or their elected governments alone has often failed to ensure equity in distribution of resources. Under conditions of socio-economic inequality and political structural impediments, state agencies can be instrumental in redistributing resources in favor of poor and marginalized sections. In pursuing this theme, I explore how transparent and collaborative decision making by centralized agencies has mitigated local structures of domination and ensured higher equity in the distribution of benefits from forest management without exceeding ecological limits.

This theme presents one illustration of distribution of timber subsidies in Northern India, wherein the objective of ensuring equity in distribution of timber subsidies was better achieved when

the state targeted the poor from the beginning in the sharing of benefits from the forests and involved local communities in an open and transparent decision-making process. The pro-poor targeted intervention of the state in the community-based forest governance helped in mobilizing resources in favor of the poor and the disadvantaged sections. The ability of the poor to question and raise their demands more comprehensively and openly in front of the forest officials increased. However, the success of the intervention depends upon how much counter power, individual forest users or their groups or elected local governments gain in order to keep the local elites and the state accountable. The results show that the lack of emergence of counter power in local communities and local governments provide a structural hindrance to the sustainability of redistribution policies of the state. My findings are based on a panel dataset (38 panchayats, 7 years) on the distribution of timber for house construction and repair from public forests in Northern India.

The third theme of my research presents a dismal picture of the role of the state in forest governance. Here, neither the state adopts a pro-poor targeted approach nor was there any development of counter power among poor sections of the society. As an empirical example, I investigate the efficacy of state regulation of timber harvesting on private lands in the Bilaspur district of Himachal Pradesh. Here, the main focus of the state forest department is to protect public and private forests for environmental reasons by regulating timber harvesting on private lands under a ten year rotational felling cycle.

Due to the lack of a pro-poor targeted approach of the state and the absence of counter power among small-scale farmers, the state regulation of private tree harvesting is mainly serving the interests of the market traders. The evidence shows that the traders, in collusion with the lower state functionaries, are scuttling the very regulations that are imposed on them. The traders are deliberately applying late for felling permits in order to take exemptions from state laws and then to get free and unsupervised access to private as well as public forests. They are getting these exemptions more in

locations that are situated far off from the regulatory office and in areas where there are more public forests. In this scheme, the governance is not only promoting unsustainable harvesting from public and private forests which are crucial for economic livelihoods of poor but also failing in its ability to minimize the influence of market traders on its own working. I analyze data on the felling of trees on private lands for one 10-year rotation cycle for the Bilaspur district from 1996-97 to 2005-06. The dataset includes market transactions between 11,005 farmers and 215 traders spread across 573 villages.

Figures

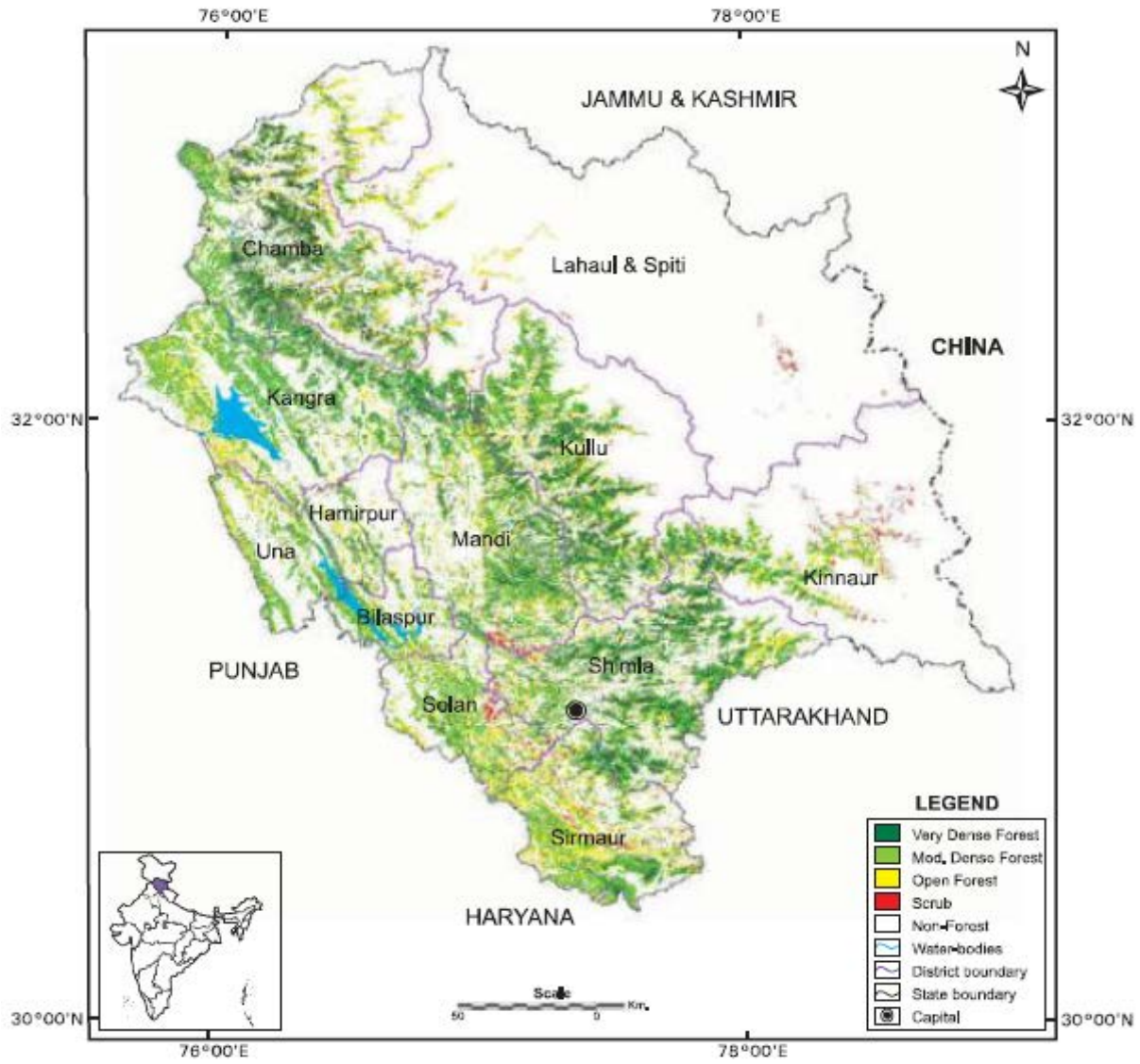


Figure 1: Forest Cover Map of Himachal Pradesh (Forest Survey of India, 2011)

CHAPTER 2

TACKLING ELITE-CAPTURE: THE ROLE OF AUTONOMOUS COUNTER POWER IN DECENTRALIZATION REFORMS

Introduction

Decentralization is defined as the process and set of mechanisms through which powers are transferred from central governments to lower levels in a political-administrative and territorial hierarchy of the state (Agrawal and Ribot, 1999). Decentralization reforms were launched in many countries of the world over the last century with the premise that they would lead to democratization and people's participation (Crook and Manor 1998; Ribot 1996). Notably, many of these countries claim to include some sort of decentralization in their natural resource management systems, often with the support of or under pressure of aid agencies (Agrawal 2001; Ribot 2002). Community-based natural resource management (CBNRM) is one such intervention under decentralization that calls for recognizing "communities" in the form of user groups or village councils for governance of local forest resources for generation of livelihoods (Saito-Jensen et al. 2010)

Scholars have questioned the efficacy of decentralization in natural resource management. Many say that they have limited success in achieving sustainable livelihoods for the poor and greater equity (Agrawal and Gibson 1999). One of the main reasons cited in literature for their limited success is elite-capture (Mansuri and Rao 2004; Mansuri and Rao, 2013; Johnson 2003b; Crook and Sverrisson 2001). Kumar (2002) in his study of Joint Forest Management in Jharkhand, India argues that it is problematic to expect pro-poor governance in participatory projects due to the absence of specific mechanisms in favor of poor. Moreover, due to the prior hold of village elites over the decentralized forest institutions, the benefits from forests are often captured by them (Saxena and Sarin, 1999).

Under conditions of elite capture, decentralization projects can lead to disproportionate benefits to elites which often don't reflect local preferences (Mishra et al. 2010; Hirway 2006). These projects have mostly tyrannized the local populations and have not yielded positive results to the poor and disadvantaged sections (Cooke and Kothari, 2001). This mainly happens when existing political economic situations favor local elites (Platteau, 2004). Elite capture makes the local state and external interventions unaccountable and unrepresentative mainly due to (i) the distortion of the preferences of the people that are communicated to governance structures, (ii) blocking of the state or external interventions from knowing what the entire community need, and (iii) elites rather than the entire community holding the power to sanction state officials for their inaction (Przeworski, Stokes and Manin, 1999).

As per Ribot (2003), community participatory initiatives set up parallel local institutions at the local level that undermine the powers and legitimacy of local democratic institutions through competition for resources. However, existing social divisions and power dynamics can inhibit the democratic participation of marginalized groups (Bandiasky, 2008). In such situations, even recognition of elected governments may empower elites and further marginalizes lower castes and disadvantaged groups (Agrawal and Gupta, 2005).

Bardhan and Mookherjee (2006b) argued that there should not be any presumption that decentralization will represent the interests of the poor better. For them, the outcomes of decentralization are context and design-based. Moreover, increase in local inequality might enhance the probability of elite capture. Decentralization not only increases the dangers of elite capture but also increases the forms it might take (Brown, 1999). Some scholars have raised concerns about the capturing of decentralized power by local elites and the subsequent use of this power in repression of local minorities including women and other marginal groups (Olowu, 2001).

Elite capture happens when members of elite groups dominate decision-making processes and garner most of the benefits of the decentralization reforms (Crook and Manor 1998; Ribot 2004). Some scholars have attributed the origin of elite capture in the local agrarian socio-economic structures and in local-central power relations (Crook and Sverrisson 2001; Ribot 2004). Elite capture in participatory projects might be the unintended result of pre-existing inequality and hierarchies (Saito-Jensen et al. 2010). Moreover, elites are more able to take benefits from decentralized power due to their better networking and education (Mansuri and Rao, 2003; Mansuri and Rao, 2013; Baviskar, 2004).

The blueprint approaches of donor agencies to transfer control to local residents under the community-based conservation has led to little community participation and has mostly enabled “elite capture” of benefits (Ostrom 2006). Iverson et al. (2006) reported that high forest value accompanied with inadequate institutional control mechanisms create opportunities for local elites to tap considerable portions of the benefits in Nepal under decentralization. Moreover, the local elites use their integrative capacity to link the local communities to the political power center to capture benefits from forest resources under decentralization (Brown, 1999).

Conceding decentralized power to local governments is no guarantee of securing representation of all interest groups and may only mean transfer of power from national to local elites (World Bank, 2000). Many scholars have highlighted the fact that devolution of power under decentralization would not necessarily improve the performance and accountability of local governments. This transfer of power may simply empower local elites to capture more benefits, often aggravating existing poverty and inequality (Johnson, 2003b; Crook and Sverrisson 2001; Drèze and Sen 1996; Manor 1999).

Moreover, these efforts considerably fail to prevent local elites from controlling local governments (Johnson, 2003b) and thereby undermining their power and autonomy (Behar and Kumar, 2002). The domination by elites does not mean total capture of all benefits (Ribot, 2004). As per Ribot (2004), the problem aggravates when elites concentrate their power in the context of a highly unequal

society, making it difficult for external efforts to target the poor. He raises a very pertinent question- when and how the effects of elite-capture can be averted or harnessed for public well being? I explore this question further by looking at possible factors that lead to minimization of elite-dominance in local governance.

Some scholars have highlighted the importance of political support from higher levels of governance with pro-poor focus in averting the risk of elite capture of decentralized state institutions (Corbridge et al. 2006; Crook and Sverrisson 2001; Kohli 1987). Others have related the degrees of elite-capture to traditions of political awareness, literacy, allocation of social and economic power within communities, electioneering procedures, transparency and accountability of governments, presence of vigilant media, public participation etc. (Bardhan and Mookherjee, 2006b; Olowu, 2003).

The state can also play an important role in minimization of elite-capture in local governance to ensure pro-poor outcomes (Crook and Sverrisson, 2001) and redistribution of resources in favor of the poor (Lemos and Agrawal, 2009). It can engineer local incentives in such a manner as to achieve effective participation and accountability in local bodies or may provide a 'counter elite' to groups resisting efforts to make local governance accountable (Johnson, 2003b; Crook and Sverrisson, 2001). The pro-poor orientation of the state gives voice to poor and disadvantaged sections in local governance and thereby, ensures positive benefits in their favor (Heller, Harilal and Chaudhuri, 2007; Baiocchi, 2001).

Agrawal and Ribot (1999) emphasized the relational nature of accountability among various actors and underlined the importance of the "mechanisms of accountability through which counter powers are exercised by those subject to actors holding decentralized power". This exercise of counter power by some civic institutions in local politics can act as a mechanism to balance arbitrary action of the local elites as well as the local governments. Moreover, this counter power would also challenge the

dominance of the elites in cases where even elites are driven by some notional accountability as well as other obligations (Scott, 1976).

Counter power is understood as the capacity of groups or institutions to challenge and eventually change the institutionalized power relations existing in the society (Castells, 2007). Power needs to be analyzed in its daily manifestations and in its most diverse and specific forms (McNay, 1994). Only by engaging with these manifestations of power exercised by elites in local politics, dominance of elites can be minimized. The negation of the local power equations has lowered the potential of community-based approaches to transform the lives of poor and disadvantaged sections (Hickey and Giles, 2005).

Counter power enables the poor and disadvantaged sections to engage with everyday aspects of power exercised in local power relations. The emergence of power in local institutions or groups prolongs the flow of benefits from natural resource governance to the poor even beyond the duration of the project or state intervention.

This paper investigates whether some civic institutions or community groups set up under decentralization reforms can act as counter power to decimate the influence of local elites. The aim of this paper is to answer the following question - *What kinds of governance mechanisms minimize elite capture in decentralization?* I hypothesize that elite capture can be minimized only if marginalized groups organize in the form of autonomous counter power in local politics to ensure accountability of local governance. However, this would happen only if there is a pro-poor targeted approach by the state or external interventions in favor of poor and disadvantaged sections.

The paper presents three case studies with two success stories and one failure with regard to the development of autonomous counter power that minimized or averted elite-capture. These cases depict the interplay of various factors and processes that challenged the hold of local elites over local

governance. The paper also discusses the problems in creating suitable conditions for the emergence of autonomous counter power and in its sustenance.

Research methods and data collection

My research methodology uses comparative qualitative case-study analysis of three external interventions in western Himalayan state of Himachal Pradesh. The case studies involve intensive investigation of the factors and processes that influence elite capture. Three panchayats - Bandipur and Padampur in district Sirmour and Khaira in district Kangra - have been selected for the case study analysis. Bandipur and Padampur panchayats were chosen for DFID-funded sustainable livelihood project in 2004 and I have been involved in both of these as an observer and participant from 2004-2007. I was also observing the unfolding of another external intervention in Khaira panchayat during the similar timeline.

Bandipur and Padampur panchayats have been selected for comparison as they have roughly similar socio-economic, cultural, and ecological profiles, but only in Bandipur, the influence of elites over local governance was reduced. In Khaira, another case, wherein influence of elites was considerably lowered due to the pro-poor targeted approach and the emergence of autonomous counter power in local politics.

The comparative case study analysis has been used to investigate the three cases in detail to know the efficacy of my hypotheses to explain the minimization of the probability of elite capture in decentralization. The case studies have been based on a series of interviews and focus group meetings and discussions with representatives of the local community groups, panchayat leaders, forest officials and other key members of the communities that enrich my own participant observation of the events and processes. In addition, I had taken field notes on the processes as they were unfolding during 2004-2007 as well as kept audio-visual records and secondary data related to these events. The interpretation

of these notes along with field notes from interviews and focus group meetings has substantially added to the content of the case studies (Laurier, 2010).

I have been critically reflexive of my own positionality as a researcher and probably as an insider in the eyes of some readers to the events and processes that have unfolded in the three cases. I am aware of my own social position and its role in the nature of research interactions that may inhibit or enhance the information that I am analyzing. I have, therefore, continuously exposed my understandings and interpretations to the scrutiny of a wider audience of researchers and scholars (some of them were involved from the very beginning in the case studies) for achieving rigor in my research analysis (Dowling, 2010).

Case studies have been cited as an approach in research design that involves in-depth exploration of the nuances of the phenomenon under study and the explanations of that phenomenon. They do broaden the academic understanding of the phenomenon at hand and may be valuable on their own without caring about generalizability in other cases (Baxter, 2010). Therefore, adequate care should be taken before generalizing the results of a study to other cases as the present analysis involves limited comparisons of three cases (Harrison, 2013). However, the understanding may be particularly useful in developing new explanatory concepts taking into consideration the contextual influences as well as in solving practical problems associated with the cases under investigation (Baxter, 2010).

Countering elite-capture: Two success stories

Consensus, conflict, and women's production group in Bandipur panchayat³

Recent experiences in Bandipur panchayat illustrate the social and institutional dynamics that minimizes the domination of elites and facilitate the emergence of representation and accountability in

³ Panchayat is a local elected government constituted by state under constitutional mandate .It comprises of 5-6 villages with each village electing one of their representative to the body. In addition to this, there is direct election to the post of the Pradhan (president) and Up-Pradhan (vice president) where all villages participate in election.

local institutions. The case underlines the significance of counter-power and its institutionalization, and the need for an autonomous material foundation as the source of the counter-power for it to become institutionalized. Finally, Bandipur also demonstrates the necessity of external interventions, if the domination of local elites is to be fundamentally challenged. In Bandipur, a DFID-funded project initiated a chain of events that led to breaking of elite dominance resulting in greater representation and accountability in local elected government. A women's palm-weaving production group started by the project became the locus of resistance to the domination of a few elite families in the panchayat. Poor and marginalized women came together to weave mats for generating additional income. The additional incomes, the independent but collective resource base, and the space to interact and discuss issues of common concern initiated a chain-reaction that ultimately challenged elite control of civic life and democratic institutions. New leadership emerged in the panchayat in the process of mobilizing opposition, often facilitated by political partisanship and competitive elections. Even six years after the project's withdrawal, the women's group continues to successfully function as autonomous counter-power in Bandipur panchayat.

Bandipur panchayat lies in Sirmaur district of Himachal Pradesh in northern India. In 2004, it was included in a unique experiment in participatory development, funded by DFID. The HP Forestry Sector Reform Project was implemented by the Forest Department under DFID's Sustainable Livelihoods framework. The project aimed at creating sustainable livelihoods based on sustainable forest management rather than on forest protection alone. The project adopted a transparent and accountable approach and focused on ensuring equity. Moreover, the project activities for livelihood-creation were selected in open house with active facilitation by project staff. Not only did the project adopted a flexible approach in selecting activities to be done under the project but also created democratic spaces at the local level for effective deliberation involving all sections of the socio-economically divided society.

Bandipur comprises of one-third Dalit⁴, two-thirds poor with dominant control of civic life by a few upper caste, Brahmin families. One Brahmin woman, Durgi Devi, was president of local women cultural group for 35 years. Elites took pride in consensus forms of decision-making and justified forest management activities in the project mainly for environmental reasons. However, the majority of the community was in favor of economic use of forest resources and wanted to be involved in the project mainly for economic benefits.

Another cleavage present was between Brahmins and Rajputs. Rajputs, another upper caste, were spatially more concentrated in Poli village away from the main center of the panchayat. Brahmins controlled most of the land, and were well off, with many members in government employment and private services (the local doctor was a Brahmin). Rajputs were mostly agriculturists, more educated than the Dalits but not much better off.

One Brahmin family, known as Kaistha, in particular wielded most of the power, derived not only from land holdings, but also from their connections to both the major political parties and the ability to draw development funds to the panchayat, which were used as patronage. The grand patriarch of this family (now deceased) used to be a Member of the Indian Parliament in the 1960s and was a prominent leader of the Congress Party. A group of households, related to this notable family by blood, marriage, and patronage, comprised the elites in the panchayat. Over time, this elite group included supporters of both major political parties in the state, and used their political linkages to maintain their domination in local politics.

Khajur weaving was adopted as the economic activity due to its being a locally available skill, the availability of local markets and presence of abundant raw material in local forests. The project team had experience in organizing women's production groups earlier. The women groups started production in spite of the reluctance of elites and Durgi Devi in participating in this sort of livelihood. Production

⁴ Dalit refers to lower social castes as per Manu's classification in India and scheduled Castes as per state nomenclature.

started in the building of women cultural group with 22 women, including Dalit and high caste under the name of “Van-Sangini”.

Two leaders emerged – Rashmi Rani, high caste, and Kusala Devi, Dalit, both poor. Both were very skillful at weaving, but in different aspects. Rashmi Rani was good at creating new designs for the mats; Kusala Devi was excellent at improving the quality of the finished product. Both imparted training and advice to the other women, earning their respect and leadership. Durgi Devi was not participating as a weaver, but stayed close-by to keep watch on proceedings. Kusala Devi was president of the production group, Rashmi Rani was secretary, and Durgi Devi was made chair of the advisory committee. Rashmi Rani was secretary because she was educated and could handle recordkeeping. Kusala Devi was barely literate, never went to school, and learnt to read and write from her daughter who attended school. Kusala Devi traveled to local and regional markets to scout for outlets and production orders and expanded her horizons that increased her confidence and leadership skills. Rashmi Rani was unable to travel because of her high-caste status.

There was a mid-term election to the post of vice-president of panchayat due to death of the incumbent. Rajinder was a young man of the Rajput caste, who was heavily involved in the project’s activities as a Group Organizer, and was trying to organize a young men’s group under his leadership for the production of leaf plates. He was actively involved from the very beginning of project to assist women groups to build their livelihoods. He was also a BJP⁵ member and closely involved with the local elected representative to the state assembly. Rajinder consulted with the women’s production group, who assured him of their support. Based on assurances from his own youth group and the women’s group, Rajinder decided to contest the Up Pradhan election. Rajinder was a Rajput, and was also trying to capitalize on the Brahmin-Rajput rivalry in the panchayat, as well as found this to be a good opportunity to challenge Brahmin domination. The other candidate was a Brahmin. This was the first

⁵ BJP- Bharatiya Janata Party- One of the prominent political parties in India

time that the 'consensus' model of the panchayat was challenged, because the elite families had already announced a candidate with the expectation that there will be 'consensus' on the matter. 'Consensus' model was one of the strategies of Brahmins to maintain their domination. Despite tremendous pressure, Rajinder and the women's group refused to back down. Ultimately, Rajinder lost the election by 34 votes, a very narrow margin. This takes place in December 2004.

After the election, the high caste elites were worried about the increasing power of the women's group and tried to argue that women should stick to production and not interfere in politics. During a meeting of the women's group, Durgi Devi objected to Kusala Devi and other Dalit women using a common glass for drinking water. Kusala Devi and others objected to this discrimination, and a major confrontation took place. The production group broke up into two, with Kusala Devi led a majority of women away to form a parallel group. There two two poor high caste women in Kusala Devi's group, one of whom lent one of her rooms for the production process. The other splinter group was now led by Rashmi Rani, and continued production in the building of women cultural group. Rashmi Rani's group also included a few Dalit women, and mostly, the division was hamlet based. Another difference was that most of Rashmi Rani's group was comprised of women who were not poor, and did not need to weave mats for additional income. Kusala Devi's group had all poor women, and their commitment to production comes from the potential for additional income.

All the women from both groups were members of the women cultural group. At a specially convened meeting, the Dalit group led by Kusala Devi removed Durgi Devi from the presidency of the women cultural group, since they were the majority. The high-caste women watched in silence, and did not oppose the removal of Durgi Devi. Ramia Devi, an upper caste woman, was elected president of women cultural group. She was not involved in the khajur group, though she was also poor. She was the compromise candidate that was acceptable to both sides.

Over time, Kusala Devi's group excelled in production, and drew away some members from Rashmi Rani's group. Forest Department had started a sale counter at a nearby village on the state highway, where the products were sold directly to consumers, in addition to traders in local markets. Over time, Kusala Devi's group consolidated production and improved the incomes of their members substantively. The group was becoming institutionalized, but was not yet a counter-power. When the panchayat elections came around in December 2007, local elites started building consensus on their candidate. Bandipur panchayat Pradesh post was reserved for Dalit women. The search for finding a candidate suitable to local elites started. The incumbent Pradhan, Rakesh Kumar, a member of the extended family of Kaistha, in understanding with other local elites selected Chandni as their candidate. He thought it might be a good idea to propose Chandni as she was a right candidate for him to continue his hold on local politics after his exit from the position of Pradhan. Chandni did not have any prior experience in any political activity or group. She even was not a member of the Van Sangini. She came from ward number two and was the wife of Jogender, one of the lower functionaries of the forest department.

Jogender was ambitious and was interested in pushing his wife to some leadership position in the local politics. He was witness to the drinking water controversy and became really angry when upper caste women, mainly Durgi Devi, showered caste-related remarks on the women of Van Sangini. He also belonged to the same Dalit category and wanted to teach Durgi Devi a lesson. His anger was controlled by project staff. However, this entire incident was reported and discussed with Rakesh Kumar and his group comprising of the Durgi Devi and his group members. It appears that Rakesh Kumar played a master stroke by proposing Chandni, wife of Jogender, for the position of Pradhan. He did two things at once: (i) cooled down the tempers of Jogender and secured his caste affiliations for his political goals, and (ii) countered the group of Kusala Devi (Dalit group). This also stalled the recognition of Kusala Devi as a new Dalit leader in the local community. With the active support of elites, Chandni was

unanimously chosen as Pradhan in a local meeting and later on, declared the unopposed winner in elections of panchayats by the government.

The project support to Van Sangini ended in early 2007. The women did earn handsome money from the sale of Khajjur products during the duration of the project. However, the ending of the project brought serious problems of selling products in the market. The women made their best efforts to explore ways to market their product but all these efforts failed. Women as a group visited government offices to seek their help but of no avail. The group decided to search for alternate avenues of earning income. They found one opportunity in the form of wage labor under the Mahatma Gandhi Employment Guarantee Scheme (MNREGA). MNREGA guarantees a minimum of 100 days of paid labor work for anyone who is unemployed. The women started getting some income from MNREGA. Besides this, they worked as a group in forest nurseries and planted trees in the forestland for wage labor.

The forest department also started a new project in the area. It involved construction of soil check dams and stone walls to protect soil loss. However, the forest officials ignored official guidelines to involve communities in the project implementation. The forest department gave the said work on contracts to the local contractors, many of whom further sublet the work to other small contractors. The women of the Van Sangini and other local people approached the concerned forest officials and the local contractors for work in the project but failed to get it. This generated a lot of tension and resentment among local people and women of Van Sangini.

In the meanwhile, some of the check dams, that were constructed in a nearby stream also withered away due to rains or partly due to poor construction. The women related to Van Sangini and other local people demanded transparency in the project. This anger got support when the forest department failed to make payments to the labor employed on the project activities. Rajinder also supported the women's group in their opposition to the project of the forest department. The complaints were made to higher government officials, media and local leaders regarding the lack of

transparency in the project. The people were annoyed due to the alleged nexus of the forest officials and the local contractors that took away not only the work from the people but also maintained deliberate secrecy about the project in the public.

The Divisional Forest Officer (DFO) tried to manage the discontent and visited the site to calm down people's emotions. However, he failed to manage the feelings of the local villagers and women's group against the project. The DFO had to return most of the budget back to the state government and the entire project of the forest department had to be shelved. A state vigilance inquiry was ordered to inquire into the complaints. The Forest department had to concede its error and was made to make full payments to the labor. The local elites came to the rescue of the forest department. They mobilized support of local panchayat in favor of forest officials and largely saved them from the administrative inquiries.

By this time, Van Sangini women group had become a counter power in local power dynamics. The plans of forest department to convert the production center building of the women group to forest rest house did not succeed. Elites started feeling restless due to the increasing power of the women group and Rajinder in local governance.

When the elections for panchayat were announced in 2011, they immediately initiated their old game of manufacturing consensus. This time, the seat for panchayat Pradhan was reserved for high caste woman. To counter candidate supported by Rajinder and Rajputs of Poli ward, the Kaistha family proposed their own candidates and tried hard to construct consensus for them in the panchayat. The manipulations by the elites failed to bear fruit this time due to changed political landscape. The candidate of Poli won the election and became the Pradhan against the wishes of elites. Rakesh Kumar managed a party ticket for his wife for the election of district panchayat. She won the election. Rakesh Kumar also proposed the name of Chandni as a member of block development committee. She also won.

In the same elections, Kusala Devi also stood for election as ward representative of the panchayat. Her name was proposed by a Rajput elite family from Bandipur. Rakesh Kumar supported his own candidate. However, this time his plans to manufacture consensus in favor of his candidate did not materialize. Consensus happened in a village meeting but this time, the winner was Kusala Devi. Kusala Devi became the ward representative against the wishes of Kaistha family. Besides implementing local government projects, she started questioning elites over caste discrimination openly in village meetings. For the first time, the domination of elites in local political and resource governance dwindled under pressure from local counter power.

Democratizing irrigation in Khaira

Khaira village illustrates the ease and facility with which elites capture social and physical infrastructure created through development projects. At the same time, the case also demonstrates the need for a collective resource that everyone could potentially benefit from – irrigation water in this case – to galvanize opposition to elite capture. The experience in Khaira provides insights into the nature of external interventions by presenting two contrasting styles. One presided over elite capture of project infrastructure, the other precipitated collective action against elite capture. In Khaira, a lift irrigation scheme built under the Indo-German Changar Eco-development Project (IGCEDP) had been captured by a small minority of elite households, who excluded the others by virtue of high barriers to entry and application of complex institutional rules for participation. Khaira was at the bottom of a long chain of patronage running through the political establishment, shared by both the major political parties in state politics. There were occasional flashes of individual and collective opposition, but these were defused through incorporation into the patronage network or exclusion. A simple change in the nature of external intervention from conflict avoidance to conflict management provided the opportunity to transform passive resentment into collective action against elite capture. The reform of the irrigation

system increased the number of beneficiaries from 8 to 55 households, and allowed poor households, dalits, and women to participate actively in irrigation management. Building on the improved livelihoods through irrigation, the collective action coalesced into autonomous counter-power that effectively intervened in local politics, decimated the hold of local elites and led to greater representation and accountability in local elected government.

The Indo-German Changar Eco-development Project selected Khaira village for its activities in 1999. The project's objectives included participatory development through environmental regeneration. In the prevailing development fashion and according to the procedure laid down in project documents, the main vehicle for the implementation of project activities was a Village Development Committee (VDC) comprising of all interested households in a village, with an elected Executive Committee supervising the day-to-day operations. Participatory micro-planning was carried out by the project personnel in consultation with members of the Executive Committee and the micro plan was approved first by the VDC and then by project authorities.

Cleavages based on political partisanship plagued the Khaira VDC from the very beginning. Khaira panchayat included several other villages besides Khaira, but the panchayat Pradhan, Deva Ram was from Khaira and took great interest in the formation of the VDC in Khaira village. Deva Ram was affiliated with the BJP, with direct links to the local Member of Legislative Assembly (MLA⁶). The local MLA had been the MLA of this region undefeated since 1993 (a rarity in Himachal Pradesh politics). He had constructed a vast network of development patronage in the region, and Deva Ram was one of the main conduits of this patronage in Khaira. However, during the meeting to elect the Executive Committee of the VDC, the members present elected Kalyan Singh as Pradhan. Kalyan Singh had been an active member of the Congress Party for several years. In protest against his election, Deva Ram and

⁶ MLA is the member of legislative assembly of the state and is directly elected by voters in general election once every five years. He or she represents on electoral constituency. There are 68 MLA in the legislative assembly of Himachal Pradesh.

his supporters boycotted the VDC and its activities. Consequently, approximately one-fourth of the households did not choose to join the VDC and the Changar project. Importantly, the division was not based entirely on political partisanship, as many prominent BJP members of the village joined the VDC. One of these was Kulwant Singh, the patriarch of a group of households with large landholdings and a leader respected for his role in the construction of a road connecting Khaira to the main road.

The microplan included a proposal for a lift irrigation scheme. After surveys, it was established that there was enough water in the local stream to irrigate at least some lands of a majority of the village households. The irrigation scheme was approved by the project authorities, but insisted on contributions from the beneficiaries. To this end, the project personnel also constituted a separate Irrigation User Group to supervise the construction of the irrigation infrastructure and manage the water supply. Following the logic that collective investment by local people will increase the sense of ownership of physical infrastructure created under the project, a 25% contribution had been mandated by the Changar Project for all activities. After the completion of a particular activity, the Changar project deposited in the VDC bank account an amount equal to the 25% the cost that was borne by the beneficiaries in implementing the activity.

Kulwant Singh assumed the leadership of the Irrigation User Group (IUG)⁷, and was elected Pradhan at its first meeting. The Executive Committee of the IUG worked out the share of each household towards the 25% contribution. The cost of construction was estimated by project engineers to be around Rs. 400,000⁸. Using a simple equation, the total amount needed (Rs. 100,000) was divided by the estimated command area (400 kanals⁹), to arrive at a figure of Rs. 250 per kanal irrigated to generate Rs. 100,000 for the 25% contribution. Poverty and uncertainty prevented a majority of the households from paying their share of the money. Changar is a very dry area, and people did not believe

⁷ IUG- Irrigation user groups – mandated under the project, primarily composed of actual beneficiaries of the project activity

⁸ 400,000 Indian Rupees (INR)= \$ 6451 USD. One USD= 62 Indian Rupees (approx.)

⁹ Kanal- Land measuring unit- One kanal is equal to 0.125 acres

the assertion that there was enough water to irrigate 400 kanals. Further, the design of irrigation included lifting the water more than 90 meters to a storage tank, from which water could flow by gravity to all the fields. However, after the first phase where water would be transported by pipes from the water tank to the nearest fields, it was planned that irrigation channels would be constructed by the farmers themselves to further transport the water. The supposed beneficiaries did not believe that irrigation was even possible by this project; leave alone whether an individual household would receive irrigation water. By the time construction work was supposed to start, only about Rs. 6,000 had been collected. The leadership of the VDC and the IUG put their heads together to think about alternatives. By then, a number of activities had been undertaken in Khaira, and Changar Project had been depositing the promised 25% share in the VDC bank account. Without the knowledge of the project personnel, the Khaira leadership decided to use the money in the VDC account to show that the requisite participation money has been collected. After this subterfuge, undertaken in the public interest – it was assumed that once the project started functioning, the funds could be replenished from irrigation levies – construction work started on the lift irrigation project.

The lift irrigation system started operations in January 2003. While the earthen dam for the lift irrigation project was being constructed, project personnel held meetings in the village to finalize rules for access to irrigation water, and a complicated suite of rules were instituted to manage and distribute the irrigation water. By then, the IUG leadership, led by Kulwant Singh, was only allowing those households to participate in rule-making who had paid their contribution of Rs. 250 per kanal. Even in late 2002, with construction at an advanced phase, only 14 households had paid their dues. When the water was finally lifted from the dam in January 2003, the IUG not only refused to provide water to those who had not paid their dues, but also insisted that they could not now pay their dues and avail of irrigation water. A small clique of 8 households, including Kulwant Singh, could benefit and their lands could be irrigated because they were close to the storage tank benefited in the first year.

Three households that had paid their dues in full could not receive water. Their lands were at a greater distance from the storage tank and could not be reached by the pipes provided by the project. In the original design, farmers were supposed to dig irrigation channels to transport the water themselves. But farmers whose lands lay in between refused to let the channels to be dug through their lands unless they could receive the water for their own use. In the first season of the start of the project, water had been captured by a small group of elite households, who excluded all others by using the institutional rules created to manage the water. Appeals to the Changar Project authorities fell on deaf ears, partly because their involvement in Khaira was coming to an end in October 2003 and partly because the elites who captured the irrigation water were perceived to be close to the local MLA. Locally, the elite group justified their exclusive use of irrigation water by claiming credit for its construction, and asserted their right of use (and right to exclude) because they alone had produced the 25% contribution before the irrigation project could be approved. Lacking any knowledge of the pyrotechnics involved in getting the 25% contribution, the majority of the households could not refute the legitimacy of their exclusive claim to the irrigation water.

In September 2004, Winrock International India entered into collaboration with IGCEDP for an action research project titled 'Incentive Based Mechanisms for Watershed Services and Improved Livelihoods' (henceforth IBM Project) to facilitate collaborative partnerships between upstream and downstream villages for ecosystem services. The IBM project selected the watershed of Khaira village in April 2005. The dam constructed by Changar Project was rapidly filling up with silt, and the IBM Project wanted to create partnerships between Khaira villagers, who were benefiting from the irrigation water, and upstream villages, who were in a position to control and reduce the silt load in the stream. It took several months for the research team to realize the gravity of the situation – that a minority of households had captured all the benefits from irrigation.

The research team quickly realized that the range of activities envisaged in the IBM Project were simply not feasible with a group of eight beneficiary households, especially when it was clearly possible to extend irrigation to many more households. They also found a simmering opposition to the elite capture, which could be channelized into effective reform of the irrigation system to make it more inclusive. Three of the eight beneficiaries – Kalyan Singh, Lal Singh, and Bhim Singh – were themselves dissatisfied as only a small fraction of their lands were being irrigated. They also realized that the irrigation system was unsustainable and unviable as presently functioning. It was unviable because it was mismanaged and failed to generate enough revenue to even pay for its maintenance. It was unsustainable because the dam was filling up with silt, and it would be not be possible to tackle that problem without the support of a sizable proportion of the village population.

Kalyan Singh was a recognized leader in local politics in his own right. He was an active member of the Congress Party, who had been the panchayat vice-president in the 1980s and was also the VDC Pradhan during the peak of Changar Project activities. After the end of the Changar Project, Kalyan Singh had lost some of his pre-eminent status in village politics. The elite households controlling the irrigation water, especially its leaders Kulwant Singh and Ravi Singh, were members of the BJP, making it easier for Kalyan Singh to oppose them. Encouraged by the research team, Kalyan Singh mobilized people in the village to demand reform of the irrigation system. There was enough opposition in the village to draw a large following to the cause of reform, especially coupled with the promise of irrigation water.

Approximately 100 people from more than 60 households, including many women, attended the meeting organized to discuss the irrigation project. Representatives from 25 Dalit households also attended, and comprised the second largest group from any hamlet. Bowing to public pressure, Kulwant Singh and Ravi Singh also attended. At the meeting, Kalyan Singh was loudly supported in his proclamation that the water belonged to everyone, and that the system needed to be reformed to benefit more people. Those present demanded that Kulwant Singh produce the accounts for the

irrigation management. He failed to produce the accounts, but promised to supply them in the next few days. As the momentum shifted, the assembly took two (near) unanimous decisions designed to wrest control back from the elites. One, they decided to merge the IUG with the VDC, so that there would be one institution in the village. The VDC was largely defunct since the end of the Changar Project, but it was still alive with some money in the bank. Two, those present decided to elect a new Executive Committee. Kalyan Singh was elected President, and a representative from the Dalit hamlet was elected Up-Pradhan. Of the five other members elected to the Executive Committee, two were women who were involved in the irrigation institution for the first time. Kulwant Singh and his associates were completely excluded from the new institution.

Soon, the new executive committee announced drastically simplified rules for access to irrigation water, and membership jumped immediately from 8 to 55 households. In January 2005, 200 kanals from 55 households was successfully irrigated. The VDC used an existing development scheme that provided irrigation pipes as long as the farmers were contributing their labor to extend the reach of the lift irrigation system to include all the new members. Next, the executive committee took up the issue of siltation of the dam. The situation was so bad that 50% of capacity of the dam had been lost in the last three years. After careful research by the IBM Project team, areas were identified in the catchment that required urgent erosion control measures. Negotiating with the neighboring villages, the Khaira VDC initiated or revived seasonal enclosures in the priority areas. They also constructed 11 brushwood check dams in tributary streams to catch the silt before it reached the reservoir. Every household contributed their labor to these activities. As a result of the soil conservation measures, the silt load in the stream dropped immediately and dramatically during the rainy season.

As the VDC emerged as a counter-power in local politics, it turned its attention to development works carried out by the panchayat. Deva Ram, the panchayat Pradhan, and a contractor related to him, were asked to provide details about the construction of a bridle-path in Khaira village. When they

refused, the VDC wrote a formal letter to the Block Development Officer, demanding the information. When the information was released, it became clear that funds had been misappropriated and only 25% of the planned length of the bridle-path had been constructed. The VDC, led by Kalyan Singh, threatened to file criminal charges against the panchayat Pradhan and the contractor. Faced with clear evidence and a mobilized public, the contractor constructed the entire length of the bridle-path as originally planned. The emergence of VDC as counter-power ensured minimization of elite-capture on local governance and led to accountability in developmental works.

When panchayat elections were announced in December 2005, the post of the Pradhan of Khaira panchayat was reserved for a woman. There were two major candidates, one of which was the daughter-in-law of the leader of a neighboring village, Och Khurd, with whom Khaira VDC was negotiating seasonal closures to control erosion. The VDC unanimously decided to support the other candidate, Aradhana because of her prior history of leadership and success in organizing women for their rights. With the support of Khaira VDC, Aradhana won the panchayat election. A few months after the elections, Khaira VDC applied to the panchayat for access to development funds to desilt the dam. A project was proposed under the new scheme MNREGA, and the dam was successfully desilted to about 90% of its original capacity, increasing water storage and irrigation potential.

Kalyan Singh, supported by VDC, fought the election for vice-president in 2011 but lost by a slender margin. A candidate from neighboring village won the election because of division of votes among three candidates in Khaira. VDC Khaira has now one hundred thousand rupees in bank for maintenance of water distribution system. New members are now free to join without any membership fee. Members of panchayat regularly visit Kalyan Singh for advice on local matters. VDC has now its own unique place as a counter power in the local panchayat politics.

Counter-power and obstacles to its institutionalization

The DFID Forestry Sector Reform Project was also implemented in Padampur panchayat in Sirmaur district. The socio-economic context was roughly analogous to Bandipur, where the women's production group emerged as a counter-power in local politics. In Padampur, there were flashes of resistance and a few instances of organized opposition to vested interests in the panchayat, but it could never be translated into counter-power. This case is illustrative of the difficulty of sustaining effective challenges to domination by local elites, in spite of repeated and multiple efforts by resourceful external actors. Attempts to organize milk producers into a marketing cooperative were foiled by the power of local traders and money lenders who controlled the local economy. Poor milk producers were unable, individually or collectively, to break out of the interlocking systems of labor, resource, and market control wielded by local elites. Another attempt to organize poor women into a rope-weaving production group failed due to technological constraints and high costs of acquiring the necessary skill to produce market-quality rope. In Padampur, elections did help to translate the passive resistance into an expression of dissent, when a young man from a poor household was elected president of the local elected government. However, he was not supported by an organized and institutionalized counter-power that could demand transparency and accountability. The project was able to create new infrastructure and improve resource management, and although all these changes were sustained even six years after the end of the project, there is no discernible difference in the political landscape. The same elite families continue to control social and economic life as usual.

Padampur is classified as a 'backward' panchayat for administrative purposes, reflecting its high level of poverty and a population comprised entirely of marginal communities. Of the approximately 250 households in the panchayat, 60% belong to the buffalo-herding Gujjar community, classified as a scheduled tribe in Himachal Pradesh and therefore in need of special attention and assistance. The remaining 40% are all dalits. The panchayat is characterized by extreme inequality, with only a few

households not classified as 'Below Poverty Line or BPL' by the district administration. In stark contrast, these few non-BPL households control the local economy and politics. Being a backward panchayat, disproportionately large amounts of development funds are spent in Padampur, with no discernible effect on the well being or livelihoods of a vast majority of households. The development funds are captured by the elite households and used to consolidate their position through patronage. The same few households run the panchayat, control access to local markets for agricultural produce, and act as links to political actors at higher spatial scales.

Milk production for sale is the biggest component of Gujjar livelihoods. However, the local milk economy is controlled by a few traders in the panchayat, who also act as moneylenders. The traders are also Gujjars, but do not produce any milk. All milk-producing households in Padampur are indebted to the traders, who use this fact to justify the low prices they pay to the producers. Traders also assert that they assume all the risk associated with marketing a highly perishable resource, which the producers are unable to bear themselves. The milk is transported long distances to nearby market centers, and faces the dangers of curdling in the summer heat. Frequently, the road links are disrupted during the monsoons, making the delivery of milk to the market a risky proposition. Relationships between producers and traders are governed by a moral economy of patronage, whereby the traders promise to help the producers, often by providing more credit.

The Project team initiated consultations with various groups in the panchayat to arrive at the above description of the situation. In the initial meetings, there was great enthusiasm for the idea of a milk cooperative. However, when the project team went back after a week of collecting information on how to organize a cooperative, the situation was completely reversed. In public meetings, milk producers expressed great reluctance to assume the risks involved in milk marketing, and argued that they did not have the necessary skill to collectively undertake the responsibility. In private conversations, it emerged that the elite households had used all the weapons in their arsenal to

persuade the producers to refrain from embarking on the idea of a cooperative. The cooperative failed to start and the project team realized that the idea was not feasible given the local political economy.

As a compromise, it was decided after consultations that milk production could be improved by increasing fodder production and better management of fodder production areas in the nearby forests. 10-hectare plots were identified in each village for action, and activities were designed and implemented to improve fodder production. Local management institutions were created to undertake long-term monitoring and enforcement. By the end of the project period in 2007, fodder production had increased significantly and local management institutions were functioning effectively. However, there was no translation of successful collective action in fodder management into any semblance of resistance to the domination of local elites. Two years after the end of the project, I visited the panchayat to assess the impact of the project. All the fodder management systems were still in place and functioning well, leading to higher milk production. However, the overall result of the initiative was to increase the incomes of elites, who continued to capture the entire surplus created through higher milk production.

Following the example of Bandipur, the project team organized a women's production group for rope-making from Bhabbar grass available locally. Women used to weave ropes from the grass for self-consumption only, though there existed a large demand for rope in nearby markets. While the women used to weave the ropes by hand, they were also aware of rope-making machines that were in use in other areas. After extensive consultations with women, a rope production group was started with 36 members. It was decided to buy two rope-making machines, provide the women with training, and demarcate a 40-hectare plot of the local forest to be earmarked for Bhabbar grass management. However, the project did not allow for funds to be spent on equipment, like rope-making machines. To overcome this hurdle, the women decided to raise the funds for machines by using the wages provided by the project for Bhabbar grass management.

The machines arrived and production started in right earnest. After a round of quick initial training, most of the women felt confident in using the machines to make ropes. The quality of rope was quite poor and was not marketable, but the women felt confident that they would be able to raise their production quality in a short time. There was great enthusiasm in the women's group.

However, fissures soon appeared in the group. The machines were kept in the front yard of Mahila Mandal Pradhan's home. The situation in Padampur was roughly similar to Bandipur, and Sukhia Devi had been Pradhan of the Mahila Mandal for more than two decades. She was a long-standing member of the BJP, had direct links to the local MLA, and acted as a minor conduit in the patronage distribution network. Within two weeks of the start of production, women complained that Sukhia Devi had monopolized access to the machines and did not allow anyone outside her extended family to work on them. The women's group discussed the problem, and expressed collective anguish at the appropriation of a resource that they strongly believed to belong to the group. Sunni Devi rose to the challenge of confronting Sukhia Devi, and led the women in claiming back the machines for the whole group. After a short but contentious battle, the women were able to oust Sukhia Devi and regain control over the machines, under the leadership of Sunni Devi and support of the project team.

The machines were now kept in the front yard of Sunni Devi's home. Sunni Devi's husband, Sobha was highly skilled at using the machines. Initially, he offered to use the machines during the time allotted to Sunni Devi, because she was not skilled at the job. The other women agreed. Soon, however, there were loud complaints that Sunni Devi and her husband Sobha were running the machines all night, a fact evident in the large amount of high-quality rope they were able to produce and sell. The women also complained that Sunni Devi was quite skilled at using the machines but was reluctant to transfer the skill to other women. Confronted with the facts, Sunni Devi claimed that she was only using the machines when they were not being used by other women, and so she was not depriving anyone of the

resource. However, the conflict continued, with the other women becoming disenchanted with the whole idea.

The project team intervened once again to resolve the situation. Inferring that the location of the machines in private homes was the problem, a production center was constructed from project funds at a central location and the machines were installed there. Further, a woman trainer was hired to stay in the village for a week to impart the necessary skills to the group members. Production resumed and continued smoothly for about 5 months. But the quality of the rope was so low that local traders refused to buy it at any price. In fact, according to the women themselves, it was no better than what they could make by hand. Discussion with the women revealed an interesting dynamic that had not been anticipated. Unlike the palm-weaving process, where all the women could weave simultaneously sitting around in the shared production space, only two women could produce rope using the machines at any given time. All the other women were sitting around idle, waiting for their turn on the machines. After a period, women worked out a roster for access to the machines and only arrived at the production center at their allotted time. This had two major impacts on the production process. First, the production center failed to act as an autonomous space for the women's group to assume an independent identity, in the manner of Bandipur. Second, infrequent access to the machines – there were two machines for more than thirty women – prevented the women from acquiring the skill necessary to produce market-quality rope. Over time, interest in the activity dwindled and activity at the production center was restricted to the few women who had the necessary skills.

Now, Sobha is running the said machine in the production center using Bhabbar produced in forests protected by the women's group. Forest officials are helping him in the venture. He is earning considerable income by selling the produced ropes in the market. No women of the area visit the production center now.

Discussion

The above cases clearly indicate that the existing decentralization programs are highly prone to elite capture. In all of the three cases, elites spontaneously captured the leadership positions of the decentralized bodies. The marginalized sections could not access benefits and were unable to gain influential positions in the decision-making processes. In spite of formal provisions and its spirited implementation, the project failed to secure equitable representation of all sections of communities. The important question is- how and why elites dominate and control the decentralized power so easily? In these decentralization reforms in natural resource management all roads led to elite-capture. These findings have their support in the contention of many scholars who have mentioned various factors responsible for elite-capture (Mansuri and Rao, 2004; Mansuri and Rao, 2013; Johnson 2003b; Agrawal and Gibson 1999; Veron et al. 2006; Crook and Sverrisson 2001; Campbell, 2001). Several authors found the origin of elite capture in the heterogeneous and hierarchical nature of the communities (Agrawal and Gibson, 1999), poor regulatory power of decentralized institutions (Cleaver, 2005), and pre-existing hierarchical social structures (Saito-Jensen, 2010).

In Bandipur, the socio-economic and political domination of a single elite Brahmin family for several decades led to spontaneous acquisition of the decentralized power by their extended members. The complete domination of these elites over local governance was evident from their control over not only the landed property of the village but also on the local elected governments. During meetings, people from socially disadvantaged groups were unwilling to speak against the will of these elites. Even, consensus in local decision-making meetings was fashioned by elites to serve their own interests. In case of Khaira, the elites captured the exclusive use of irrigation water due to their closeness to the local political leader. The elites excluded others by taking advantage of high barriers to entry as well as application of complex institutional rules for participation. Whereas in case of Padampur, elites - local traders and money lenders - completely controlled the local economy and gave no chance to milk

producers to break out the interlocking systems of labor, resource and market control. The project supported livelihood initiative was completely privatized and the women's group was structurally excluded.

My case studies have indicated the governance mechanisms that might reduce or minimize elite-capture. The influence of elites over the local governance dwindled in Bandipur and Khaira owing to emergence of some civic institutions or groups as autonomous counter power. However, the counter power only emerged wherein state or external interventions adopted targeted pro-poor approaches in enabling poor and disadvantaged sections to benefit from natural resource governance.

In the case of Bandipur, project team only promoted those livelihoods that were mainly forest-based and involved greater dependence from larger percentage of socially marginalized communities. These livelihoods were local skill-based with higher expertise coming from the marginal sections rather than the local elites. The targeted pro-poor intervention created niche in the local governance for these sections. The rich and elite were not adept in these small-scale livelihood-generating skills and were excluded from the beginning. Moreover, the state forest department affirmatively allocated ten hectares of forest area for the purpose of supporting these livelihoods of the poor. It reserved this area exclusively for the use of a women's group and forced illegal encroachers to vacate this land in favor of the group.

In case of Khaira, the external team intervened on behalf of communities that were excluded by elites from the irrigation benefits. The team also transformed passive resentment of the locals into collective action against the elite capture. The new leadership of the VDC reformed the irrigation benefit sharing and ensured better participation of socially and economically disadvantaged groups including women. This collective action coalesced into autonomous counter power drawing power from improved livelihoods through irrigation.

Case studies also underline the importance of the local formal or informal institutional spaces for collectivizing marginalized sections. The specific nature of the livelihoods like mat weaving in the case of the Khajur women's group requires these women to sit together and think collectively on many other social issues. In the case of Khaira, the collective usage of irrigation provided the space for counter power to emerge against the local elites and their exclusionary practices. On the other hand, the project could not provide adequate institutional space for collective action to emerge in Padampur due to the wrong choice of livelihoods. The rope making through machines could not collectivize economically disadvantaged groups against the malpractices of elites. Only two women could work at one time on one machine leading to discouragement of group activity.

These cases also illustrate the need of enabling property rights for civic institutions, in order for them to transform into autonomous counter power. Without the control over ten hectares of forestland for raw material collection, poor women in Bandipur could have never gained economic power to support themselves and their families. Moreover, this economic activity acted as a center of gravity to galvanize collective action which overtime led to the transformation of these women group into considerable force at the local level. The women's group collectively invested their labor and time on common pool resources, from where they drew their autonomy. Later on, they utilized other state economic opportunities like MNREGA for their income generation. In the case of Khaira, the collective and secure irrigation benefits to marginalized sections provided the foundation for counter power to emerge.

The emergence of the counter power not only decimated the hold of local elites but also led to greater accountability of the local elected governments and local bureaucracy. The contestation with local government over misuse of state funds immediately led to rapid completion of the faulty developmental work in Khaira. In Bandipur, the women's group highlighted the corrupt practices of a developmental scheme implemented by the state forest department through media and forced its

closure. Moreover, Kusala Devi won the election as the panchayat representative against the wishes of the Kaistha family, resulting in a huge psychological victory for the Dalit women of the Van Sangini. This considerably improved the probability of higher delivery of development in favor of the poor and disadvantaged and their localities.

However, in the case of Padampur, autonomous counter power could not emerge in spite of the presence of the same pre-requisite conditions as mentioned for the successful cases above. Enabling property rights over Bhabbar could not empower marginalized communities. This happened due to the specific nature of the rope-making enterprise using Bhabbar as raw material. Rope-making through machines could not create conditions for women to collectively invest their labor and time on production. This considerably hindered the transformation of the women's group into counter power. Interestingly, the building of a milk cooperative was immediately rejected by local milk producers due to the overwhelming control of elites over the milk economy. The poor milk producing communities could not challenge the elites due to the perishable nature of the milk. Here milk as a 'resource' could not be mobilized to harness collective action. Any action against the elites could have led to considerable loss to existing milk-based livelihoods of local marginalized groups. Paradoxically, the selection of fodder improvement works only enhanced the income of the elites rather than creating conditions for autonomous counter power to emerge.

This research shows that the elite-capture can be minimized or avoided if there is a pro-poor orientation of the state or external interventions and there exists an autonomous counter power in forest governance. For autonomous counter power to emerge, certain pre-conditions are necessary under decentralization programs. It is only when the pro-poor targeted interventions create conditions for autonomous counter power to emerge and contest the claims of the elites; the probability of the elite capture would go down.

Affirmative action on the part of external actors (state or other large institutions) in favor of the marginalized communities is the first necessary condition for appearance of autonomous counter power. In all successful cases, external interventions adopted a targeted approach in favor of social and economically disadvantaged groups from the very beginning of their initiatives. The strong state action with overwhelming agenda of transferring resource and revenue autonomy to local marginalized communities is critical. The successful cases also reveal the role of external intervention in sorting out conflicts arising out of redistribution of common property resources in favor of marginalized sections.

The second necessary condition is the creation of institutional spaces at local level to collectivize marginalized sections. The institutional structure can be formal with rules and by-laws, but it should not be totally informal. The presence of this form of institutional structure in the society provides institutional space for collective action to emerge. External interventions have an important role to play in providing these spaces. The state can require mandatory record keeping, accounting and monitoring in local institutions that can ensure local contestation over questions of transparency and accountability. Further, the requirements for mandatory collective production can provide a basis for social cohesion and can lead to collective action against entrenched social discriminations.

The third necessary condition is to enable property rights over common pool resources to local communities. Enabling property rights does not equate to ownership rights, but should be sufficient for creation of sustainable livelihoods. If these property rights are absent or inadequate, it would be difficult for the local communities to acquire autonomy. The local communities need to be provided with means or opportunities to earn a living from these resources and using them for building institutional autonomy. The cases of Bandipur and Khaira provide evidences where civic institutions gained power due to their enabling property rights over the common pool resources.

In both Bandipur and Padampur, individuals do have individualized legal rights to access forestry resources for their domestic consumption. Existing forestry laws require open auctioning for commercial

extraction of bhabbar. The private contractor paying the highest bid is given an extraction permit in the area. The open auctioning and extraction through private contractors has led to severe loss of bhabbar resources in the area. The result is the absence of any commercial sale for the past several years. The laws do not facilitate any collective harvest and sale of bhabbar. In the new intervention, communities were given permission to protect and harvest bhabbar from the forests on a collective basis for use in collective production. These permissions, however, are not legalized within existing forestry laws. Similar is the case of extraction of palm leaves from the forests of Bandipur. Palm trees exist both in private as well as government forests in the area. The collective harvest of palm leaves for collective production and income-generation is not envisaged and promoted through the existing laws. The permission given by the forest department to women's groups to use ten hectares of forestland for their commercial collective production and sale played an important role in the institutionalization of counter power. But, such permissions are not a legalized form of property rights for the communities and government can reverse these permissions anytime.

In both the above cases, the property rights that were transferred in the form of permissions did not envisage exclusive ownership rights for the women's groups. The forest resources that were transferred for the use of local communities were sufficient to create livelihoods for members of the women's groups. Enabling property rights requires legalized transfer of such exclusive rights to communities for their collective use of some forest resources for commercial sale. However, such enabling does not require complete transfer of forestland with all other forms of vegetation or resources. The overlapping use of the same forestland for needs of multiple actors including other local and migratory communities of forest users and state agencies require multiple co-existing property rights layers on the same forestland.

The enabling of property rights in Bandipur gave unlimited access to palm trees to women. The forest department negotiated with other users of the same forestland now meant for women's groups

to facilitate the access of the women for their collective production. The forest land that was allotted to women is near to their production center and their habitation. The availability of raw material without any legal restrictions helped women in concentrating on other aspects of their economic venture. They invested time in organization and marketing aspects to strengthen their livelihoods. Similar is the case of Padampur. Women's groups were given permissions to use forestland exclusively for the production of bhabbar for their economic enterprise. The forests that were allocated to these women were near to their place of production and habitations. However, the technical failure of the rope-making machines and the absence of collective space led to the elite capture of bhabbar grown and protected by women in these forestlands. Similar is the case of Khaira. The streamlining of access to irrigation led to improved livelihoods of the local communities that formed the basis for their institutionalized autonomy.

Institutionalized autonomy includes elements of socio-economic and economic freedoms. Any institution or individual belonging to marginalized sections can be considered to gain autonomy when such institution or individual has independent decision-making ability to contest the exploitative claims of the elites and the state agencies. Such ability can be long-lasting not only when these individuals or their communities have some economic security but also have the socio-cultural independence to counter the entrenched structural domination of elites that is manifested in different socio-economic and cultural aspects of poor and marginalized sections.

Paradoxically, the presence of similar pre-requisite conditions could not lead to emergence of autonomous counter power in case of Padampur. Here, due to tight interlocking multi-faceted control of local elites over the local economy, marginalized sections are bereft of any initiative to change their conditions. Even the resource characteristics did not provide conditions for collective action to emerge. Thus in such cases, internal or external initiatives should explore new ways of breaking the tight systemic control of local elites over the social and economic lives of the local poor. They should explore

new scales at which 'counter-power' must operate for it to be tantamount to an 'accountability' that can be transformative.

For successful contestation of the claims and the structural domination of elites, certain pre-requisite conditions are must. The pro-poor targeted intervention that creates institutional autonomy, enables property rights over natural resources and crafts institutionalized spaces for collective action to emerge is one such pre-requisite condition. Another pre-requisite condition is the emergence of autonomous counter power in the local power relations. It is only when the pre-requisite conditions are met; the elite capture can be reduced. The presence of institutionalized autonomy, enabling property rights and institutionalized spaces may not be the sufficient conditions for autonomous counter power to emerge. It is only when material production combines with conceptual orientation of local communities in certain configuration that the autonomous counter power can emerge. The emergence of autonomous counter power is a necessary condition for reducing elite capture.

Decentralization has fallen into the clutches of elites due to pre-existing self-reproducing, socio-economic hierarchical structures. Indeed, this is the definition of elite capture. This resilient order has limited the ability of decentralization to serve poor and socially disadvantaged groups. Pro-poor targeted approaches combined with emergence of autonomous counter power is critical for breaking the domination of elites in natural resource governance. The presence of affirmative action, collective institutional spaces, and enabling common property rights are the mandatory requirements by which local people can acquire autonomous counter power. Nevertheless, even these conditions fail to activate and sustain local collective action when there is a multi-faceted economic control of elites over the disadvantaged groups.

The real challenge in front of decentralization reforms is to create an enabling environment to galvanize autonomous counter power in local governance – counter power sufficient to dismantle the hierarchy that continuously closes the spaces of opportunity. Such structural change may require the

modulation of notions of counter power or accountability outside of the micro-relations between locals and elites so as to constrain elite grasp and maintain collective spaces of freedom. More work must be done to understand what constitutes sustainable counter power. Once established, counter power/accountability should ensure longevity of the project benefits to poor even beyond the project duration – then it should be considered sustainable. One would hope that part of what makes it sustainable would be that it makes the local resource governance decision makers accountable and responsive to the entire community – and in a democratic decentralized setting the community could make collective decisions to sustain it.

CHAPTER 3

EQUITABLE ACCESS AND SUSTAINABLE HARVESTS: SUBSIDIZED TIMBER DISTRIBUTION IN INDIAN HIMALAYAS

Introduction

Forest-dependent livelihoods are widely expected to play a very important role in the lives of people in Indian Himalayas (Gouri et al 2004; Morrison 2001). However, scholars differ to the extent to which these livelihoods can contribute towards improving the – well being of the people. Some have highlighted the value of these livelihoods as a safety net that can help avoid or mitigate poverty during emergencies such as droughts and crop failure or times of low income (Sunderlin et al. 2005). On the other hand some studies doubt their potential to alleviate poverty due to its limited scope in increasing benefits for people and also for being capital intensive (Wunder 2001). People can earn more benefits from clearing forests and converting the land for other uses than they can earn from or from conservation/protection based benefits. However, it is important to preclude obtaining income from land clearing if the focus is to promote sustainable forest management (Tacconi, 2007).

Though the contribution of the forest-dependent livelihoods in poverty alleviation strategies is both uncertain and unclear, scholars have asked for strengthening these livelihoods and ensuring their equitable availability to the local communities (Sunderlin et. al 2005; Ribot et al. 2010). Millions of forest users use forest resources for fodder, fuel wood, small timber, biomass and small income generation activities in developing countries and therefore, necessitate adequate attention of the state and external interventions (Agrawal et. al 2008).

The communities are not homogenous entities and are usually comprised of various segments differentiated by caste, class, gender and political affiliation. It is, therefore, critical to incorporate these

differences while analyzing the relative access of heterogeneous communities to their income earning opportunities from forests. The destruction of forests can directly or indirectly affect the flow and distribution of benefits from forest-dependent livelihoods to poor and socially disenfranchised communities. The conversion of forests to agriculture or other industrial uses like biofuel can deprive many forest communities of regular income from the use of forests. The loss would be acute if these forests are used as commons. Similarly, local people may have a tendency to overuse the resources due to their desire for making immediate profits, which can lead to non-sustainable use of forests that can endanger the ecological sustenance of forests (Larson 2002).

Ensuring equity and sustainability in forest-dependent livelihoods is a daunting task. Forests constitute significant wealth for governments and elites and therefore, can involve continuous struggle over sharing of benefits (Larson 2002; Ribot 2003; Ribot et al. 2010). National laws and regulations can deprive people from making use of forests in ways that are useful for their livelihoods. The governments may support the economic ventures of the national or local elites, bypassing the livelihood and ecological concerns of the local people. Under such situations, it is equally important to ensure that the forest use is sustainable and within permissible ecological limits.

Increasing importance of participation and local governments

In recent decades, involvement of local people and their elected representatives in the management of forest resources has found increasing attention. Participation has become a buzzword in the natural resource and common property literature and has been generally associated with greater equity and efficiency outcomes. Participation is projected as one of the most efficient means to achieve a better understanding of local needs and to incorporate them into planning (Crook and Manor 1998; Ribot 2003). Currently, estimates suggest that ten to twelve percent of world's natural forests are managed by some forms of popular participation (Ribot et al. 2010).

Under decentralized forest management¹⁰, many national governments have established forest user committees or community based natural resource bodies to incorporate local knowledge in natural resource management. These committees exist parallel to local governments and are entrusted with resource management duties. However, some scholars have equated these bodies to the administrative committees of national forestry departments (Gururani, 2002). The strengthening of these parallel bodies can fragment the legitimacy and power of the local governments and can seriously impede their ability to respond to the demands of their constituents (Ribot 2003).

Similarly, powers and mandates have been transferred by national governments to the local governments in many countries (Treisman 2007; Ribot and Larson 2005). Often justified on the principle of subsidiarity, local governments are expected to perform better on the issues pertaining to the sustainable management and equitable distribution of benefits from natural resources. These governments incorporate local knowledge and multiple local voices into their decisions regarding resource use. By doing so, these governments can better decide how to use or conserve these resources by taking the various spatial and temporal attributes of natural resources into consideration, (Ribot 2003). Moreover, people can punish these governments for their bad performance by removing them from office by regular elections (Jayal et al. 2006; Manin et al. 1999, Ribot et al. 2008).

The effective involvement of people and elected representatives is still unsure

Many studies show that in the context of entrenched inequalities and elite domination, local governments fail to represent marginalized groups and instead, promote inequitable benefits (Ribot 1999; Crook and Manor 1998; Crook and Sverrisson 2001; Agrawal and Gupta 2005; Mansuri and Rao, 2003; Mansuri and Rao, 2013). Many local governments fail to respond to the local people's needs, neglect poor and marginalized communities, and are corrupt and ineffective in delivering poverty

¹⁰ Decentralized forest management involves the transfer of powers and resource management mandates from central to local governments or local community based groups.

alleviation programs (Agrawal and Ribot 1999; Bardhan and Mookherjee 2006b; Kohli 2007; Johnson 2001). In addition, greater asymmetries in wealth and power may undermine the capability of citizens to engage individually or collectively with the local government to press for demands (Schosberg 2007). Under such situations, it seems naïve to expect both equity as well sustainability in the operationalization of forest-dependent livelihoods from these governments.

Tacconi (2007) called for an investigation into the relationships among livelihoods, forest management and decentralization. According to his work, the support for decentralization is mainly due to the recognized inefficiency and corruption of central governments. However, at the same time, corrupt central governments are expected to support emerging local governments through the transfer of power and mandates. Simultaneously, such central governments can also be expected to improve their own governance systems in order to avoid the mismanagement of natural resources. Shifts in office culture and internal workings of concerned governments and/or non-government agencies can bring about serious participation in the matter of forest management (Hildyard 2000).

In the context of intrinsic socio-economic and political structural inequities that constrain the access of poor and disadvantaged to the forest-based benefits, this present paper seeks answer to the question, “under what conditions does state forest governance ensures high equity combined with sustainability in the distribution of forest-based benefits? I contend that only under conditions wherein governance mechanisms ensure targeted pro-poor implementation, forest governance can achieve redistribution of forest-based benefits in favor of poor.

This chapter presents a case study wherein the state forest department in Himachal Pradesh (HP), India was able to secure equitable and sustainable forest-benefits in form of subsidized timber for house construction and repair from public forests for hundreds of people without decentralizing powers and mandates to local people or their governments.

The case study is based on the detailed in-depth analysis of panel dataset (38 panchayats¹¹, 7 years) on the distribution of timber in Paonta Sahib Forest Division, India combined with my personal observation of the delivery of distribution as a participant during 2004-2007. During this time, I made observations in field notes covering the processes that were unfolding under the new process of timber distribution. In addition, I collected audio-visual records of the village assemblies and other meetings. Archival research provided secondary data pertaining to the process. The secondary data of the process included media coverage, poverty and population statistics of each panchayat, and forest acts and rules. I obtained poverty (Below Poverty Level households) statistics of the panchayat from the local revenue office, which keeps track of such data to implement special developmental projects for poor areas. The analysis and interpretation of these records combined with participant observation has added to the content of the case study (Laurier, 2010).

The case study explains in detail the unfolding of the processes that ensured redistribution of subsidized timber for the poor panchayats. As an insider to the process and the events narrated in the case study, I am aware of my own positionality and its likely impact on the research rigor of my analysis. By being critically reflexive, I have exposed my understandings and findings to the continuous scrutiny of researchers (some of them observed from the beginning too) for validating my analysis (Dowling, 2010). However, the single case study, though useful in broadening theoretical understanding and generating hypotheses for large-N comparative studies, may not be sufficient in making generalizations about other cases and care should be taken before generalizing the results to other situations (Harrison, 2013; Baxter, 2010).

¹¹ Panchayat, a local government in India, is a territorial unit that contains 5-6 villages. The representatives are elected by the local constituency every few years. Panchayats work under the Department of Rural Development and are assigned various powers and mandates through constitutional mandates to carry out development projects and other quasi-judicial and service-delivery jobs. Panchayat is one of the three tiers of the Panchayati Raj Institutions (PRIs) and are at the lowest level of hierarchy. The other two levels of these institutions are: block level panchayats (group of few panchayats) and Jila Parishad (at district level, group of block panchayats).

This paper is arranged in the following manner: the second section examines the relevance, evolution and process of distribution of subsidized timber in Himachal Pradesh, followed by the third section that describes in detail a new experiment regarding distribution of subsidized timber conducted by forest department in the Paonta Sahib Forest Division from 2004 to 2007. The fourth section summarizes the results and discusses the results of the experiment, and the last section suggests possible lessons learned regarding forest management and governance.

Subsidized timber distribution in Himachal Pradesh

Relevance in forest management debates

The state of Himachal Pradesh (HP) is located in the northern part of India in the Western Himalayas with a forest area constituting about 67% of the total landscape. The forests are not only valuable for their ecological and watershed functions pertaining to the main rivers that flow through the plains but also for their role as storehouses of genetic and biological diversity. Most of the rural population of this state depend on the forests to meet their daily sustenance needs through collection of fuelwood, fodder, non-timber forest products, subsidized timber rights, etc. (Sengupta et al. 2003).

From the government owned forests, subsidized timber is given to villagers for construction and repair of houses after every five year at rates about hundred times lower than the market price. In Himachal Pradesh these villagers have been given such right to access subsidized timber under various forest policy agreements which were established between 1870 and 1920 (Gouri, et. al. 2004).

The establishment of timber rights creates a link between the state and the local villagers and is an important forestry development in Himachal Pradesh. The development of ensuring both equity and sustainability in timber rights in the Indian Himalayas has bearing on current forest management debates. The concerns for ensuring equity and sustainability for the use of forestry resources can be at odds with a common narrow practice of focusing only on equity or sustainability, not in conjunction.

There is therefore a need to develop approaches in forest management where both equity and sustainability is ensured.

The distribution of subsidized timber in Himachal Pradesh has always been a hotly debated and contested issue. Many authors have ranked such distribution as purely subsidy-oriented and exploitative, resulting in the inequitable allocation of constructional timber, which has drained the forests immensely. Distribution of subsidized timber, as a system, has become a highly politically charged issue of equity, misplaced subsidy, and malpractice. Thus there is a call for both local-level reform and state-level action (Gouri, et. al. 2004).

The arrival of new participatory approaches to the management of forestry commons has created new spaces for foresters to work towards ensuring equity and sustainability in the exercise of rights and concessions for the people. Participation of people and Panchayati Raj Institutions (PRIs)¹² in forest management has both constitutional and policy support throughout India and in Himachal Pradesh. The National Forest Policy of 1988 emphasized a forestry management shift from commercial forestry to participatory-based management of forests (National Forest Policy, 1988). This policy called for a massive movement to include communities and women in forest management to meet with the objectives of the forest policy. Following the National Social Forestry (Umbrella) Project of 1985, the World Bank supported a social forestry project (1984-1992), and Indo-German Integrated Dhauladhar project (1982-92), both of which were introduced with the purpose of involving local people in the management of forests through local participation.

The Ministry of Environment and Forests issued a Govt. of India (JFM) circular in June 1990 to various state departments to encourage the participation of the village communities and voluntary agencies for regeneration of forestland. In compliance to the central circular, Govt. of Himachal Pradesh

¹² Panchayati Raj Institutions are legally empowered and established under the 73rd amendment of Indian constitution. These institutions have been given wide powers and mandates to manage the local affairs after incorporating the views of the public.

issued a Joint Forest Management order in 1993. To promote involvement of people in forest management, state of Himachal Pradesh started its own versions of participatory projects - Sanjhi Van Yojana (Joint Forest Management Plan) and Apna Van Apna Dhan (Our Forest, Our Wealth) - to promote the involvement of people in forestry schemes. Participatory Forest Management Rules were introduced in 2001 to promote Joint Forest Management in the state. New Sanjhi Van Yojana rules were framed in August 2001 to achieve higher participation of the people in the implementation of the scheme (GoHP, 2001).

The Panchayati Raj Institutions (PRIs) were given the national impetus through the constitution (73rd Amendment) Act, 1992 for decentralization through a three-tier system of local government. In pursuance of this amendment, Himachal Pradesh passed the Himachal Pradesh Panchayati Raj Act of 1994 to further the objectives of promoting governance from the grassroots level. The Himachal Pradesh Panchayati Raj (Second Amendment) Act of 1997 was passed to amend the provisions of an earlier act in order to extend the provisions of Panchayats (Extension to Scheduled Areas) Act in 1996. The Himachal Pradesh Forest Sector Policy and Strategy (2005) was passed by the Govt. of Himachal Pradesh to further strengthen the PRIs through the integration and coordination of local level governing bodies formed under the Forest Sector Reforms project.

The timber distribution policy instructs the forest department to directly interact with villagers, local panchayat level representatives and political leaders. This is an opportunity to effectively involve people and their representatives on forestry management issues, which increases an open, transparent decision-making space strongly linking the people to the forests. Subsidized timber also provides an opportunity for the forest department to strengthen participation, encourage feedback, and increase local involvement in mainstream forestry programs. However, the degree to which people and their representatives are effectively involved in equitable and sustainable harvests is uncertain.

With a recent rapid population change accompanied with industrial growth, the industrial sector has consumed large amount of the locally available manpower. Semi-mechanized agriculture has led to an increase in crop yields like sugarcane, wheat, rice, etc. and corresponding increase in the income of farmers. All these developments have generally improved the life style of large selection of people, and thereby have intensified the timber needs of people for the construction of new houses and general infrastructure. Timber, available at highly subsidized rates, creates one of the strongest incentives for people to construct houses and/or earn money by selling it, for which, they raise their voice at several forums. An overall improvement in their lifestyles and a corresponding increase in political, social, economic power have strengthened the locals' voice pertaining to subsidized timber. Though forests are still being utilized to fulfill subsistence needs, the scale, number and extent of users' dependence has fallen due to overall improvements in local economic livelihood. Subsidized timber is one major reason why people interact with forest department to support their rights, go to forests to identify their trees, and participate in forest department's meetings. However, no serious attempt at the level of forest department has been made to institutionalize these interactions to ensure equity and sustainability in distribution of subsidized timber.

In many areas, the demand from the public for subsidized timber is much greater than the supply from the forests. Selecting a genuine person for subsidized timber is a tedious task, as the amount of allocated timber is limited if one is assessing the silvicultural¹³ availability of trees in a given forest. This is a challenging task for the forest department to distribute departmental subsidy on a large scale and particularly, to fulfill the demands of the majority in an equitable and sustainable manner.

¹³ Silvicultural availability means the number of trees that are to be harvested in the forest should be within the annual harvest yield measured on the norms of scientific forestry discipline.

Evolution of rights and its present status in Himachal Pradesh

Subsidized timber is a privilege awarded to applicants similar to grazing, firewood collection, medicinal plant collection, roads, and water sources as prescribed under forest and land revenue settlements. In an estimate, about one-hundred-thousand cubic meters of timber is allocated to applicants annually at concessional rates that were fixed more than 100 years ago (Luhumi 2003, Vasan 2007). About one-third of the total timber produced in Himachal Pradesh is consumed under the timber distribution as per Planning Commission of India Report for the year 1999-2000.

Various land and forest settlements were carried out during the second half of the 18th century as part of scientific forestry techniques introduced in Indian forests by British foresters. Under these settlements, forests were divided into reserved, protected and unreserved areas depending on the nearness of forests to the local villagers and their economic dependence on the colonial government. Fixed forest areas were required for human guided forestry management.

Subsidized timber grants are meant only for meeting with the bonafide and personal use of the villagers and are associated to their cultivated lands. Government instructions for subsidized timber are aimed at meeting the needs of the villager poor and to enable the construction of small farm houses as per the provisions of the settlements. Subsidized timber grants are to be allotted by the Divisional Forest Officer only once in five years to the most genuine beneficiary in terms of his or her timber requirement.

The government instructions fail in practice due to several other ecological, socio-economic and political factors that operate simultaneously at different levels of governance. Also due to the burgeoning needs of the population, as well as the unsystematic and inequitable allotment of subsidized timber, many forests have not been able to yield enough timber for the distribution purposes.

There are concerns about the sustainability of the subsidized timber, their highly subsidized rates and also their increasing commercialization. It is alleged that distribution of subsidized timber is inequitable in its present form, promote illegitimate businesses and undermines other activities in the forest

department (Gouri et. al., 2004). Others have similarly pointed out other ill effects of the poor management of subsidized timber on the forests, as well as the on the performance of many forest management schemes involving local people (Morrison 2001).

Political apathy towards regulation of subsidized timber has clearly been noticed in Himachal Pradesh in the past. Efforts to regulate subsidized timber for its allocation on the principles of equity and sustainability have remained futile and misplaced. Legal bills meant for streamlining subsidized timber rules could not be introduced in Himachal Pradesh Legislative assembly owing to the severe opposition from several sections of the population. A draft bill, "Himachal Pradesh Grant of Timber to Right Holder (regulation and control)" prepared in 1975 included guidelines for fixing the quantity of timber and periodical mechanism for distribution, the provision of market rate of subsidized timber, the relation of rates to the economic conditions and the land holdings of the concerned applicants, is still pending for introduction in the state assembly. In 1990, another Bill to rationalize subsidized timber which included providing processed timber with a marginal increase in the subsidized price was not pursued (Dayal and Samataray, 1995).

The State High Court stopped the allocation of timber throughout HP admitting the plea of some applicants regarding the misuse and large-scale irregularities in the distribution of rights in 2007. The total ban necessitated the importance of bringing about change in the allocation rules¹⁴ to make them more acceptable.

¹⁴ The timber distribution rules were changed in 2010 by BJP government that involved increase in fees for availing these rights and also mandated forest department to make available sawn timber to applicants on its sale depots. After coming to power, now congress government has revised these rules further and is in the process of approving them. The effect of these changes in rules on equity and sustainability of timber grants needs to be further investigated.

Why present subsidized system is unsystematic and inequitable?

Higher timber subsidies given by the forest department in form of subsidized timber has led to an increase in local demand for the low price construction timber. The forest department has failed to cope with this increase in demand and thereby the result has been a system, which is totally unsystematic and inequitable. This is due to the improper process of identifying genuine individuals properly suited for subsidized timber.

In Himachal Pradesh, the vulnerable sections of society are the ones who are most dependent on the forests. It is only the economically privileged classes who cause a significant proportion of forest resource exploitation and depletion by virtue of their economic and political power over resources (HPFSR, 2000). Also, regarding distribution of subsidized timber, the system being practiced by the forest department from last several decades is highly inequitable. The voice of genuine person is ignored and exploited in order to serve the interests of the influential sections of society. The high court used the same very argument to totally ban the subsidized timber allocation all over the state as discussed earlier.

Cause of unequal access – DFO office

The distribution of subsidized timber in the Divisional Forest Officer¹⁵ (DFO) office is the real cause of unequal access due to its being highly centralized and non-transparent system of allocation. This secretive system is the result of meeting the demands of the influential sections of the society while simultaneously ignoring the voice and rights of the genuine and needy persons. The office of the DFO becomes the center of distribution throughout the year and thus results in a total lack of local people's involvement in the decision-making processes relating to subsidized timber distribution. People have no

¹⁵ Divisional forest officer is the top divisional level officer posted at the level of forest administrative division. He is responsible for supervising and controlling the administration related to forest protection and management for his division.

option but to regularly visit the DFO office and pressurize the DFO from political and powerful sections of the society.

Sudha Vasan (2000) describes the various channels of influence that a villager has to pursue before he is able to get a tree under the rights. After getting recommendations from panchayat president and lower level revenue official, villager submits his application to forest guard, lowest in the forest bureaucracy. Forest guard then recommends the application to Deputy Ranger for onward transmission to Ranger Officer. Ranger Officer further scrutinizes the application as per mandated guidelines and rules and forwards that to the Divisional Forest Officer, who is the final authority in forest department to sanction trees (Figure 2). However, the actual access to the subsidized timber depends upon whether a villager has social connections with each other, with forest officials and local politicians. These qualifications restrict the poor and disadvantaged to access these rights and make the distribution of these rights as unequal (Vasan, 2000).

The system of subsidized timber allocation from the division office is so inherently faulty that many improvements or restrictions are being put on by the DFO since allotting subsidized timber in his office could not bring about any significant improvements. Due to this people have expressed a lot of disillusionment with the subsidized timber process where many genuine applicants are ignored. Also, the people have to spend a lot of energy, time and financial resources to subsidized timber. In addition, there is no transparency in the entire distribution process. Resultantly, there are many complaints by the people about the process for which the forest department does not provide a clear answer. DFO put negligible stress on verifying the genuine applications and on sustainability issues while deciding on distributing trees. Only in the field reports are the recommendations made to the DFO about the allocation of subsidized timber to the applicants. Many times these reports are concocted and unreliable. The distribution of trees happens in DFO office, which structurally lowers the chances of people with less power and ability to access subsidized timber.

An experiment in Paonta Sahib

Why Paonta Sahib? Initial experience

In Paonta forest division (Figure 3) in Sirmour district of Himachal Pradesh, subsidized timber rights has been prescribed under the Raja Sirmour's forest settlement carried out in 1933 (Faisala Junglat, translation: law of forests, 1974). Large-scale demand for concessional timber owing to expansion in the Paonta Sahib town and the intrusion of various socio-economic, cultural and political factors has resulted in illegal and exploitative trade in timber. This has raised serious concerns about the sustainability and equity of subsidized timber grants. The demand is rapidly increasing whereas the supply still depends on the regenerative and growth capacity of the forests. Although, the capability of forests of Paonta Forest Division to yield timber for subsidized timber, as assessed in the previous working plan, is more than the timber that is allotted to the applicants. However, in many forests of the forest division, such capability to yield constructional timber has declined to such a level that it has become very difficult to allocate silvicultural available trees under subsidized timber to the applicants (Kumar, 1998).

Before the start of the new institutional innovative approach in Paonta Sahib, subsidized timber was being given by the DFO in his office based on the field reports and recommendations from the staff and the public representatives. These reports were largely untrue and led to the unequal and unsustainable distribution of subsidized timber. This process failed to identify genuine stakeholders and to meet the demands of the people, resulting in discontent and anger against the forest department. There were lot of complaints against the distribution of subsidized timber in the past; specifically one inquiry, which was investigated by the DFO (vigilance) for alleged misuse of timber harvested from the forests in the name of subsidized timber grants, resulted in disciplinary proceedings against local forestry officials.

In February 2004, a new DFO¹⁶ joined the Paonta Sahib Forest Division. The new DFO could have managed to pass the discontented phase as done previously by avoiding the contradictions and manipulating the support of local politicians and elites. But, the DFO geared forest department to think differently in order to streamline the distribution of subsidized timber and immediately stop such processes of allocation. The forest department now aimed at bringing new innovations in the institution to make distribution transparent, open and readily available to the right genuine persons, at the right time and in right amount without overlooking the sustainability parameters. Strict action was taken immediately by the forest department by acting on complaints and the past process of timber distribution was immediately stopped. The marking hammer from a Block Development Officer (BO)¹⁷ was withdrawn due to complaints regarding over-size marking and the concerned dealing clerk in division office was shifted. This action generated a message to the public and the departmental staff that the forest department means business this time and wants to distribute timber distribution as per the new system of allocation and would not allot subsidized timber until the finalization of a new method.

Involvement of local forest officials in identification of availability of timber in each panchayat

Conducting a meeting on subsidized timber with all staff the forest division, the DFO recorded views and opinions of all participants. The local forest staff included forest guards, deputy rangers, range officers and officials from DFO office. The previous record of distribution in the division was taken from the division office and analyzed. The data on population and Below Poverty Line (BPL) families in each

¹⁶ Postings of DFOs are usually done at the level of state government. The normal tenure for a DFO lasts from 2-3 years in a forest division.

¹⁷ Block Officer is one of the lower level functionaries in the forest administrative hierarchy and manages block (group of beats). Forest beat is the lowest administrative unit managed by forest guard who reports to block officer. The Block officer in turn reports to Range officer (RO) who in their turn reports to Divisional Forest Officer (DFO).

panchayat was obtained from the Block office, Paonta Sahib. Silvicultural availability, i.e. the capacity of each forest falling under a panchayat to yield trees for subsidized distribution, was assessed by forest staff as facilitated by the DFO due to the lack of corresponding data in the working plans. In addition, it needed long time span to calculate yield per forests following scientific forestry enumeration and procedures. Due to varied yield statistics across forests, it was difficult to follow working plan criteria in order to judge the availability of trees for subsidized timber. In order to fill the gap, visual estimation and personal accounts from the front line forest staff were utilized to find out silvicultural availability per forest for forests coming within the area of one panchayat.

Each panchayat was then analyzed according to the number of households and their economic status vis-à-vis exercise of concessional timber distribution rights in the past. The range of subsidized timber per panchayat based on population and BPL families was then approved by forest department on the basis of its assessment of silvicultural availability of trees. These limits were kept flexible in order to accommodate local decision making. The panchayats where such limits could not be set owing to lack of silvicultural available trees in the forests were kept out of subsidized timber allocation process.

Multi-stakeholder consultative process

To understand the subsidized timber distribution problem, the department started an interactive process of conducting one-to-one interviews and/or group meetings with the public, their local and political representatives. Some of the socio-economic and cultural aspects related to subsidized timber are the sharing of concessional timber by the applicants, the emergence of a collective voice for adequate timber grants, the sale of whole or portions of concessional timber for earning income, the traditional cutting of trees for burning of dead bodies by the applicants, the concern of the political representatives for allotment of trees under subsidized timber to applicants and the interest of the timber dealers for concessional timber. These were informally ascertained after

discussions with the local political leaders, pradhans, field staff, applicants and local media through one-to-one meetings and/or group meetings.

Looking at the complexity of the problem, then, the forest department designed a multi-stakeholder consultative process to take a larger view of the concerned stakeholders about the possible changes in the distribution process and on range limits evolved by the department on the allocation of trees under subsidized timber grants. A divisional level meeting was held on Dec 24, 2004 at Paonta Sahib, in which pradhans from most of the panchayats, political representatives, forest staff, local press correspondents and other local interested persons took part. In this workshop, the main issue was to find out ways to allot subsidized timber to the most genuine persons, at the right time and in the right amount. At the beginning of the meeting, the forest department explained the origin, rules and regulations of the subsidized timber allocation and its trends in the past per panchayat. Department advocated the need of ensuring the sustainability of allocation, its equitable distribution and to go about setting a process of choosing the person with genuine requirement at the right time.

Tense discussions then began amongst the involved parties on the issue of past allocations of subsidized timber with allegations and counter allegations arising out of previous practice. Some pradhans blamed field forest staff for accepting bribes to distribute subsidized timber whereas forest field functionaries countered the allegations and raised similar aspersions against pradhans. The local Congress party leader suggested distributing sawn timber in depots as subsidized timber to the applicants. Everybody was of the view that subsidized timber should be given to genuine applicant but surprisingly, the pradhan, local foresters and political leaders were willing to accept responsibility for this activity. Ultimately, the DFO presented the idea of shifting the distribution center of subsidized timber from the DFO office to village assemblies (gram sabha)¹⁸ and allotting subsidized timber in each

¹⁸ Gram Sabha is the assembly of all adult members residing within the limits of a panchayat and is an integral part of the panchayat. These gram sabhas or village assemblies are legally empowered through Panchayati Raj Acts to take decisions pertaining to local affairs and to ensure the accountability of the elected representatives towards

panchayat based on proportion of population and BPL families within sustainable assessment.

Participations favored this idea due to its strong moral base and the lack of other alternatives to solve the complex problem. The meeting ended after approving the new strategy.

Design of experiment – DFO goes to the villages and distribution in village assemblies

A time bound process to reform distributive process of subsidized timber was designed. The main decisions included the cancellation of the sanctioned trees under subsidized timber of the previous year, the commencement of new lists for applicants by the panchayat pradhans, the time scheduling of the arrival of lists, their scrutiny and examination at forest offices, spot inspections of applicant-owned houses along with the representatives of the panchayat and the scheduling of the gram sabha (GS) meetings where DFO would be present to decide timber allotment once a year. Based on previous years sanction and silvicultural availability during 2004-2005, a figure of around 600 trees under subsidized timber was identified. The gram sabhas (village assemblies) in panchayats were fixed during the month of March to decide the quantum of trees to be given to each panchayat and to select the genuine applicant for the distribution of timber grants.

Decision rules for allocation of trees

The number of trees to be distributed in each panchayat was fixed on the basis of its total population, the number of BPL (below poverty level) households and the silvicultural availability of trees in the forests falling inside the panchayat area. These limits per panchayat were not fixed but kept flexible to accommodate local decisions in the gram sabhas.

the local residents. The elected representatives have to take the consent of the gram sabhas in planning and execution of their schemes.

Application process reform

In the new subsidized timber distribution process, the applicants applied directly to the local pradhans in their own panchayats. The pradhans then sent the recommendations to the division office on or before a fixed date in the form of a single list. The decision was also made to accept only one list from one panchayat; applications submitted later than the fixed date were not accepted.

This process made the pradhan important in the subsidized timber distribution process as all the applications were to be routed through him and could only be approved by him. The pradhan could now interact with a larger section of his panchayats constituency and earned social and political clout for doing so. Local applicants also benefited since they were no longer required to go to division office in order to submit their applications. As decided, the lists reached the division office in time. After close scrutiny, these were sent to the range office to further assess their suitability and conducting a thorough spot inspection of the houses of the applicants in the presence of the representatives of the panchayats.

On-the-spot inspections of all houses involving panchayat representatives

Fixed time lines and formats for inspections were designed to identify the genuine right holder. The involvement of local PRIs in spot inspections for subsidized timber allocation made them responsible for choosing the person with genuine timber needs, thereby increasing their stake in forestry issues. This was the third time, after sending applications to DFO office, that the PRI were involved in subsidized timber process by the forest department, enriching their capacity on the issue. The field staff carried out the field inspections (Range Officers, Deputy Rangers, Forest Guards, forest workers) before the fixed deadlines. With the exception of a few panchayats, most of the panchayat representatives turned up for these inspections.

After spot inspections, field reports about the genuineness of the applications were received from the range officers before the fixed dates. Then at the division level, field spot inspections reports

and recommendations were scrutinized based on rules and regulations of the department and as per the decisions taken in the divisional level meeting. Lists of approval and rejections were made per panchayat as per the rules and regulations being followed in new subsidized timber distribution process. The dates for gram sabhas meetings were fixed and conveyed to the panchayats and media well in advance. The dates were also posted outside the division office for general public.

Gram sabha process, actual allocation, description of outcomes

On prescribed date and time, DFO went to conduct gram sabha meeting in every panchayat. Usually 3 to 4 panchayats were covered in one day, taking around 10 days to complete the entire process. Meetings took place mostly in local panchayat offices where local pradhans, applicants, community groups and their leaders, press and stakeholders participated. In the beginning of the Gram Sabha, DFO explained the evolution of subsidized timber, its rules and regulations in detail. He also explained new subsidized timber process and described the limits of distribution on the basis of population, BPL households and sustainable assessment. Then he read the lists of the approved, as well as disapproved applicants, for subsidized timber allocation based on spot inspection reports and other government rules and instructions. In addition, he explained the reasons for selections and rejections of applicants. As a result of the process, the number of selected applicants for allocation was more than the sustainable limits in many panchayats. DFO asked for consensus among the people present to choose the genuine applicants for allocation of subsidized timber within the prescribed limits.

The gram sabhas were held in all panchayats except Misserwala, where this could not be held due to the lack of silviculturally available trees in the forests. In some panchayat¹⁹s, the number of approved applicants was within the limit set by the forest department. Here the applicants discussed the matter among themselves facilitated by the forest department and finally decided in the favor of the

¹⁹ Panchayats where such kind of decision happened include Behral, Badripur, Manpur Debra, Parduni, Phoolpur, Shiva and Kolar.

list of applicants approved by the forest department. The rejections were explained by citing government rules and instructions on the matter.

In other panchayats²⁰ where the number of selected applicants was greater than the sustainable limit range set up by the forest department, the decision on the allocation of trees proved to be very difficult. There was a stiff resistance from the public to select applicants among the approved applicants whose claims were found to be genuine after the spot inspections of their construction sites. Public representatives as well as many of the applicants insisted on a distribution of subsidized timber to all approved applicants. But the forest department was clear in its objective of distributing subsidized timber within the prescribed sustainable limits and forcefully asserted distribution in this mode only.

After hectic consultations and discussions on the distribution procedures, rules and regulations, trees availability in the forests and the gap between demand and supply of the concessional timber, decisions for allocations were made on allocation of trees to the genuine applicants within the prescribed limits. The people who participated did not oppose the applicants who were chosen for the subsidized timber during the entire process of discussions. This was one of the major clues for the forest department to stick to its approved list of applicants as it did not cause any opposition in the local meetings.

In some panchayats²¹, even after resorting to long debates and discussions about the distribution of subsidized timber to genuine applicants within the prescribed limits, arriving at a consensus was problematic. Then forest department presented the idea of random selection of the genuine applicants through a lottery system, to which the local applicants agreed. In lottery system, the names of all approved applicants were written in small papers, which were then folded and put in a jar. Then, a local person, or child in some cases, was asked to take out only the desired number of folded

²⁰ In panchayats like Amarkot, Bhadana, Gorakhuwala, Khodri Majri, Rampur Bharapur, Kando Kansar, Majra, Nageta, Patlion, Danda Kala amb, Shivpur, Dobri Salawala, Bhatanwali, Kundion, Muglowala Kartarpur, Pipliwala, Puruwala and Pihohri

²¹ Madhana, Rajpura, Ajoli and Jamniwala panchayats.

paper slips equal to sustainable limits. The selected numbers of applicants were then read in open and were finally allotted timber.

In some other panchayats²², the forest department unilaterally decided on applicants after the gram sabha meetings failed to arrive at a consensus on the issue of subsidized timber. The forest department selected applicants for subsidized timber who were unable to get timber even once in the past²³ and whose requirements²⁴ were found to be most genuine after the discussions. Again, the absence of any opposition in the local meeting for the names which were finally approved gave forest department enough courage to take the said decision.

The panchayat pradhans played an important role in arriving at consensual decisions about allocation of timber in some panchayats. Even after long consultations in one panchayat, Sainwala Mubarikpur, the issue of distribution could not be resolved in the gram sabha meeting. The pradhan of the panchayat took the initiative and finally arrived at a list of approved applicants in the meeting and on the basis of which trees were allocated to genuine applicants. In another panchayat Bagani, the question was the non-consideration of some villagers for distribution of subsidized timber by forest department due to their lack of rights in the settlement. Here also the pradhan herself arrived at majority decision in the panchayat and accordingly, trees were allocated at concessional rates to the legitimate applicants.

During the second year, the forest department continued its institutional innovative process to allot subsidized timber. During this year, arriving at a decision about the allotment of subsidized timber was easy due to the more transparent and intensive spot inspection process. This led to recommendations by the field staff within the sustainable limit range prescribed per panchayat. Moreover, along with the timber distribution discussion in gram sabhas, other developmental problems

²² Chhachheti, Danda, Dhaulakuhan, Kotri Beas, Nihalgarh, Malgi, Barog Banedi and Banet Haldwari panchayats.

²³ Kotri Beas, Barog Banedi and Banet Haldwari panchayats.

²⁴ Chhachheti, Malgi, Dhaulakuhan, Nihalgarh and Danda panchayats

of the panchayats were discussed in totality. For example, there was discussion in each panchayat about the lack of basic amenities such drinking water, roads, employment, other development needs and their likely solutions. Along with this, issues pertaining to the forest department like crop damage from wild animals, effectiveness of pastures and plantations, soil and water conservation works, fire control works, etc. were also discussed and people's queries about these forestry works were explained by the DFO. The forest department even got feedback about the previous year's timber use, the distribution adopted in the past and suggestions from the public to further improve the policy. The selected genuine individuals whose cases were pending due to minor formalities were allotted subsidized timber once these formalities were completed and after being recommended by the local public representatives.

Results and discussion

Access to Poor

For the first time, the forest department focused on ensuring equitable distribution of timber rights to the applicants. The forest department adopted a criterion where limits per panchayat were kept on the basis of the total population and BPL families. This led to higher chances of access of subsidized timber to the poor, as the entire process was democratic with participatory and consensual decision-making.

The comparison of mean number of trees per panchayat for low, middle and high poverty level panchayats before and after new intervention is shown in figure 5. The income criterion is based on the percentage of households that are below poverty level (BPL) as per 2001 census. High income panchayats (low poverty) are those with their BPL households below 20%, middle income (middle level poverty) between 20-40% and low income (high poverty) are those panchayats that have BPL households greater than 40% of the total number of households. The graph (Figure 5) shows that mean number of trees per panchayat have fallen significantly on an average for low poverty level panchayats

from 26.66(SE²⁵ 1.89) to 19.55 (SE 1.79) trees. For middle poverty level panchayats, the mean average number of trees per panchayat has risen slightly from 13.4 (SE 1.51) to 14.13 (SE 1.42) trees. High poverty level panchayats have seen significant increase in the mean number of trees per panchayat from 4.53 (SE 1.07) to 10.66 (SE 1.23) trees. The results show that there has been redistribution of trees in favor of poorest panchayat after new subsidized timber intervention.

The insistence of the forest department on increased allocation to poor has resulted in higher probability that they will assist in the management of forestry commons. Poor members of the community with higher dependence on the forestry resources are likely to have higher level of interest to conserve the resource owing to the fact that wealth and interest don't coincide in case of forest resource (Naidu, 2006).

The new decentralized subsidized timber distribution process has led to the empowerment of marginalized and subordinate groups by enhancing their claims –making capacity through negotiation. Earlier systems of distribution failed due to entitlement failure resulting from people's incapacity to make claims against those of the influential and powerful actors in the context of power relations. The forest department, by adopting a more decentralized and negotiation based process, has led to the increase in capabilities of the poor and marginalized applicants. They became capable to protect and promote their claims for endowments and entitlements i.e. subsidized timber in this case (Leach, Mearns and Scoones, 1999). Equity in entitlements and participation of all stakeholders in processes of decision-making over management and control of forest resources is ensured. Poor who were mostly ignored in the process earlier were taken care of by the new distribution process.

The comparison of mean number of trees per panchayat distributed before and after new intervention based on the distance of the panchayat from the DFO office has been shown in figure 6. The close panchayats are categorized as those which are located within a road distance of less than 15

²⁵ Standard error of the mean

km, middle distant are those that are located between 15 to 30 km and far distant panchayats are those that are located further than 30 km from the DFO office. The results show that before the new intervention, there was spatial advantage for close panchayats to access more subsidized trees due to their spatial proximity to the DFO office. The people located near the DFO office had an advantage to pursue their case with officials of DFO office regularly as compared to those who were located far off from the office. After reforms, when DFO went out and distributed timber in gram sabhas in panchayats, the spatial advantage of panchayats fell both for close and middle-distant panchayats. However, for panchayats which were remotely located from DFO office, their mean number of trees per panchayat has increased from 10.06 (SE 1.73) to 12.45 (SE 1.45) trees after reforms. The new timber distribution intervention not only redistributed timber from high income to low income panchayats but also probably ensured more timber to panchayats that are located far off.

The above results should be, however, interpreted with extreme care. The results have shown redistribution of timber at the level of panchayats and do not predict who in these panchayat actually got it. This study assumes that higher redistribution in favor of low-income panchayats translates to the poorest households living in those panchayats, which is a conservative assumption in the presence of higher percentage of BPL households in these panchayats. Similar is the case of higher subsidized timber distribution for far off panchayats.

Sustainability parameters

The aim of the forest department to keep the subsidized timber within the limits of silvicultural availability was largely met. In each panchayat, trees were allotted under subsidized timber based on the criteria of population, BPL families and silvicultural availability in the forests. Figure 7 shows the comparison of total number of trees given during the study period in the Paonta Sahib Forest division before and after new subsidize timber intervention. Overall, out of 1839, 584 received trees under

subsidized timber grants in 2004-05. In 2005-06, 652 trees were granted to applicants. Thus, timber distribution by the forest department mostly falls around the limit of 600 trees on a divisional level basis for the two years under the new subsidized allocation process.

It is now acknowledged academically that benefits are easier to assess when users have accurate knowledge of external boundaries and internal microenvironments and have reliable and valid indicators of resource conditions, in order to take better decisions about common pool resources (Ostrom, Burger, Field, Norgaard and Policansky, 1999). Through the new decentralized subsidized timber distribution, the exact status of the forests for yielding timber was presented to all concerned and also gaps in supply and demand were also explained in detail. Only with this knowledge about the resource, the gram sabhas could make a decision along with the forest department about the selection of right individuals. In addition, about 7000-8000 right holder families were made aware about the subsidized timber allocation rules during the two years of new subsidized timber allocation in Paonta Sahib.

An external review of the forest department's new intervention was carried out during July, 2006, wherein 325 applicants in about 16 panchayats were interviewed. 62.8 % of the applicants admitted that through this system of distribution, balance between supply and demand has been achieved. The persons who were ultimately allotted subsidized timber were encouraged to plant five trees in lieu of getting timber. Also in some panchayats, the applicants were ready to take on some collective works like to repair and clean water johrads (water ponds) as well as water bowaris (water sources) present in the forest areas and to carry out sanitation programs.

Strengthening of local governance bodies

The capacity of the local governance bodies, mainly gram sabhas, to take distributive decisions relating to common forestry resources was strengthened during the new subsidized timber distribution.

During 2004-05, out of 40 odd panchayats, 29 panchayats were able to allot trees at concessional rates through majority decisions, which come out to be 72.5 % of the total allocation of trees under subsidized timber in Paonta Forest division. In two panchayats, Bagani and Sainwala Mubarikpur, Panchayats made decisions to allocate trees to the genuine persons with support of forest department, which is 5 % of the total allocation of trees. 20% of the total allocation in the division in 8 panchayats was through the forest department, who made decisions based on the selection of those persons who had never got this concession before (Figure 8).

The consensus based decision was obtained in more than two thirds of the panchayats for allocation of subsidized timber. This depicts the effectiveness of the participatory policy of the forest department to involve gram sabhas in the allocation of subsidized timber to deserving candidates (Figure 8). During 2005-06, due to intensive spot inspections, recommendations for subsidized timber by the field staff mostly fall within the sustainable limit range prescribed per panchayat by the forest department. This made decision easy in the gram sabhas.

The majority of the panchayats' representatives took part in spot inspections with the forest staff. The institutions of panchayats and gram sabhas, along with the general public, were also strengthened in the process as they were informed about the subsidized timber rules and regulations. The demands of the people were routed through the local governments.

As the decision making was conducted in the open, there was transparency and accountability observed in the process. During the gram meetings, with the presence of forest officials, PRIs, and other representatives, the applicants became the focal points of timber distribution. Feedback on the forestry programs and policies was also easy to obtain in these meetings. A review of the subsidized timber has depicted that 83.4 % of the total 325 households, which were interviewed, were of the view that the gram sabhas had very active role in deciding distribution in the new intervention. Also, 75.4 % of the

respondents stated that this process strengthened the local panchayat institutions to manage their forestry commons.

Feedback on forest department policies and programs

Along with the subsidized timber, other forestry issues like monkey and wild boar menace, the lack of fuelwood and fodder, town planning policies, overgrazing, etc., were also raised by people in the meetings. Forest department explained its policies in the matter. For example, in one of gram sabha in Bhatanwali Panchayat, one lady stated that,

...“We are unable to complete our houses due to the inclusion of her panchayat in the town planning. Now we have to visit government offices several times and face a lot of inconvenience even to repair/construct our homes” ...

Villagers of the Danda Panchayat claimed,

...“the construction of proposed road would threaten our supply of irrigation water” ...

Villagers in Behral stated,

... “Our crop production is going down due to rampant crop depredation by elephants, monkeys and wild boars” ...

Such issues were deliberated in detail and their concerns on any government program or policy were discussed.

Collective decision-making process

The collective distributive process ensured the selection of genuine applicants for subsidized timber in open gram meetings with the involvement of all stakeholders that strive to attain a consensus through negotiations. Mostly, it is not sufficient to prevent over-use of common pool resources (CPR). For doing so, the participants or external authorities must deliberately devise rules that limit who can

use a CPR, specify how much and when that use will be allowed, create and finance formal monitoring arrangements, and establish sanctions for non-conformance (Ostrom, Burger, Field, Norgaard and Policansky, 1999). Similarly, in the case of subsidized timber distribution, its over exploitation can be countered only when the individual applicants or external authorities deliberately devise rules that identify the right beneficiary, limit the use of timber, its amount and timing, and design formal monitoring and penalizing provisions for non-compliance.

According to the Planning Commission report for Himachal Pradesh (Planning Commission, 2004), the subsidized timber distribution scheme has been widely exploited by a large number of influential people for personal economic gains at the cost of the needy. The Commission also calls for an urgent need to update regulations, to plug the economic losses and to identify the genuine and needy users of timber. For that, it also recommends the involvement of forest management and conservation communities and groups in the identification of the needs of the local people. The new decentralized timber distribution adopted by Paonta Sahib Forest Division has taken care of the plea of the Planning commission and thus, has involved decentralized governance units in identifying the needy and genuine individuals for subsidized timber. The review carried out in July, 2006 also pointed out that 88.3 % of the respondents were convinced that subsidized timber was granted to the right persons and 84.6 % of the people agreed that a process to identify needy persons was established. Similarly, 81.5 % of the persons stated that this new process was simple and transparent in its operations.

In some cases, the increased transparency of subsidized timber allocation mobilized some persons in Amboya panchayat who were denied subsidized timber. They lodged a complaint to whom about inappropriate spot inspections. This led to the stoppage of the timber distribution and xx ordered an inquiry into the matter. Now with this system, there was near absence of financial favors to forest field staff due to the transparency inherent in the system. The moral strength of the process forced the political class to take the side of the forest department to counter their own voters and reject their

claim for subsidized timber when unjustified. Even unjustified claims of other forest officers were rejected. Additionally, local MLA of the area admitted that distributive process during last two years has been streamlined and now subsidized timber is being given mostly to genuine and needy persons.

The increased transparency and the decentralized distribution in open meetings resulted in compliance to the rights and concessions provisions as mentioned in the settlements. For example in Bagani Panchayat, no subsidized timber could be given due to the absence of rights for subsidized timber. However, due to wrong interpretation, earlier they were getting subsidized timber. Local people were not happy with this decision of the forest department. In response, the DFO conducted field visits and discussed in detail the provisions. This largely convinced the persons and then, subsidized timber was granted to the applicants who had the rights in the settlement.

The forest department's new decentralized approach for subsidized timber mobilized small groups of people to protect their own local forests. For example, in Gorakhuwala panchayat, the distributive process motivated a group of youth to approach forest department to protect their nearby forests.

Effect on transactional costs

The economic costs for the applicants, like conveyance charges to division office and back from the far flung villages, and other miscellaneous expenditures associated with the grant of subsidized trees were greatly reduced owing to the allocation being done in the villages. However, for forest staff, these costs increased due to their more intensive spot inspections to verify the genuineness of the needs of the applicants. Some transaction cost might have increased for the villagers as they now need to look for local forest guard, deputy ranger and local panchayat representative for completion of their spot inspections.

Lessons for forest management and governance

Equity aspects – role of transparent and public decision-making

The improved internal working of the forest department has led to a greater equity in the distribution of concessional timber rights. By ensuring transparent and public decision-making and pro-poor targeted approach, the chances of selecting non-needy persons for timber grants were lowered considerably. This process gives some insights into how decision-making in the forest departments can be improved. By making small but concrete changes in their styles of functioning, they can ensure equitable decision-making regarding natural resources. The state can weaken the domination of elites by facilitating wider participation and negotiations over benefit sharing. Moreover, public decision-making can provide multiple ways to resolve resource conflicts, which is not possible in case of governments due to their set rules and procedures.

Strengthening of local government bodies and local collective action

Instead of by-passing local governments, the forest department involved the local governments at various steps to seek their opinion regularly in the matter of distribution of timber grants. The local governments and their headquarters became the centers of timber distribution to the public, instead of the government offices or buildings, leading to wider participation of people. These open meetings strengthened the local governments and village assemblies as the benefit-sharing decisions became an open affair wherein equal emphasis was paid on the opinion of local people and their elected representatives.

Involving communities through decentralized timber distribution has worked owing to characteristics of the community governance. Community governance may solve problems that both state and markets fail to address owing to its reliance on dispersed, often exclusive, private information and its monitoring of the behavior of its members. Community action renders its members accountable

for their actions through their use of incentives to regulate common activities like trust, solidarity, reciprocity, reputation, personal pride and respect (Bowles and Gintis, 2002).

The effective sharing of responsibilities between the forest department, the local governance bodies and local communities on the decision-making process for distribution of subsidized timber matches the concept of co-management which calls for appropriate 'sharing of responsibilities, rights and duties between the primary stakeholders, in particular, local communities and the nation state. This decentralized approach to decision-making involves the local users in the decision-making process as equal partners along with the nation-state (The World Bank, 1999). In this decentralized distribution process, community was thought as "more or less temporary unity of situation, interest and purpose" (Leach, Mearns and Scoones, 1999). Hence, new formal institutions were not required to be formed, but decisions only relied on the existing formal and informal institutional bodies that united applicants in form of a community while deciding subsidized timber.

The national governments and their departments have a golden opportunity to strength and build relations with local people and their governments if they open up their closed decision-making regarding use of forestry resources and involve local communities in governance.

Feedback on forestry activities and opportunity for voicing concerns of the public

The village assemblies became centers for interactions and feedback among the forest department, the local villages and their elected representatives. For the first time, the forest department directly approached the public in an open and transparent manner and sought to include their opinions on the sharing and distribution of natural resources. People and elected representatives used this opportunity to share their grievances with the forest officials and also with their own village companions. The forest officials and local elected governments used this opportunity to share their schemes and government programs to clarify several of the queries of the public.

Most of the forestry departments in various national governments work in isolation from the socio-economic and cultural contexts of the local communities. Due to this gap in understanding, lot of schemes and policies work against the interests of the communities in the name of which those policies are framed and executed (Scott, 1998). By opening up the official secretive functioning to the critical review and scrutiny of people, national governments can gain access to important information-rich local knowledge and concerns of public. This can make their policies effective and in favor of the poor and disenfranchised sections of the communities.

From unsystematic to sustainable harvests

There is a great scope of improving the internal governance of many governments. The present case clearly shows that the forest department, by making small changes in its way of functioning, can bring significant changes in the distribution of harvests and can target the poor and marginalized segments of the society (Hildyard et al 2000). There was no decentralization of powers involved in the present case and only with the help of transparent and open meetings, the participation of the local people and their elected representatives was ensured. A minimally socially and environmentally negotiated standard for measuring the equity propositions as well as the sustainability parameters of harvests was secured through open and transparent public meetings and by promoting consensual decision-making (Ribot et al. 2010). National governments can significantly improve the equity and efficiency in their resource management programs provided they negotiate their own standards of management with public at large.

Effects on transaction costs of distribution of subsidized timber

The changes in the distribution of timber grants considerably lowered the economic costs of applicants in terms of their travelling to DFO office for pursuing the matter. However, the requirements

for conducting spot inspection by the team consisting of forest guard, deputy ranger and local panchayat representative might have enhanced their transaction costs. The transaction costs for the forest officials increased as the new system now require intensive spot checking for assessing the genuineness of the need of the applicant. But, on the other hand, it reduced their almost full-year entanglement in the affairs of timber distribution.

The shifting of the center of allocation and decision-making from the office of the DFO to the local governments was the main turning point in the process of timber allocation. It shifted the power center and power equations primarily in favor of local people and their elected representatives. Now, the forest department became exposed to the queries and criticism of public regarding its own policies and decision-making. The people got a chance to ask DFO questions about the policies and the programs and shared problems related to forests affecting their lives. On their part, forest officials got direct input about the local problems.

Scalability of the experiment

Forest Rights Act (2006) is a major legislation in India that involves recognizing rights of communities over the lands and forests that they are using since many centuries. In Himachal Pradesh, there has been increasing demand from non-governmental organizations and people's movements to acknowledge the dependence of locals on forests for their livelihoods and to create institutional mechanisms to manage forests on communal basis for sustainable livelihoods. The timber rights present one example wherein effective forester-people partnership can be built to manage forest resources for the betterment of the society. The case shows that by giving powers to communities to decide on the benefit-sharing through open and transparent manner, forests can be managed both equitably and sustainably.

The spillover effects of the present initiative can be seen in the new HP Forest Sector Policy and Strategy (2005). Now, according to the policy, the quantum and allocation of subsidized timber was to be determined after the consent of the Gram Sabha (village assembly) and has to be dependent on the silvicultural availability and socio-economic condition of the applicants. Documented examples of the use of gram sabhas or PRIs in the distribution of the subsidized timber are limited. Thus, this case might encourage forest officers to involve gram sabhas/PRIs in the distribution of subsidized timber for ensuring equity and sustainability in the tree distribution.

Any innovation, such as already discussed, for eliciting effective participation of the people and their elected representatives in forest resource distribution problems has the potential to bring new insights and lessons for solving many forestry access problems. While allocating subsidized timber grants, foresters, people and the local government institutions can together discuss and debate issues in order to generate a consensus on strategies and methods to protect, save and utilize forestry resources in sustainable and equitable manner.

The present case study also motivates the national governments to reform their internal working styles. Without any external aid or push for decentralization reforms, slight operational changes in the working of government agencies can lead to tremendous improvement in the allocation of benefits accruing from natural resources. The pro-poor targeted approach combined with the transparent and participatory allocation and decision-making not only lead to more benefits to poor but also largely ensure the sustainability of the resource on which these rights and concessions are based. The lessons learnt from the case of timber allocation can be scaled up to fit various levels of government. By sharing the authority and responsibility with various stakeholders, including local governments, and by promoting transparency and public scrutiny in their own functions, government agencies can bring balance between equity and sustainability in natural resource management.

Figures

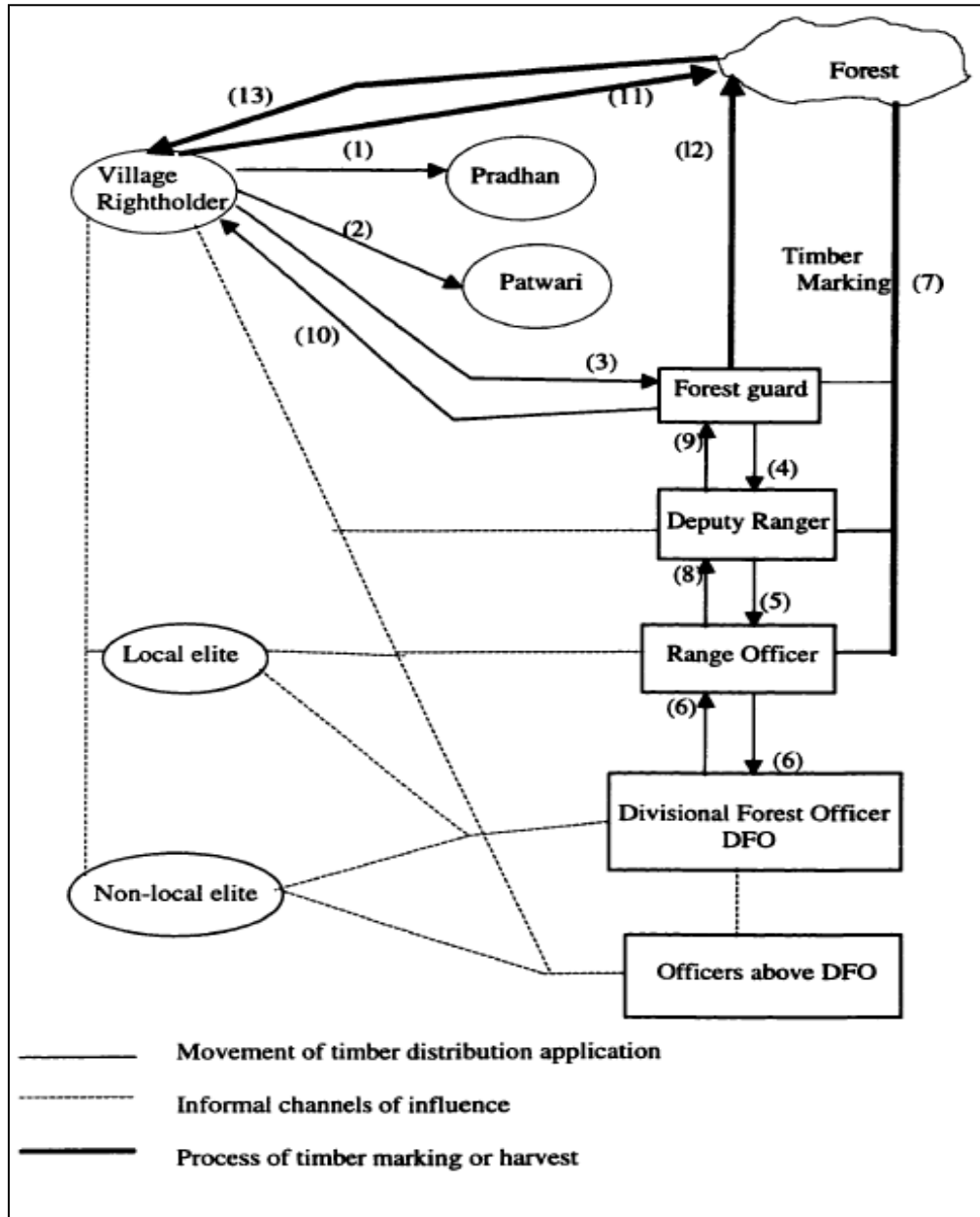


Figure 2: Process of approval of subsidized timber (Vasan, 2000)

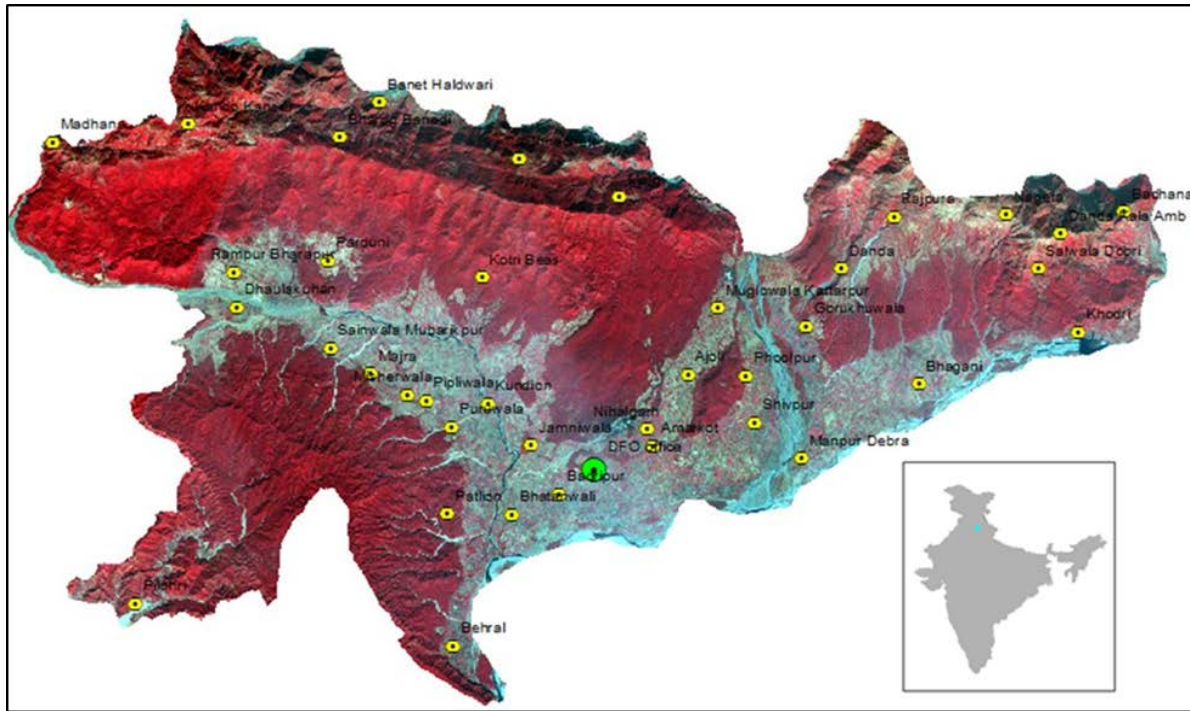


Figure 3: Location of Paonta Sahib Forest Division in India, its 38 panchayats (yellow) and DFO office (green). The red color of the satellite false color composite image depicts the distribution of forests in the division.



Figure 4: A village assembly (Gram Sabha) for deciding allocation of Timber rights in Puruwala Panchayat on 4th March, 2005

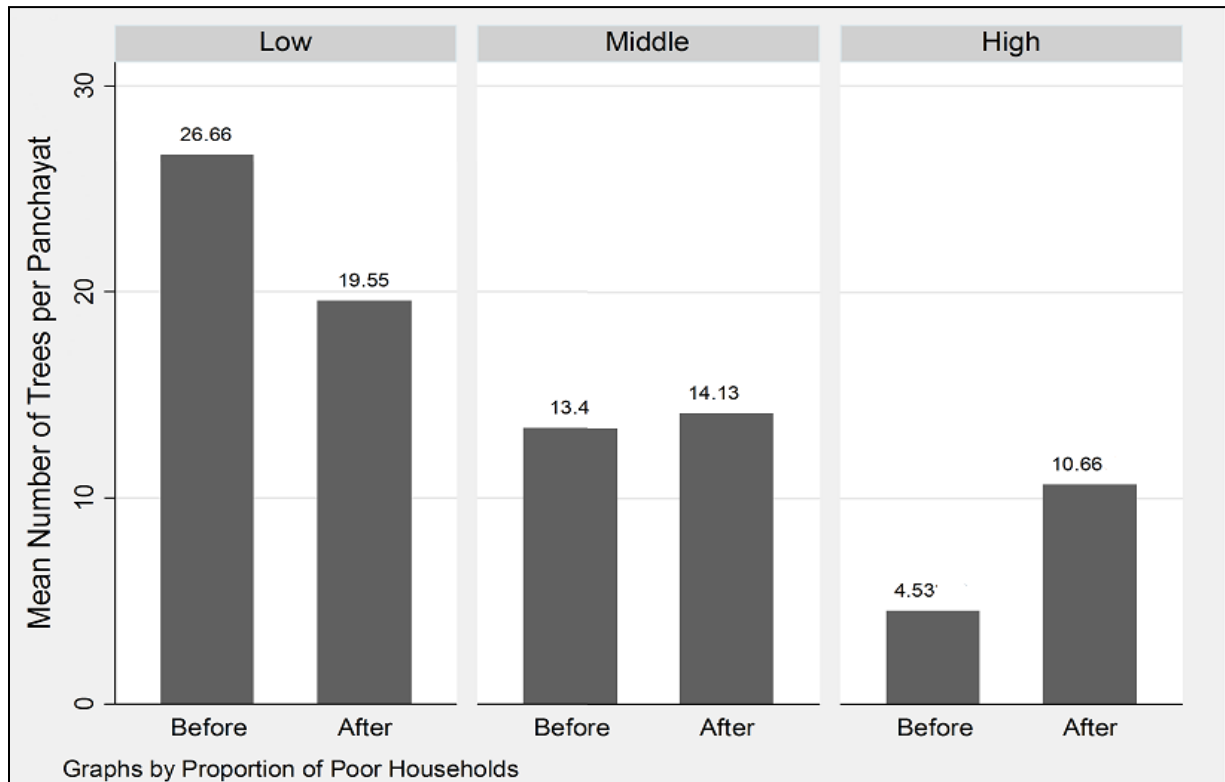


Figure 5: Mean number trees per panchayat before and after new TD intervention for low, middle and high poverty level panchayats. Standard errors of the mean in parentheses: for low poverty – before (1.89) and after (1.79), middle level poverty- before (1.51) and after (1.42), and high poverty level – before (1.07) and after (1.23).

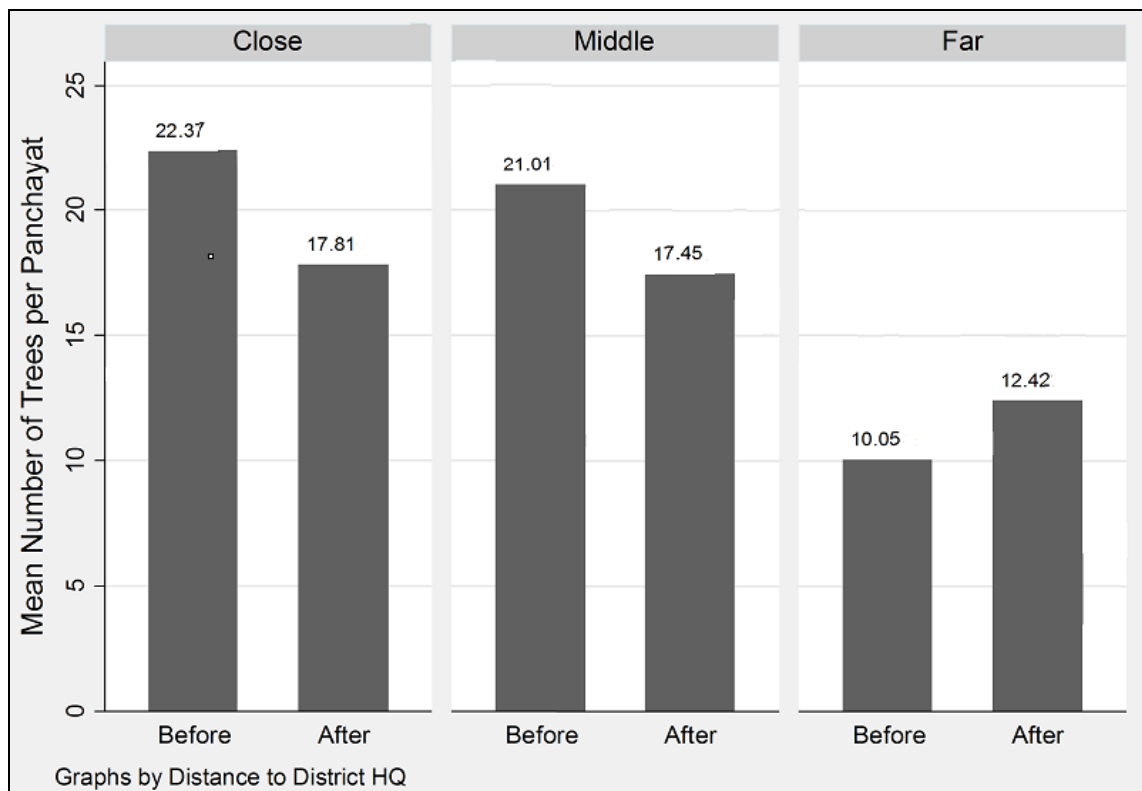


Figure 6: Mean number of trees per panchayat before and after new TD intervention for panchayats that are located at a close, middle or far distance from the DFO office. Standard errors of the mean in parentheses: for low poverty – before (1.55) and after (2.01), middle level poverty- before (2.93) and after (1.44), and high poverty level – before (1.73) and after (1.45).

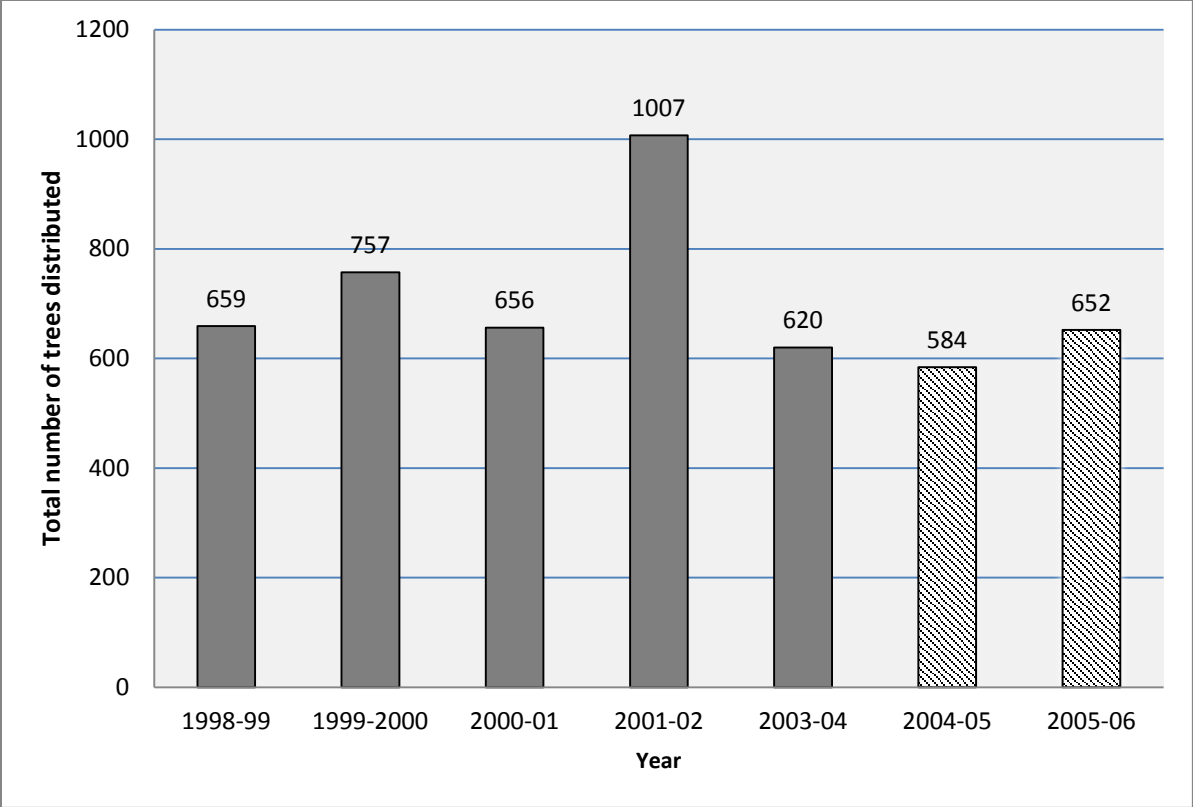


Figure 7: Total number of trees distributed in the forest division during the study period. The diagonal pattern histograms refer to the years when new TD intervention was in place (during 2004-05 and 2005-06).

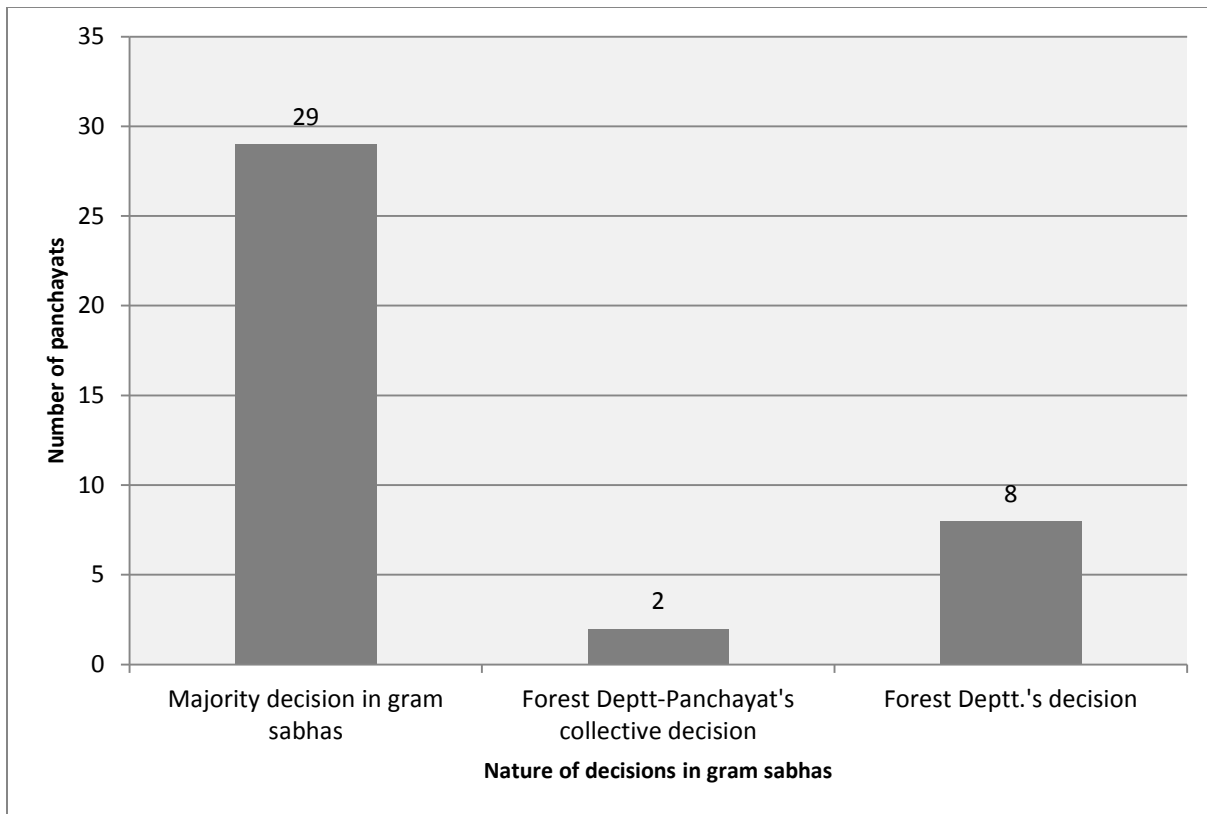


Figure 8: Nature of decisions taken in gram sabhas (village assemblies) to decide distribution of timber

CHAPTER 4

RULES AND EXCEPTIONS: REGULATORY CHALLENGES TO PRIVATE TREE FELLING IN NORTHERN INDIA

Introduction

In recent decades, there has been a tremendous interest among researchers, government agencies, and non-government organizations in improved governance of forests. This rising interest in the protection and management of forest resources can be explained by the increasing recognition of the multiple roles that forests play in global environmental debates, such as climate change mitigation strategies, income generation for poverty alleviation, and conservation of threatened biodiversity (Harvey et al. 2010). The thrust of the scholarship on forest governance has mainly split along three major themes – decentralized and community-based initiatives for management of small-scale forest commons (Larson et al. 2010), non-state governance of global timber harvests through certification (Cashore and Stone, 2012), and regulation of logging concessions to private actors on public forests (Agrawal et al. 2008). In this three-way split, private forests have largely been studied under the rubric of certification schemes, with limited attention to the pattern and practices of state regulation of timber harvests on private lands in developing countries. Private tree harvests are an important source of income for millions of small-sized land owners in these countries (Nair and Garrity, 2012). The efficacy of regulation of the tree felling on private lands determines the extent to which small-holders would benefit from tree resources.

Regulation of private tree felling by state agencies represents a very different type of forest governance problem. It is unique in the sense that the state has no direct commercial interest in the felling of trees from the private lands. The regulation of these harvests has three over-arching objectives. One, they are intended to restrict felling within the prescribed ecological limits. Excessive

felling from private forests can lead to negative externalities in the form of environmental problems like soil erosion, loss of forest cover and degradation of forest goods and services. Two, failure of state regulation can have spillover effects on the public forests which are often located in close proximity to these private forests. Three, regulation of tree harvests from private lands is directed to prevent the exploitation of small-holders who have to deal with asymmetry of information as well as diseconomies of scale. Moreover, poor regulation of timber markets may act as disincentives for farmers to maintain their tree-based mixed production systems and even obstructs growing of commercial trees on private farm lands (Guillerme et al. 2011).

This paper illustrates the challenges of state regulation of tree harvests on private lands through a case study of the felling of Khair trees (*Acacia catechu*) from private forests of Bilaspur district (Figure 9) in northern India.

Regulation of Khair trade in Himachal Pradesh

Khair (*Acacia catechu*), a deciduous tree, is an important source of income for farmers in Himachal Pradesh, a state of India nestled in the Western Himalayas (Chowdhery and Wadhwa, 1984; Chauhan 1999; Champion and Seth, 1968). The tree takes approximately 20 years to maturity and the trunk of the tree is harvested to obtain catechu from its heartwood. Catechu is an astringent and is used in medicines, dyes, tannins and several other industrial products. It is also used as an ingredient of paan (betel) and paan masala chewing confectionery in India (Singh and Lal, 2006). There is a well-established market of catechu products, with mature Khair trees generating high incomes for farmers.

Khair is a very important source of income for small-scale farmers with few trees in their private lands. On an average, a farmer sells about 32 trees with an average volume of 4.89 cubic meters in a

period of 10 years. This is equivalent to an average total sale value of INR 35000-40000²⁶ per farmer for a 10 year period. The farmers usually use this money for educating their kids, marriage, other cultural festivals, health expenses and other related household matters.

Khair grows on both public and private lands that occur interspersed with one another on the landscape. Moreover, the boundaries of the public forests and private lands are often unclear and contested on the ground. According to the legal categories of the state, many land owners are alleged to have encroached upon the public lands. In such a scenario, it is quite challenging to manage and protect small patches of public forests. Moreover, the terrain where these public and private forests co-exist is highly mountainous which further adds to the problem of regulation. The proximity of the public and private forests combined with unfriendly terrain raises the costs of monitoring and supervision of these public forests as well as regulation of tree felling on private lands interspersed with the public forests.

The forest department regulates the harvesting of Khair trees on private lands through a 10-year felling cycle, using the provisions of Land Preservation Act 1978. The law specifically aims at regulating tree felling in areas that are subject to soil erosion or likely to become subject to soil erosion. Under the prevailing regime, harvesting is rotated across administrative units within the district so that the trees are harvested in any given unit only once in every ten years. Trees only above a certain diameter are allowed to be harvested and sold. The main purpose of the rotation is to rest the harvested area for regeneration. Another objective is to allow felling only in clearly designated areas every year so that monitoring of such areas can be done in an effective manner and illegal logging in public and private forests is minimized.

Under this regulation, farmers can only sell to traders who are registered with the forest department. These traders have to follow prescribed rules in order to buy trees from the farmers. These

²⁶ 4.89 cubic meters is equal to about 68 quintal, which comes out to be about INR 35000 depending upon the prices that farmers receive from traders. Traders usually pay an amount of INR 500-800 per quintal to the farmers for their produce as per my own interactions with farmers, traders and forest officials.

traders need permits from the district forest office to harvest and export the trees. The felling season begins in August every year with the demarcation and marking of trees designated for harvest on the lands of farmers. The farmers are then free to sell these trees to traders on mutually-agreed prices. The traders petition the district forest office for felling permits for these trees. After scrutiny of the documents, the district forest office grants permits to the traders within one to two weeks. The felling season closes on March 31 of every year.

The above system of regulation offers huge incentives for illegal felling not only from private lands but also from the neighboring public forests. Due to the economic value of Khair trees, both farmers and traders are interested in maximizing their profits. Farmers are willing to sell trees smaller than the prescribed girth and even are complicit in felling trees growing on disputed land categories to traders in order to maximize income. Khariater²⁷ land is one such disputed land category which farmers consider private, but the forest department restricts the felling of trees on such lands claiming ownership. At the same time that it is restricting farmers from selling trees they consider their own, the forest department has also failed to announce a minimum support price for Khair trees, which would have ensured reasonable prices to the farmers for their produce. In this conflicting situation between farmers and the forest department, traders have become the main beneficiaries. They not only harvest trees on private lands surreptitiously in connivance with farmers and subordinate forest officials but also gave lower prices for such trees to farmers citing their illegality.

In addition, traders look for avenues that can give them access to Khair trees growing in public forests. The Khair trees in public forests have not being harvested since 1986, when the government of Himachal Pradesh imposed a moratorium on the commercial felling of trees on public lands. Therefore, these trees are often of higher girth than those growing on private lands. The monitoring and

²⁷ Felling on khariater lands was stopped in mid-1980s by the forest department, citing its own claim to ownership. In 2009, ownership of these lands was restored to farmers after re-assessment by the government. Most of these lands are covered by Khair trees.

supervision of all these trees involves higher costs and monitoring burden for forest officials. However, for the traders, the presence of a large number of mature Khair trees in public forests is a great opportunity as long as they can minimize the chances of being caught.

One such opportunity is the system of official exemptions that forest department grants to traders. Under this system, a trader can apply to the forest office to seek extension in his work period beyond March 31. For getting this exemption from 10 year rotation, the trader has to provide sufficient reasons to convince the forest department. The exemption allows the trader to extend tree harvesting work in a particular location to the next year. Traders predominantly cite two main reasons to get exemptions from the forest department – short supply of labor and high volume of trees to harvest. However, as I argue in this paper, there is something else going on with these exemption requests of the traders.

Exemptions can bring a number of advantages to the traders. One such advantage is the lower intensity of monitoring of the felling operations by forest department when a particular location is outside its regular felling rotation. Forest officials pay more attention towards monitoring of tree felling on private lands where areas are officially open under the 10-year rotation. During this time, the felling of trees from these lands is under strict scrutiny of the higher officials of the forest department, media, environmental NGOs and other government agencies. However, felling in exemption years does not invite strict monitoring and scrutiny. Exemptions lower the probability of getting caught while extracting timber from public forests, felling trees from the disputed lands, and harvesting small-sized trees from the private lands. The traders, in other words, use exemptions to circumvent the regulation of tree felling by the forest department.

The importance of exemptions can be judged from the table 3. Out of the total khair volume harvested, one third of the total harvesting, comprising of about 35% of the total farmers happen during exemption years. About 36 % of the total felling events during 10 year period in all the

villages are study occur during exemptions. Exemptions do play a very important role in the harvesting strategies of traders as evident from the fact that about 69% of the total traders have at least exemption (table 4).

Table 4: Importance of exceptions

	Total	Felling within rules	Felling under exemptions (exceptions to rules)	Percent
Total Khair volume harvested	53862.38	35920.8	17941.58	33.3%
Total number of farmers selling	11005	7159	3846	34.95%
Number of felling instances	861	552	309	35.9%
Number of traders with at least exemption	215	67	148	68.8%

While the traders use lack of labor and high volumes as the reason for exemptions, the mechanism that enables the traders to make the case to the forest department is deceptively simple. Traders often apply late for felling permits, which makes it easy for them to claim delays and makes them eligible for applying for exemption permissions. They intentionally delay petitioning for permits until very late in the season, often just a few weeks shy of the closing date of March 31. Since the felling will not open in any given area again for the next ten years, not being to sell their trees is potentially a huge setback to farmers. This allows the traders to rally farmers to their cause and lobby the forest department for an exemption.

If my arguments are correct and traders are indeed trying to circumvent the regulatory system through delayed felling permits, I should expect to see a specific pattern. The delayed permits will be disproportionately concentrated at greater distances from the headquarters of the district, where the forest office is located and where the monitoring apparatus is situated. These delayed permits will also be concentrated in pockets with a higher acreage of public forests, so as to enable illegal extraction of Khair trees from these forests. On the other hand, if the traders are simply responding to supply and demand bottlenecks as they claim, I should expect that the labor supply and total volume of Khair harvests should have greater explanatory power.

Data

To test these hypotheses, I analyze data on Khair felling on private lands for one 10-year rotation for Bilaspur district from 1996-97 to 2005-06. The dataset includes market transactions between 11,005 farmers and 215 traders spread across 573 villages. Village is the unit of analysis for the present study. The primary data on Khair felling permits has been obtained from the office of Divisional Forest Officer, Bilaspur (Bilaspur Forest Records). Secondary data from Census of India 2001 was added to create the full dataset. The data was constructed and manipulated using R and ArcGIS.

Table 5: Descriptive Statistics: Dependent and independent variables

Variable	Description	Measurement
Dependent Variables		
Number of Farmers with Delayed Permits	The number of farmers in a village whose felling permits were issued in February or later	Count

Table 5: Descriptive Statistics: Dependent and independent variables (contd.)

Variable	Description	Measurement
Proportion of Farmers with Delayed Permits	The proportion of farmers in a village whose felling permits were issued in February or later	Percent
Independent Variables		
Distance of Forest Range ²⁸ of Farmers from Regulatory Office	Distance of the forest range from Bilaspur town, the headquarters of the Bilaspur Forest Division	Kilometers
Proportion of Marginal Workers	Proportion of adults classified as 'Marginal Workers' during Census 2001, representing gainful employment of <184 days per year	Percent
Number of Households	Total number of households in the village, as reported in Census 2001	Count
Forest Land	Total amount of land in village officially classified as public forests	Hectares
Number of Traders	Total number of traders operating in the village during the study period	Count
Number of Farmers Selling	Total number of farmers who sold trees in that village during the study period	Count
Total Harvested Volume	Total volume of Khair heartwood extracted from the village	Cubic Meters (Cu.M)
Distr1	Dichotomous variable indicating whether a forest range is below 20 km or otherwise from the regulatory office(Bilaspur)	Binary

²⁸ The area of Bilaspur forest division is administratively divided into six forest ranges for forest management. These ranges are: Sadar, Ghumarwain, Bharari, Jhandutta, Kalol and Swarghat. The main regulatory office i.e. the office of Divisional Forest Officer is located at Bilaspur town.

My dependent variables are 1) total number and 2) proportion of farmers whose permits were issued in February or March due to late petitions by traders. Independent variables in the model include distance of the forest range from the Divisional Forest Office, public forest land, proportion of the marginal workers, total timber volume to be harvested, and control variables, such as the number of households, number of traders, and the number of farmers selling trees in the village (Table 5 and 6).

The road distances of the forest ranges from regulatory office at Bilaspur were used in the analysis. The spatial locations of the villages were obtained from the Census of India (2001). I expect the distance of the forest range to be positively associated with the number and proportion of farmers whose felling permits were delayed. This will show that traders are targeting areas located far off from the regulatory office, and therefore from intense monitoring, for delayed permits. Forest land indicates the extent of public forest land in hectares taken from the 2001 census for each village. I expect the relationship of forest land to be positive as well, suggesting that delayed permits are significantly concentrated in areas with high levels of Khair outside private lands.

Table 6: Descriptive Statistics

Variable	Mean	Median	SD	Min	Max
Number of Farmers with Delayed Permits	10.02	5.0	13.79	0	111
Proportion of Farmers with Delayed Permits	0.55	0.57	0.38	0	1
Distance of Farmers from Forest Range Office	21.51	20.00	16.69	0	42
Proportion of Marginal Workers	0.32	0.26	0.29	0	1
Number of Households	71.68	47	80.60	2	742
Forest land	29.36	6	59.06	0	624
Number of Traders	5.35	4	5.26	1	37
Number of Farmers Selling	19.20	11	23.71	1	189
Total Harvested Volume	94.00	50.24	135.86	0.28	1751.65

Proportion of the marginal workers indicates the pool of available labor in the village. Marginal workers is a census category and comprise individuals who get less than or equal to 184 days labor in a year on average. This variable is taken from the 2001 Census data for each village. If the traders are correct and labor supply is a critical constraint, then I should expect the number and proportion of farmers whose felling permits were delayed to be negatively associated with the proportion of marginal workers in the village. Finally, total volume of Khair harvested in the village should have a positive relationship with the number and proportion of farmers whose felling permits are delayed, if the traders' argument about high workload is correct.

Total number of households in the village is included as a control variable in the analysis. The data about this variable is taken from the 2001 census and is expected not to vary much within my 10-year study period. Total number of traders and the total number of farmers selling Khair trees to the traders in a village are also included as control variables.

Methods

I use spatial econometric models and nearest neighbor matching methods to test my hypotheses regarding the patterns and location of delayed permits for the felling of Khair trees on private lands in Bilaspur district. I have fitted a simple spatial linear regression model and conducted lag and error specification tests in R. The Lagrange Multiplier (SARMA) test for spatial dependence is highly significant for the linear model (Albers et al. 2008, Anselin 1988)²⁹. This shows that the data has both spatial lag and spatial error. In order to account for these, I use the Spatial Simultaneous Autoregressive

²⁹ The number and proportion of delayed permits in villages is considered cumulatively for entire period of 10 years for finding out spatial dependence.

(SAC) Model. For this paper, I assume 4 nearest neighbors as the neighborhood size³⁰ and have accounted for spatial effects of the neighbors in the models.

To validate the results, I have used multiple methods to support my outcomes. I have used Bayesian Model Averaging (BMA), Weighted Average Least Square (WALS), Quantile and Robust regression modeling procedures to validate the findings from spatial econometric and matching methods. One of the main reasons of using multiple validating methods is to have more confidence in my results. All methods come with assumptions and weaknesses that vary across methods. Though, these methods will be exploring or using the same data, yet these methods can provide us additional information about the nature and distribution of our data and the efficacy of the functional form of the relationships between the dependent and independent variables. Different methods can help us explore different attributes of the distribution of variables and the inter-relationships among dependent and independent variables from different aspects. If they all come up with similar results, our confidence in the results is higher. These methods have been found to correct for various errors that usually occur due to violation of assumptions related to the lack of normality or heteroskedasticity or uncertain functional forms of the models and or measurement error.

For example, Bayesian Model Averaging³¹ accounts for model uncertainty due to the variable selection problem. Weighted Least Squares (WALS)³² weights uncertain variables according to their certainty to keep them at the level of other variables about which we have more certainty. We expect higher model accuracy by doing so as the variables that enter any model are expected to be equally

³⁰ This is a reasonable neighborhood size looking at the hilly terrain of the area and also the level of interaction among neighboring villages especially traders. It is assumed that the tendency of a trader to apply late in a village in order to have more number or proportion of farmers with delayed permits depend on whether the traders in four nearest villages also apply late and have more number or proportion of farmers with delayed permits.

³¹ Bayesian Model Averaging controls for the uncertainty in the model due to the variable selection problem. It does so by averaging over the best model class according to approximate posterior probability of the model (Hoeting et. al, 1999).

³² Weighted Least Squares relies on preliminary manipulation of the auxiliary regressors used in the model. Auxiliary regressors are those regressors about which we have less certainty and we therefore, weight their contribution to reduce the computation burden of the model estimator (De Luca and Magnus, 2011).

important. Quantile³³ regression takes care of the extreme data observations or outliers that can seriously influence our model results. Finally, I used robust³⁴ regression that has been used in the studies to control for the effects of outliers and also heteroskedastic errors.

I also used nearest neighbor matching methods to test my hypotheses (Abadie et al. 2004). Nearest neighbor matching is done to estimate the average treatment effects on dependent variable by comparing outcomes between control and treated observations. Matching aims to create counterfactual observations for non-random treatment based on balance achieved in covariates using multivariate matching algorithms (Ferraro 2009; Ho et al. 2007; Honey-Roses et al. 2011).

I conducted coarsened exact matching in Stata to improve causal effects before carrying out nearest matching method. The coarsened exact matching is done by reducing the imbalances in covariates between control and treated groups. The first step involves the temporary coarsening of the data. Then, the algorithm performs exact matching of this already coarsened data to determine close matches. Exact matching proceeds by sorting all observations into strata each of which has similar values for all the pre-treatment covariates that were coarsened. All observations within strata that do not have at least one matched observation for each unique observation of treatment are discarded. Finally, the uncoarsened data from the observations is used to estimate the causal effects by matching within strata. The coarsened exact matching is implemented in Stata using the *cem* command (Blackwell et al. 2009).

After coarsened exact matching, nearest neighbor matching is used to calculate the average treatment effect. Nearest neighbor matching is performed in Stata using *nnmatch* command. The

³³ Quantile regression aims at estimating conditional quantiles functions wherein the quantiles of the conditional distribution of the dependent variable is expressed as the functions of the observed covariates (Koenker and Hallock, 2001). The quantile regression is used wherein including extremes of the data observations in the model outcomes.

³⁴ Robust regression uses M-estimation method (Huber, 1964) involving iteratively reweighted least-squares solution for the convergence of estimated coefficients. The regression is widely used to control for outliers and heteroskedasticity errors.

algorithm pairs control observations to the closest opposite treatment group to estimate the counterfactual treatment outcome.

Results and Discussion

Table 7 lists the results of the SAC models. The models show that the distance of the forest range of the farmers to the Divisional Forest Office is highly significant and positively associated with both the number and proportion of farmers with delayed felling permits. This supports my hypothesis that delayed permits are disproportionately located in villages further away from the forest office, which is an indicator of the attempt by traders to evade monitoring through the system of exemptions.

Table 7: Spatial Simultaneous Autoregressive (SAC) Model

Dependent Variable	Number of Farmers with delayed Permits	Proportion of Farmers with delayed Permits
Distance of Forest Range from Regulatory Office	0.11 (0.03)***	0.009 (0.001)**
Forest land ('00 Ha)	1.58(0.71)**	0.04 (0.03)
Proportion of Marginal Workers	-0.52 (1.26)	0.005 (0.04)
Number of Households ('00)	-0.29 (0.51)	0.01 (0.01)
Number of Farmers Selling ('00)	52.25 (3.97)***	-0.14(0.14)
Total Harvested Volume ('00 Cu.M.)	-1.46(0.67)**	0.003 (0.03)
Number of Traders	-0.09 (0.13)	-5.27 (0.005)
(Intercept)	-0.78 (1.19)	0.58 (0.0)***
Rho	0.02 (0.07)	-0.38(0.001)***
Lambda	0.42 (0.00)***	0.69 (0.00)***
Observations	573	573
SARMA	87.47***	167.58***

***Significant at 1% level; **Significant at 5% level; *Significant at 10% level

The results also show that villages with higher public forest land are significantly more prone to the delaying tactics of traders. Forest land has a positive and significant association with the number of farmers whose permits are delayed. Traders usually apply late in these areas to get exemptions which give them access to Khair from public forests when monitoring and regulation goes down in the following years.

Interestingly, contrary to the traders' claims regarding high workloads leading to delays, total harvested Khair volume in a village is negatively associated with both the number of delayed permits. This suggests that, on average, traders are delaying applications for permits in villages that have a lower total volume. The proportion of marginal workers (labor) in the village is not a significant predictor of the number and proportion of farmers whose permits were delayed. This result fails to corroborate the claims by traders regarding the lack of labor for the completion of Khair harvesting.

Validation of results

The hypotheses posed in the present study are further validated using Bayesian model averaging³⁵, weighted average least squares³⁶, quantile and robust regression models as shown in table 8 and 9. The results are similar to those obtained for the spatial models. The farther the forest range from regulatory office, the higher is the probability of number and proportion of farmers with delayed permit in villages falling under that range. On the other hand, the extent of forest land in villages is positively associated with the number and proportion of farmers whose permits are delayed.

The plea of the traders that they apply for delayed permits due to work overload is not substantiated as the total harvested volume in a village is negatively associated with the number of farmers whose permits are delayed (as shown in quantile and robust regression methods). The

³⁵ In Bayesian model averaging regression, proportion of marginal workers, number of households, number of farmers selling, total harvested volume and number of traders are used as auxiliary regressors. It is assumed that these variables have less certainty in the regression.

³⁶ In weighted average least square regression, the following variables are used as auxiliary regressors: distance of forest range of farmers from regulatory office, forestland, proportion of marginal workers, number of households, number of farmers selling, totals harvested volume and number of traders.

contention of the traders that they don't have enough labor to do work is not corroborated as the proportion of marginal workers in a village is insignificantly related to the number as well as proportion of farmers with delayed permits. Similarly in quantile regression, the proportion of marginal workers in a village is found to be positively associated with the proportion of farmers with delayed permits. This means that villages that have higher proportion of farmers with delayed permits do not have less labor as espoused by traders.

Table 8: Validation (Dependent variable: *Number of farmers with delayed permits in a village*)

Variable	Bayesian model averaging	Weighted average least squares	Quantile regression	Robust regression
Distance of Forest Range of Farmers from Regulatory Office	0.10(0.02)***	0.07(0.02)***	0.05(0.01)***	0.08(0.01)***
Forest land ('00 Ha)	1.48(0.71)**	1.79(0.69)***	1.38(0.36)***	1.10(0.41)***
Proportion of Marginal Workers	-0.01(0.26)	-0.61(1.09)	-0.25(0.64)	0.29(0.70)
Number of Households ('00)	0.005(0.11)	-0.04(0.50)	-0.01(0.25)	0.30(0.30)
Number of Farmers Selling ('00)	46.00(3.82)***	48.79(4.67)***	53.33(2.29)***	57.35(2.59)***
Total Harvested Volume ('00 Cu.M.)	-0.26(0.67)	-0.90(0.9)	-0.85(0.45)*	-3.85(0.50)***
Number of Traders	-0.04(0.10)	-0.09(0.15)	0.007(0.07)	0.76(0.8)***
Constant	-0.91	0.25	-1.01**	-3.11***
N	571	571	571	571

Numbers in the bracket are the standard errors

Table 9: Validation (Dependent variable: *Proportion of farmers with delayed permits in a village*)

Variable	Bayesian model averaging	Weighted average least squares	Quantile regression	Robust regression
Distance of Forest Range of Farmers from Regulatory Office	0.006(0.0009)***	0.006(0.0009)***	0.01(0.001)***	0.007(0.001)***
Forest land ('00 Ha)	0.06(0.03)**	0.07(0.02)***	0.04(0.05)	0.06(0.03)*
Proportion of Marginal Workers	0.003(0.017)	0.04(0.04)	0.15(0.08)*	0.06(0.06)
Number of Households ('00)	0.0006(0.005)	0.02(0.01)	0.01(0.03)	0.02(0.02)
Number of Farmers Selling ('00)	-0.03(0.07)	-0.15(0.15)	-0.28(0.30)	-0.25(0.21)
Total Harvested Volume ('00 Cu.M.)	-0.004(0.01)	0.001(0.03)	-0.03(0.06)	0.005(0.04)
Number of Traders	-0.0006(0.002)	-0.0007(0.004)	0.007(.009)	0.0009(0.006)
Constant	0.41***	0.42***	0.33***	0.39***
N	571	571	571	571

Numbers in the bracket are the standard errors

Nearest Neighbor Matching

I did coarsened exact matching to improve causal effects before conducting nearest neighbor matching procedure in Stata. The matching variables used in the coarsened exact matching³⁷ include proportion of marginal workers, number of households, total harvested volume, number traders and

³⁷ In coarsened exact matching, the initial coarsening of the data was done for proportion of marginal workers in the village, number of households, total harvestable volume, number of traders in the village and forestland and the matches were obtained for our treatment (distance equal or above 20 km from regulatory office). Based on the results of the coarsened matching, and then nearest neighbor matching is done to estimate the average treatment effect on the observations that were matched.

forestland. The treatment used in the analysis is distance (distr1), a dummy dichotomous variable indicating whether a forest range of farmers is below 20 km or otherwise from the regulatory office (Bilaspur). The matching summary shows that out of total 30 strata, 24 strata got matched with only eight observations (out of 266) remained unmatched for control whereas only two observations (out of 307) remained unmatched for treated observations. The multivariate L1 distance obtained is 0.68 which is lowest as compared to other matching solutions tried in the analysis. The multivariate L1 distance statistic describes the imbalance in the full joint distribution of the covariates including all their interactions (Blackwell et al. 2009). The lower L1 distance compared to other matching solutions indicates an increase in the balance among covariates as a result of matching solution used in the study.

Table 10: Nearest Neighbor Matching Models

Treatment Variable	1= Distance of forest range from regulatory office equal to or greater than 20 km; 0= otherwise		Matching variables
Outcome Variable	Number of Farmers with Delayed Permits	Proportion of Farmers with Delayed Permits	Proportion of marginal workers, Number of households, Forest land, Number of traders, Number of farmers selling, Total harvested volume, Latitude, Longitude
Average Treatment Effect	2.56(0.83)***	0.29(0.06)***	Exact matching: latlong2 (4 sectors were created based on latitude and longitude to match observations) Number of matches(m)=4

Number of treated observations: 307 ; Matched number of observations: 561, standard error in brackets

The nearest neighbor matching results (Table 10) confirm the results of the earlier models used in the study. The distance of forest range have a highly significant and positive average treatment effect

on both the number and proportion of private forest owners whose permits are delayed. On average, far off villages have 29% more farmers and on an average 2.5 more farmers per village whose permits were delayed by traders than the villages closer to the administrative center. This result is highly significant and shows the interest of the traders to seek delayed permits in the remote villages to avoid government monitoring and supervision. The results of the matching show considerable matching balance among the matched variables for the purpose of creating effective counterfactuals for the observed treatments.

Conclusion and policy implications

My analysis provides tentative evidence for collusion among traders, farmers, and possibly some forest field staff, to subvert the 10-year rotational system of regulation by resorting to delayed permits and exemptions. Traders apply late for permits in order to become eligible for exemptions. Exemptions provide the mechanism for traders to avoid monitoring and supervision of their work and to add illegally harvested trees from public and private forests to their harvested stocks to maximize profits. Farmers are often complicit in this strategy of the traders and even become party to illegal practices of traders by allowing harvesting of small-sized and illegal harvesting of trees from their own lands. They do so mainly to earn more income and to sell trees from lands which they think are their own but prevented by state agencies to do so.

The analysis presented above also demonstrates the difficulty of regulating private transactions in a difficult and undulating terrain. The intermingling of private and public forests in the landscape and remoteness of the public forests also present a range of difficulties in regulation for the government agencies. The prevalent modes of governance do not fit in this challenging situation and therefore, needs further scrutiny and research.

Based on the above analysis, I suggest that the forest department should not grant any permit after December 31 and traders should be restricted to finish their felling operations by March 31. Exemptions should be minimized; the evidence presented here could not substantiate the arguments of the traders for the delay in the permits. The real explanation behind the tendency towards delayed permits and exemptions that is corroborated by the evidence shown in this study shows a different picture. The traders are deliberately applying late in the felling season to take exemptions and then get almost free and unsupervised access to private as well as public forests. In this scheme of things, the traders are unhindered by government regulation and farmers who have no option but to support the traders due to improper application of rules on their own lands. However, the major loser is society if the state regulation of private tree felling fails to find answers to this difficult and complex governance problem. Not only is the system failing to regulate the market to avoid exploitation of small-holders, but it also presents a perverse set of incentives that promote unsustainable tree felling in the fragile Himalayan state.

Figures

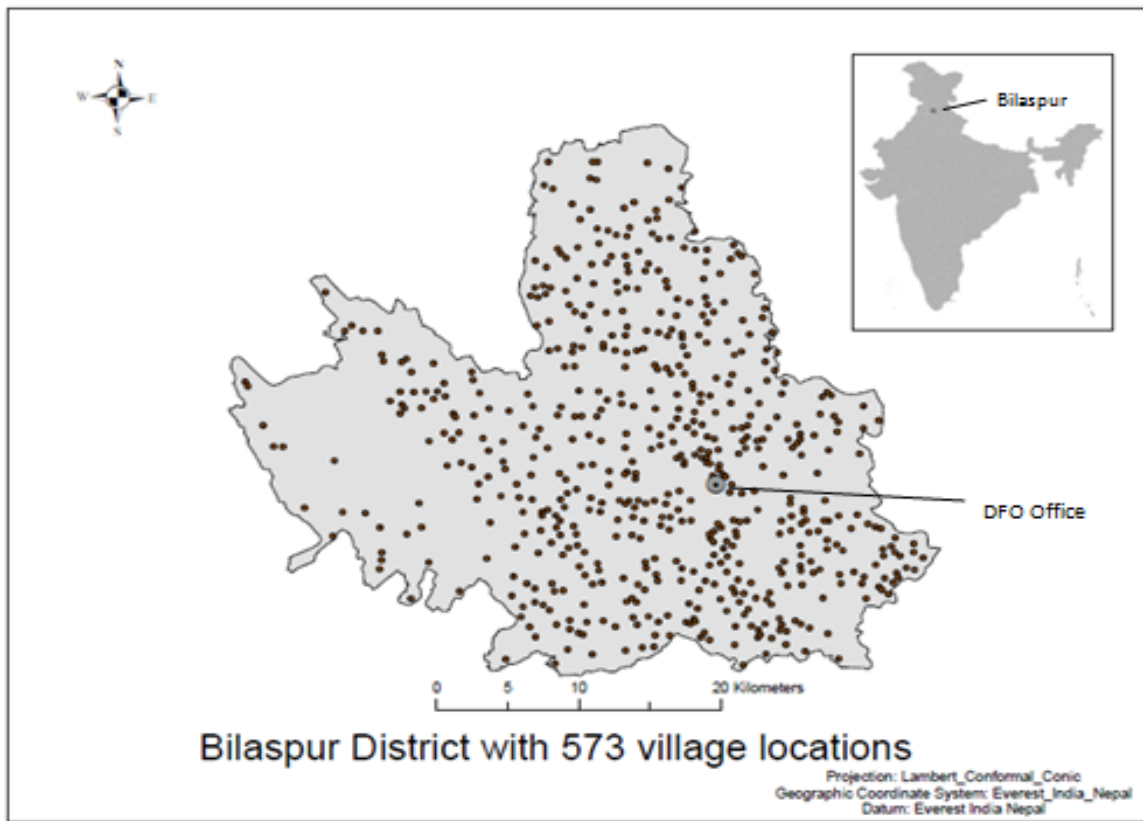


Figure 9: Location of villages in Bilaspur District, Himachal Pradesh, India

CHAPTER 5

CONCLUSION

In the Introduction, I showed that community-based natural resource governance in India is prone to elite capture, and that considering it as an alternative to inefficient and inequitable top-down governance would be inappropriate. On the ground, the structural domination of elites over people's social, economic and political lives is so strong that most programs and schemes fail to ensure equitable benefits and ultimately end up serving the interests of the elites. Drawing on literature from the common property, decentralization, political ecology and natural resource governance, I suggested two primary ways that, together, serve to minimize elite control over local governance mechanisms and promote the distribution of benefits from resource governance to poor and disadvantaged sections of the population. These are: pro-poor targeted approach³⁸ of the state or the external interventions, and the emergence of autonomous counter power in the local governance. My dissertation research has shown the importance of these two factors in explaining the success or failure of the state or the external interventions in reducing the probability of elite capture of the benefits from common-pool resources.

My research provides critical insights into (i) the phenomenon of elite capture in natural resource governance and its manifestations; (ii) the repercussions of elite capture on the accountability of state and local elected governments in natural resource decentralization; (iii) the role of pro-poor targeted interventions by the state or external agencies and the emergence of autonomous counter

³⁸ I want to draw a distinction between this particular type of pro-poor targeted intervention and the other interventions that are similarly represented as pro-poor. For me, only those qualify as pro-poor targeted interventions that create financial autonomy for the institutions mainly represented by poor and the disadvantaged, enable property rights over the forestry resources and craft institutionalized spaces for collective action to emerge.

power in reducing the probability of elite capture in resource management; and (iv) the theoretical understanding of the autonomous counter power that sustains the flow of benefits to the poor beyond the lifetime of community-based projects. Finally, the evidence presented in the case studies suggests possible directions for the design of forest policies that can lead to socio-economic and political emancipation of the poor and disadvantaged sections.

(i) Elite capture in natural resource governance and its manifestations

In literature, elite capture has extensively been found as the prime factor responsible for the poor performance of local governance interventions of the state. Forest policy is implemented by state resource managers in such a way that it favors exploitation by elites at the cost of poor. Larson and Ribot (2007) refer to this as the “poverty of forestry policy”, which maintains double standards on an uneven playing field, excluding the poor from the use and benefits of natural resources and resulting in the production of poverty. The case studies here present evidence that clearly show how elites in India succeed in harming the interests of the poor and disadvantaged with the active support of the state machinery. Elites, though they constitute a small minority of families, succeed in protecting their interests by extending their power over a majority of less privileged sections through the interplay of a range of strategies. They determine the trajectories of the future progression of society, and reproduce existing social, political and economic structures through their hold on the cultural or symbolic capital (Bourdieu, 1977). In this section, I will explain the nature, strategies and manifestations of elite capture in each of the three research themes.

Bandipur, Khaira and Padampur

In Bandipur, elites protect their interests by dominating and maintaining control in local politics and power (Mosca and Kahn, 1939). To protect and extend their domination in local governance, they

use (i) environment as a tool of control; (ii) social, political and economic status as well as social networks as grounds of authority; and (iii) consensus as a device of political control.

Elites employ narratives of environmental degradation as tools for the maintenance of their access to decision-making power in development projects and their benefits. In the public meetings held to decide the nature and location of project works, the elite Kaistha family persistently suggested works based on their environmental value rather than those that have economic value for the poor. For example, field inspection by project staff and local people found that the soil and water conservation work suggested by the Kaistha family was exclusively meant for the family's own private use and benefit. Elites argued in open meetings that soil conservation works are needed in the hills in order to prevent intensive soil erosion, which is threat to the overall forest health. They also stressed in the project meeting that project funds should be spent on the plantation in the local vicinity, as this would promote the improvement of air quality and greenery. However, such clamor was found to be related to their own designs of maintaining control on the trajectory of the project works and funds.

Elites also used their socio-economic and political status as well as their extended social networks as grounds of authority. The Kaistha family and its extended members invoke their high caste social status to justify their discrimination against the poor and Dalit. The drinking water controversy wherein an elite woman shouted a range of caste-based aspersions on the low caste Dalit women is one glaring example. By regularly citing one of the family members who is a Member of the Parliament (MP) in public meetings, the Kaistha family proclaimed their political legacy as evidence of its political importance in the area. Without a doubt, the family's economic strength also contributed to their success at extending their sphere of influence in the local area. One of the ex-Pradhan and influential elites is a local doctor and an important political leader of BJP. Moreover, the social networks of the members of Kaistha family extend beyond Bandipur to nearby towns and to the higher echelons of

power. One of their members runs his own newspaper from Paonta Sahib and acts as a conduit of information, resources and access to political and bureaucratic connections to the family.

Local elites also use consensus as a device of political control. They manufacture consensus in the local governance by strategizing the political moves based on caste, party, and regional affiliations of the voters. In the local elections, some influential elites known in local dialect as “*mauji*” organize a meeting before the filing of the nominations for the political posts and effectively decide who will be chosen on the basis of unanimous consensus (*aam sehmati se faisala*). These *mauji* persons are neither elected by anyone nor accountable to anyone. They are traditionally authorized to make decisions, based on their own pre-set criteria, over whether the candidate that has been proposed has the capability to perform his or her duty. Interestingly, with the exception of the last panchayat elections, this trend of manufacturing consensus has been the norm of the local elections.

More importantly, the elites know how to control local politics in their favor in spite of government policy of reserving seats for the lower castes and women. The case study gives an excellent example of the political moves of the elites in the local elections. For example, Rakesh Kumar intentionally supported a Dalit woman for the post of Pradhan and later on for the position of block development committee (BDC) for getting her continuous support in his on-going capture of development projects. He was succeeded in getting one lucrative construction project funded by state government in the village and completed that without any trouble from the panchayat. He got his wife elected to the post of Jila Parishad (district panchayat) based on his good will from the scheduled caste and his party position in the BJP. The elites used caste as well as local ward affiliations to defeat Rajinder, who challenged them in one of the local elections.

The case also shows that the elites in Bandipur belong to upper caste whereas the marginalized sections are predominantly from the lower castes of the community. However, elite domination has some unintended consequences against their own female members. The women from upper castes do

suffer from traditional structures more than the women from the lower castes. Upper caste Rashmi Rani could not travel beyond the boundary of her village due to the orthodox and strong gender boundaries among the upper caste as compared to lower caste Kusala Devi. This created for the women two different trajectories, with Kusala Devi getting exposure to the outside world and acquiring leadership of the group and then the panchayat and Rashmi Rani remaining within the boundaries prescribed by local upper caste culture and becoming a puppet in the hands of male elites as opposed to growing as a local leader.

The Khaira case shows how easily elites capture social and physical infrastructure created under development projects. Khaira elites captured a lift irrigation scheme by excluding the others by virtue of high barriers to entry and application of complex institutional rules for participation. The Khaira example also shows that dominant as well as dominated entities in the case study belong to upper castes. This provides evidence that even upper caste individuals can be marginalized and excluded from state development by local elites.

In Padampur, elites employed interlocking systems of labor, resource and market control to maintain their control over poor milk producers. In this interlocking system, elites used credit as a device of extracting the resources from the poor at cheaper prices, citing market risks and extracting cheaper labor in case of shortfall in recovery from the poor. The local elites, consisting of local traders and moneylenders, controlled the local economy and despite continued efforts by external actors, were successful in foiling the attempts to re-organize the milk economy in favor of poor producers. Their dependence on elites for access to nearby milk markets, labor, and credit made poor producers unable to either individually or collectively break out of the control of the elites. The dominance of elites in connivance with local officials in Padampur is so pervasive that even after the election of a Pradhan from a poor household; the Pradhan was largely unsuccessful at achieving transparency and accountability in local resource governance. Here, elites capture state development funds and use them

to consolidate their own position through patronage. The outcome is that one of the members of the elites is now the present Pradhan.

The case of Padampur also provides an example of strong nexus between elites and state officials. The production center constructed under the participatory project and the Bhabhar, which was protected by a women's group, is now privatized for one elite family. Elites in Padampur belong to both lower castes and individuals practicing the Muslim faith. This goes against the normally held assumption that elites would always belong to the upper social castes in India. In addition, the tight cultural control over the local women in Padampur constrains women's socio-economic and political empowerment in the local society.

Subsidized timber allocation

It is the collusion among local political leaders, state officials and timber traders has shaped the trajectory of timber distribution in Paonta Sahib. The case shows how elites have higher probability of getting subsidized timber due to their higher score in qualifications that determine the actual access to timber. The elites are wealthy, resource-rich, and well connected to local leaders and state officials. Subsidized timber is one of the important tools in the hands of local leaders. It enables them to practice their patronage-based politics. Leaders of all parties secure support from local elites, mainly saw-mill owners, wood-based industrialists, and timber traders, during the election. In this effort, they are staunchly supported by local forest officials. The resultant outcome is that the distribution of subsidized timber is highly inequitable, unsustainable, and heavily tilted towards local elites.

The new subsidized timber distribution intervention did help in some re-distribution of timber in favor of poor panchayats. Moreover, soon after said new intervention was over, the state government set forth new rules for managing timber distribution. In essence, these rules replicate the old rules, with no binding on DFO to go to the village assemblies to distribute timber among villagers in an open and

transparent way. The hold of elites on the state machinery is so strong that only those policies that provide preferential access to elites are passed and implemented.

Government regulation of tree felling

The case provides evidence that the elites, timber traders, and industrialists are scuttling the very environmental regulations that are imposed with the active support of local political leaders and forest officials. Forest policies are selectively enforced by forest officials in favor of elites, resulting in large exploitation of the poor. Here elites are in a favorable position to work the political, economic and administrative system in their own favor due to their regular support in the election plans of local political leaders. These elites play a pivotal role in re-election of the politicians, as they organize politicians' political campaigns and election rallies, and provide them with vehicles, manpower, and other resources.

Many of these local elites hold higher party positions and have direct access to higher centers of power in the state governments. One of the timber traders invested the profits of his business in developing patronage relations in his area and is now the local MLA. There are instances wherein higher-level political leaders and state bureaucracy have directly pressured local forest officials to help out traders and industrialists. The power of the elites can be gauged from the fact that they can be instrumental in the transfer of any forest official, including DFO, any time he or she works against their diktats.

The elites have tremendous impact on the ways that state policies have been framed over the years. For example, wood-based industrialists of the state have consistently pressured ruling governments to allow only export of Khair with bark, not heartwood, outside the state. This effectively means that no farmer or market trader can directly market their timber outside the state because of the well-known practice of converting Khair trees into heartwood near the site of felling. Government

policies have favored industrialists in the past by making this change. However, this considerably lowers the probability of the poor getting higher price for their produce.

Another manifestation of the power of the elites, local traders, and industrialists, is their continued opposition to the issue of minimum support price to poor small-scale farmers for their produce. There is a provision under the Himachal Pradesh Land Preservation Act, 1978 that the farmers will be given minimum support price by the state government if no private buyer or trader buys from them. Except in 1993, this provision has not been implemented in the state.

Preliminary value chain analysis³⁹ for Khair shows that huge profits are pocketed by some elites (both local elites and wood-based industrialists) at the expense of the thousands of the small-scale timber producers (Figure 10). While market traders receive between 2000 and 2500 INR per quintal of heartwood, farmers get only 500-800 INR per quintal. Interestingly, local timber depots run by state forest corporation sell their own Khair logs at a price of about 4000 INR through open auction but farmers or market traders are not permitted to sell in these timber depots. Wood-based industrialists are at the top of the chain and are the main beneficiaries of the trade. They convert the Khair heartwood into Katha, which sells at a rate of 30000 to 40000 INR per quintal, and to catch, which sells at a rate of 2000 to 3000 INR. Katha is used in paan, cosmetics, medicines, dyes, paan-masala, and Gutkha manufacturing, and has a huge market base in India. The irony of the matter is that the timber prices paid to the farmers have not changed since last 10-15 years. The evidence clearly shows that market penetration has not benefited the local timber producers, who are getting a raw deal in the timber trade.

The evidence shown in my case study clearly points towards the selective enforcement of rules by the forest officials in favor of influential elites. The elites – market traders – are deliberately applying

³⁹ The prices for Khair heartwood, katha and catch are based on personal communication with industrialists, farmers and their associations and officials of the forest corporation. Officially, forest department does not keep a record of how much prices the farmers are getting for their produce.

for felling permits quite late in the felling season, which makes them eligible for seeking extension in their work beyond the assigned working periods. The market traders are asking for extensions, citing shortage of labor and higher work load. Forest officials are obliging them by selectively enforcing regulations related to exemptions in the policy. However, the result is both ecologically and socially problematic. The number and proportion of delayed permits is more in remote panchayats that also have higher proportion of area under public forest. This effectively means the traders are deliberately applying late permits in far-off places to avoid government monitoring and supervision and to harvest illegally from both private and public forests in their efforts to increase their profits. On one hand, the ecological sustenance of forests is being compromised with the higher probable illegal harvesting of lower-sized, pre-mature trees and trees grown on sensitive slopes. On the other hand, the poor producers are paid much less for the trees that are illegally harvested.

(ii) Elite capture and accountability relations of state agencies and local governments

All the three themes of my research clearly show the ways in which local elites distort or circumvent the accountability relations between the state and society in relation to forest governance in Himachal Pradesh. The evidence shows that the demands and preferences passed on to the governments or state agencies are, in fact, the demands of the elites rather than those of the entire community. The policies formed on these preferences are liable to be non-representative as the voice of the poor, Dalit, and women are systematically excluded.

The posts of the local committees formed under CBNRM in all the three cases of Bandipur, Khaira and Padampur were immediately captured by the elites at the start of the project. In Khaira, the local democratic government remained accountable to local MLA instead of the local people whose interests it was supposed to protect, due to the politics of development patronage. In Padampur, local resource governance remained accountable to elites, milk traders, and moneylenders, rather than to the

entire community. The voice of small-scale milk producers, rope-weavers, and women was systematically excluded from the project benefits in favor of few elites. The democratic elections for the panchayat also fail to minimize the influence of the elites due to their interlocking system of labor, resource and market control over local governance. In recent panchayat elections in 2012, one of the members of these elites has been elected as panchayat Pradhan and has continued policies that serve the interests of the elites over those of the poor and less privileged sections of society. Forest officials have failed to respond to poor communities by supporting the capture of the project infrastructure by few elites.

In the distribution of subsidized timber, forest governance remained accountable and answerable to the local elites. The people who are well-connected, resource-rich, and have political affiliations have higher probability to access subsidized timber. People have no power to sanction the biased attitude of the forest governance that listens to the local elites rather than the common people. The recent policies approved by state government also have no provisions to strengthen the voice and sanction of the local people. In Khair, the story is the same. The forest governance is accountable to timber traders and industrialists rather than to the poor, small-scale timber producers who protect and sell their timber in the hope of getting remunerative prices. The democratically elected governments have failed to implement pro-poor, small-farmer friendly policies like fixing of minimum support price, opening state forest corporation depots for the sale of farmers' produce, and sharing market price information with the farmers.

(iii) Pro-poor targeted interventions, autonomous counter power and elite capture

The evidence presented in the three research themes clearly establishes the needs for a strong pro-poor targeted approach and the emergence of counter power in form of politically empowered individuals or groups (Table 11). In Bandipur and Khaira, pro-poor interventions resulted in economic

and political empowerment of the poor and marginalized sections that were involved in the state projects. In both these cases, the impact of the elites over local governance was considerably minimized. State pro-poor intervention was able to considerably redistribute timber in favor of poor panchayats in Paonta Sahib.

Table 11: Summary of the nature of interventions and the outcomes

	External Interventions			New timber distribution intervention in Paonta Sahib	Government Regulation of Private tree felling in Bilaspur
	Bandipur	Khaira	Padampur		
Intended objectives of the policies	Poverty alleviation through sustainable forest-based livelihoods	Poverty alleviation through sustainable forest-based livelihoods	Poverty alleviation through sustainable forest-based livelihoods	To distribute subsidized timber to applicants equitably and sustainably	To regulate harvesting of trees on private lands sustainably
Pre-existing structural problem in local governance	Elite Capture	Elite Capture	Elite Capture	Elite Capture	Elite Capture
<i>Targeted pro-poor approach</i>	Yes	Yes	Yes	Yes	No
<i>Emergence of autonomous counter power</i>	Yes	Yes	No	No	No

Table 11: Summary of the nature of interventions and the outcomes (Contd.)

	External Interventions			New timber distribution intervention in Paonta Sahib	Government Regulation of Private tree felling in Bilaspur
	Bandipur	Khaira	Padampur		
Outcomes	Minimization of elite-capture	Minimization of elite-capture	No effects on existing elite-capture	Minimization of elite-capture	No effects on existing elite-capture
	Redistribution of benefits in favor of poor	Redistribution of benefits in favor of poor	No benefits to poor	Redistribution of benefits in favor of poor	No benefits to poor
	Benefits to poor sustainable	Benefits to poor sustainable	No benefits to poor	Benefits to poor not sustainable	No benefits to poor

My evidence strongly suggests that the flow of benefits accruing due to pro-poor policy of the state or external interventions would not last beyond the duration of these interventions unless and until there is an emergence of autonomous counter power in the form of politically empowered individuals or groups. The flow of benefits to poor and marginalized sections continued even beyond the end of the project in Bandipur and Khaira due to the emergence of autonomous counter power. In the case of Bandipur, even after the end of the project in March 2007, the counter power has ensured more accountable local governance by engaging with the local governments and the elites. Similar is the case of Khaira, wherein the emergence of counter power prevented the lowering of the flow of benefits to

the poor at the end of the project. In both places, the counter power countered the corrupt and unaccountable working of the state forest officials (Bandipur) and the local governments (Khaira).

However, in the case of Padampur, the pro-poor targeted approach of the external intervention did not succeed in reducing the control of elites over the local governance due to the absence of autonomous counter power. The elites re-captured the assets and the resources that were supposed to have been redistributed in favor of the poor and marginalized sections.

Similarly, though the poor were able to receive a higher share during the new subsidized timber distribution intervention, their chances of maintain higher access were less due to the absence of counter power. The absence of strong counter challenge toward elite-favoring policies led to the government passing the same old rules⁴⁰ to serve elites rather than redistribute timber resources in favors the poor and the disadvantaged.

The pro-environment focus in the case of government regulation of private tree felling in Bilaspur maintained the elites' control of the local governance and constrained economic benefits to the small-scale farmers. The poor results of the state regulation of the private tree felling are on the expected lines due to the absence of pro-poor targeted approach and the absence of any counter power among the small-scale farmers or their groups. Elites continue to reap benefits from the timber trade by colluding with forest officials and accessing illegal timber from both public and private forests through extensive exemptions in the rules.

(iv) Theorization of autonomous counter power

This section attempts to theorize autonomous counter power. I define autonomous counter power as, 'a sustained form of local resistance to the institutionalized discrimination of elites and

⁴⁰ The state government has approved these revised rules for streamlining TD distribution in 2013 [http://hpforest.nic.in/files/Himachal%20Pradesh%20Forest%20\(Timber%20Distribution%20to%20the%20Right%20Holders\)%20Rules,%202013.pdf](http://hpforest.nic.in/files/Himachal%20Pradesh%20Forest%20(Timber%20Distribution%20to%20the%20Right%20Holders)%20Rules,%202013.pdf)

unaccountable state agencies in order to sustain regular flow of benefits to the poor and disadvantaged sections’.

Counter power is supposed to have following characteristics: (i) it is autonomous, which means that it can take independent decisions irrespective of the pressure exerted by existing socio-political and economic structures; (ii) it is in its nature to engage with the existing power relations and structures to obtain equitable and accountable governance.

The emergence of counter power as evidenced in case of Bandipur and Khaira reduced the probability of elite capture. Counter power individuals and their groups were able to contest and challenge the deeply entrenched and exploitative power relations of elites by countering them through various forms of manifestations as shown in table 12.

Table 12: Autonomous counter power and its manifestations in countering elite capture in Bandipur, Khaira and Padampur

SN	Conditions for counter power	Bandipur	Khaira	Padampur
1	Autonomous-independence in decision-making	Dalit women got separated, Women palm group successfully made transition to other economic ventures	Demanded irrigation reform, and records on accounts, de-silted tank, managing irrigation successfully	No autonomy, Women groups dismantled, interest dwindled

Table 12: Autonomous counter power and its manifestations in countering elite capture in Bandipur, Khaira and Padampur (contd.)

SN	Conditions for counter power	Bandipur	Khaira	Padampur
2	Sustained form of resistance to discrimination of elites to ensure flow of benefits to poor and disadvantaged	Elite pradhan evicted, Rajinder fought elections against wishes of local elites, exposed corruption in forest department, candidate from Rajinder village won Pradhan election, Kusala Devi won elections, openly contested caste discrimination	VDC found corruption in panchayat work, VDC supported pradhan won election, panchayats seek VDC advice	No such resistance, elites openly captured production center and bhabhar protected areas
	<i>Outcome</i>	Counter power emerged, elite capture reduced	Counter power emerged, elite capture reduced	No counter power, elite capture continued

The counter-manifestations appear in the form of political action, complaints against corrupt practices, independent group formation, eviction of elite leadership and open resistance to caste discrimination. However, in case of Padampur, subsidized timber allocation and regulation of private tree harvesting, elites continue to maintain their hold over forest governance owing to absence of any counter power in the individuals or their groups (table 13).

Table 13: Autonomous counter power and its manifestations in countering elite capture in subsidized timber distribution and regulation of private tree felling

SN	Conditions for counter power	Subsidized Timber Distribution	Regulation of private tree felling
1	Autonomous-independence in decision-making	Communities not empowered or autonomous in deciding the extent and use of the timber, no ability to sanction wrong distribution	Communities not empowered or autonomous in deciding the extent and use of the timber, no ability to sanction officials for less prices
2	Sustained form of resistance to discrimination of elites to ensure flow of benefits to poor and disadvantaged	No resistance to discriminatory policies due to strong elites, officials and political nexus	No resistance to discriminatory policies due to strong elites, officials and political nexus
	<i>Outcome</i>	No counter power, elite capture continued	No counter power, elite capture continued

Autonomous nature

The autonomous nature of counter power determines the extent to which it is able to fight the power and domination of the local elites in forest governance. By autonomy, I mean how independent counter power is in taking decisions to challenge structures of domination. In Bandipur, counter power agents Rajinder and Kusala Devi stood for elections against the stiff and coordinated resistance of local elites. The strenuous efforts of the elites to play all sorts of politics to convince these counter power

agents to back down in favor of candidates supported by elites did not work. Rajinder went against the wishes of the elites by citing spatial discrimination and injustice committed against his village in the previous elections and in the distribution of the developmental works. The Kusala Devi case is even more interesting. Devi tactically mobilized support from an elite family and used the local consensus to get elected. This is interesting as elites were using the same mechanism of obtaining local consensus to get elected their own candidates. In the case of Khaira, Kalyan Singh mobilized action against the corruption committed by the local panchayat president. The village development group – the counter power — crafted easy rules for entry of poor and also lowered tariffs on their own. The group was also able to de-silt the check dam with their active cooperation.

A secured flow of revenue from common-pool resources under the pro-poor initiatives does help individuals or groups with counter power to feel economically secure to take independent decisions. In other cases, government support through reservation in local leadership positions, progressive legislations like Forest Rights Act, wage earning schemes like MNREGA (Mahatma Gandhi National Rural Employment Guarantee Scheme) and other development projects can be highly supportive in securing the economic as well as political base of counter power. Economic security is important but not a necessary prerequisite for counter power to emerge. However, to sustain counter power for a longer duration, economic security plays an important role.

Sustained engagement with power of elites

The counter power will always engage with existing power relations and structures to minimize the hold of elites. Counter power would not show helplessness to the existing power relations but will engage with these dominating structures of control. The autonomous counter power idea presented here differs from the idea of resistance introduced by James C. Scott (1985) in *Weapons of the Weak: Everyday Forms of Resistance*. Scott introduces the idea of resistance as unorganized and less visible

forms of resistance of peasant societies. These forms of resistance are usually expressed in the form of “foot-dragging, evasion, false compliance, pilfering, feigned ignorance, slander and sabotage” (Scott, 1985). Counter power, in Scott’s terms, appears to disengage with the elites. However, my idea of autonomous counter power views counter power as everyday resistance to the domination of elites by engaging with the elites to counter their structural domination.

It is not necessary that counter power should always be formal or institutionalized as per the rules and regulations of the government. It can have its own form based on local contextual conditions. The counter power may personify in individuals or groups that can engage with elites to make them accountable. Pro-poor interventions may economically-strengthen existing community institutions, enable their property rights and can create conditions for counter power to emerge in them.

Use of accountability mechanisms

Agrawal and Ribot (1999) present a range of accountability mechanisms that can be used by counter power agents to counter each movement of domination by elites. They mention elections, legal recourse through courts, procedures for recall, referenda, NGOs, auditing, lobbying by associations, rules and obligations by government, media, embeddedness of the leaders in their community, civic dedication, social movements, threats of social unrest and resistance, education, and taxation as tools of ensuring local accountability. Without the emergence of autonomous counter power, such tools are often not employed by local communities. The probability of using these mechanisms of accountability increases dramatically if there is, in local power dynamics, pro-poor ideological counter power that keeps a check on the dominating moves of the elites. Therefore, presence or absence of counter power can be a limiting factor in the decision of the local communities to use these tools or not.

For example, in Bandipur, counter power agents used the election to challenge the local elites. They also took the matter of corruption to higher officials and media. Additionally, they applied pressure

collectively on forest department to counter its attempt to capture their production center, and sought work collectively in MNREGA and forest plantations. In the case of Khaira, the counter power threatened to file criminal charges against the president of local government and the contractor for corruption. The pressure led to the completion of bridle-path and brought accountability in local resource governance. In spite of the presence of similar tools of accountability in Padampur, subsidized timber allocation and government regulations of tree felling, local communities or individuals did not use these tools due to the absence of autonomous counter power in them.

In the cases studied, autonomous counter power applied various forms of mechanisms to ensure the accountability of the local resource governance. The research also shows that the leaders of the autonomous counter power had personal experiences of social, economic, spatial and political marginalization. These experiences have largely shaped their views on social, economic and political justice combined with external pro-poor orientation of project authorities. They strive to stand by poor and disadvantaged sections by directly countering the microphysics of power relations of the elites.

Peluso's (1992) notion of counter mapping wherein local groups appropriate the source of powers, maps in this case, to offset the monopoly of the powerful over the authoritative resources has some parallels to my notion of autonomous counter power. Peluso's idea of counter power as a counter movement to each movement of domination intersects with my own. However, there are certain diversions between her concept of counter mapping and the concept of autonomous counter power.

Counter mapping uses counter map-making to shift the power from authoritative agencies to local communities and to counter the state monopoly of forest resources. In my case, autonomous power may or may not use the technologies of power used by the elites. Counter power agents, Kusala Devi and Rajinder, used the technology of electioneering to counter the powers of the elites. However, the counter powers in the cases of Khaira and Bandipur utilized the moral concept of ensuring corruption-free development to counter the designs of the elites. In Bandipur, marginalized women of

the counter power group expressed their anger against cultural domination in open village meetings to keep a check on the designs of the elites.

Counter mapping may involve expert advice to draw maps and may lead to improperly mapping out of what communities actually need. Whereas, autonomous counter, once in place, has the ability to independently counter the domination of the elites by effectively counter each means of control by a means of resistance. Autonomous counter power is also local and a daily manifestation of counter dominations against the local elites and state officials to sustain the flow of benefits to the poor and marginalized communities. Instead of targeting the entire communities as in case of counter mapping, autonomous counter power strives to counter local elites to ensure more benefits to the poor for their socio-economic and cultural development.

Autonomous counter power groups and their members do neutralize power of local elites and state officials by resisting their unrestricted access to resources. They are always there to see and react when these agents of governance or local elites do things in their own favor and restrict flow of state benefits equitably from the common resources. They become powerful but this power is seen only in relation to the institutionalized power of the elites, corrupt state or elected officials and this power is supposed to work only in this relation. In other relationships with other members of the public, they are normal common people. Now and then they enter political fights but only to bring something good for people and to fight against the discrimination. If not successful, they don't stop countering the dominating structural powers of local elites. Counter power agents lose their legitimacy if seen as not representing anymore the local popular efforts to counter the dominations of the elites and corrupt officials. Many of them won't take this risk.

The exploitative power relations of elites are countered by opposing manifestations of power from these counter power groups. Over time, governance has to be accountable otherwise these counter agents and their groups would contest and oppose them in media, public and higher levels of

state, and other channels of accountability other than facing them in local elections. Elections, therefore, is only one channel for them to seek accountability of local elites and forest governance. The counter power groups derive their support from their networks with supportive elements in and outside state bureaucracy, media, academic institutions, social movements and NGOs. The fear of getting exposed in public through media, judiciary, and other forms of accountability through these networks of counter power groups keeps a check on the local elites' exploitative loot.

Conditions for emergence

The evidence in the case studies suggests that the counter power emerged due to the presence of pro-poor targeted approach that created financial autonomy of the institutions representing poor and disadvantaged groups, enabled property rights over the forestry resources, and crafted institutionalized spaces for collective action to emerge. The pro-poor targeted interventions strongly relied on ensuring social and economic justice and strictly observed norms of transparency and accountability from the very beginning of the project. They stressed use of forest resources only for communal use and denied special preferences to elites in open meetings. The collective action coalesced into autonomous counter power in both Bandipur and Khaira as narrated in detail in the second chapter.

The material basis of the counter power comes from the common resources and the conceptual frame comes from the state-driven pro-poor ideology and the personal experiences and inclinations of the counter power agents. It would not be appropriate to say that only the pro-poor targeted approach of the state and external interventions results in the emergence of conceptual frame. It has definitely a very important role in constantly driving the pro-poor ideology in forest governance. However, conceptual frame acquires full shape only when such pro-poor top-down ideology completely aligns with the personal experiences and inclinations of local community groups and their members. The contribution of the material basis for the maturity of conceptual frame and the contribution of

conceptual frame to secure material surplus for gaining freedom by countering the designs of elites is integral to the origin and emergence of autonomous counter power in the local power relations. Once in place, the conceptual frame acts as an accountability mechanism for the counter power groups or their agents to the people.

The members of the counter power may belong to different political parties or interest groups, but overall their goal is one, i.e. to counter the inequitable and unaccountable practices in the local governance. Party links do not significantly affect them when it comes to countering bad governance. The parties favor them due to their established base in the ground. Elites try to co-opt them but fail to do so as the entire game of cooptation is based on loot and plunder, which is not acceptable to some of these new agents of counter power. Their existence as counter power is there only when they counter the designs and strategies of elites, local corrupt officials, and elected representatives. If they fail to do so, they are no more counter power agents.

(v) What does the state forest department need to do?

India's forestry sector is at a crossroads. The incessant desire to follow the contours of the capitalist mode of economic development is driving huge emphasis on building infrastructure, mining and cement plants, resource extraction for energy needs, construction of large scale hydro-power dams and communication networks, which is taking a huge toll of forestry resources. Changing social, economic and political dynamics have transformed the nature and substance of the problems confronting the forestry sector. International policies related to climate change, environment, agriculture and markets have been a significant effect on how national and local policies are being framed and executed. A diverse set of actors operating at cross- as well as multi-scales decide a policy's success in forest governance. To single out state-driven forest governance for all ills prevailing in the sector would be too simplistic. However, to absolve state forest departments of all failures would be a

great mistake. The forest officials have consistently failed in translating policies into practice resulting in huge failure to meet diverse needs for forest products and services (Kumar et al. 2000), and enormous dissatisfaction among local communities.

My research highlights the overwhelming influence of elites in forest governance in India. The interference of elites distorts the way forest officials plan and execute solutions to the governance problems. Elite capture of forest management has hurt not only the people who are dependent on forests for their income, but also the nature and composition of forests. From this research, four key lessons arise that can minimize elite capture in forest governance in India.

The first lesson pertains to the relationship between the forest department and the people. This relationship can only be strengthened if the influence of elites over forest governance is minimized. One way to do is to *'put poor at the center of governance'*. Design policies and programs that are targeted towards the well-being of the poor and the disadvantaged. Implement these policies with clear goals in mind adopting high standards of accountability and transparency.

The state forest department should act as a facilitator or coordinator to manage multiple, contrasting and overlapping interests of the different interest groups and communities to bring them all on a common platform to facilitate equitable and sustainable outcomes. The department should consistently work on building the legitimacy, authority and capability of community-based efforts. It should also provide legal support in resolving intra and inter-community conflicts over sharing and management of forest resources and should assist in developing the managerial and technical ability of the communities (Menzies, 2007). The powers and mandates that are to be transferred to the local communities under decentralization should be legally binding and communities should have the ability to challenge the unaccountable performance of the forest officials (Ribot, 2004). The political governance systems should support these efforts by showing adequate political will to counter local, national and global elites from the business and market.

My second lesson is to *'create counter power'*. My research has shown that where conditions were created for emergence of counter power, the probability of elite capture went down considerably. States can create such conditions by prioritizing use of forest resources in favor of poor and the disadvantaged sections in order to build up their financial autonomy. It can share its pervasive ownership and legal powers over the management of forest resources with these communities on equal terms and can create institutionalized spaces for autonomous power to emerge.

The forest department has to be forced to take a stand in favor of the poor and to engage on behalf of the poor with local socio-political and economically entrenched structures of domination. It has to systematically design entry for the poor and disadvantaged sections in local decision-making, manage conflicts over sharing of resources, interpret legal laws in their favor, and counter the aggression of the elites. The focus of the economic activities chosen for the poor should be such that they match their skill-sets and create immediate source of income. In order to achieve this, there should be thorough market survey and assessment for the kinds of products or services to be delivered by the poor and disadvantaged groups in order to protect their interests from the variability in the market prices. The forest department can also promote a range of different economic activities, instead of a few, to minimize risks in economic activities. It should provide an adequate space for democratic politics to flourish: a space that has the ability to counter the onslaught of free markets for securing the economic autonomy of the counter power groups and individuals (Polanyi, 1944).

The rules need to be reworked in favor of the activities that support the economic autonomy of the communities by allowing them access to a range of forest produce, which is still kept away from them under the influence of vested interests. The actual access, though, depends upon local factors and the influence and power that individuals have. Forest department should direct its energy towards minimizing the gap between the rules that are framed and the practice on ground to avoid double standards in the actual implementation (Larson and Ribot, 2007). However, to do so, the forest officials

have to shed their own ways of thinking and acting and support poor. This might require personal sacrifice of comfort, power, and inducements on the part of forest officials.

The third lesson calls for reworking incentives available to the forest officers that motivate them to bypass common man in their functioning. By reworking these incentive structures through internal reforms or through external pressure, the maladaptive practices of forest officials can be curtailed. The fear of transfer and administrative action on flimsy grounds and personal vested interests are the major problems in securing accountability of officers. The establishment of counter power in the local power scenario would support officers who want to work for sustainable and equitable forest management.

Lastly, the forest department is in a dire need of professionalization. Shifting its single-minded focus from merely tree-planting, it should orient and equip itself in responding to the issues of people's subsistence and livelihood needs, climate change mitigation, human-wildlife management, and ecological and habitat restoration. For this, the department needs to allow individuals from other disciplines like humanities, social work, law and GIS professionals into its fold by changing recruitment rules and by improving the local practices of participation (Fleischman, 2012; Springate-Baginski and Blaikie, 2007).

The forest department needs to be flexible, adaptive and resilient to the changing bio-physical, socio-political and economic processes. The communities are changing; their tastes and preferences are changing over time. The nature and composition of the forest resources are also changing due to climate change, political, socio-economic and market forces. This necessitates a change in the management of the forest department, one which cannot be static or fixed to the acts and rules framed in old colonial era.

Forest councils

One of the ways through which forest department can create conditions for autonomous counter power to counter elite capture to emerge is through the formation of beat councils with statutory powers. These councils should be comprised of elected representatives of the people, state officials, media, local formal and informal community groups and institutions, local leaders, market facilitators and other interested individuals. These councils should be legally established with provisions for regular meetings and should have power to take decisions about protection, management and use of natural resources. The state should force these councils to follow a pro-poor targeted approach, enable property rights over forestry resources, and create avenues for ensuring financial autonomy for the institutions mainly represented by poor and the disadvantaged sections.

The councils can provide collective space for different stakeholders to interact and discuss matters of common concern. Importantly, such collective space should not be allowed to drift in favor of local elites by the pro-poor intervention of the state forest department. The councils should also be held accountable for their decisions by the state. State and national governments, on the other hand, should continue to work for enabling property rights to institutions mainly represented by poor and disadvantaged sections in order to create financial autonomy for such institutions.

Forest councils can create necessary conditions for autonomous counter power to emerge if the government can provide adequate powers and mandates to the councils to act on behalf of the poor. For example, in case of subsidized timber allocation, the councils should be given full powers to choose the beneficiaries for the timber based on the availability of the timber in the forests. Such selections should be exposed to the glare of the public and should be advertised in the newspaper and on the internet. Forest department should put all such information about availability of timber in the forests, both for state or communal use, and also the diversion of such resources and their corresponding beneficiaries. The forest councils meetings for selection of beneficiaries for timber allocation can

provide the material base that when combined with conceptual pro-poor frame imposed by state or external interventions can create conditions for autonomous counter power to emerge. The emergence of counter power can check the unrestricted flow of subsidized timber/resources to wealthy, resource-rich and well-connected local elites and also potentially counter their domination in the forest governance.

Forest councils can also provide ammunition to poor small-scale farmers and their institutions or groups to gain power and contest the claims made by elites on the natural resources through their collusion with forest officials and the local politicians. The forest councils should be the only forum to decide harvesting and management of trees from private lands, but should be given mandate by state to do so within the legally-enforced and transparent ecological limits. The forest councils, instead of the state foresters, should be given powers to decide the number and extent of exemptions to the private traders. The decisions and the proceedings of the meetings of these councils should be made public on websites and in newspapers in order to supervise their performance.

The state should ensure smooth functioning of the forest councils. The state should ensure cooperation among forest councils on issues of common concerns and should promote liaison with non-local entities like migratory graziers that visit the forestlands for some months of the year. The state has to play a definitive role in facilitating the access of these councils to the markets and should support their efforts through better market policies in order to provide better remunerative prices for the tree growers.

Concluding remark

The involvement of the communities in forest management should be 'active' and not 'passive'. The pro-poor targeted approach can create autonomous counter power, an active form of community involvement, which can lead to equitable and sustainable outcomes by minimizing the hold of the elites.

If the forest department or other external interventions transform themselves and start challenging existing corridors of power, they have a higher chance of making governance equitable and sustainable and even, adaptive and resilient to the on-going and future governance challenges. However, if they continue to do what elites want them to do; their ability to address bio-physical as well as socio-economic problems will considerably decline, leading to a stage where they will largely lose their relevance in forest governance.

Figures

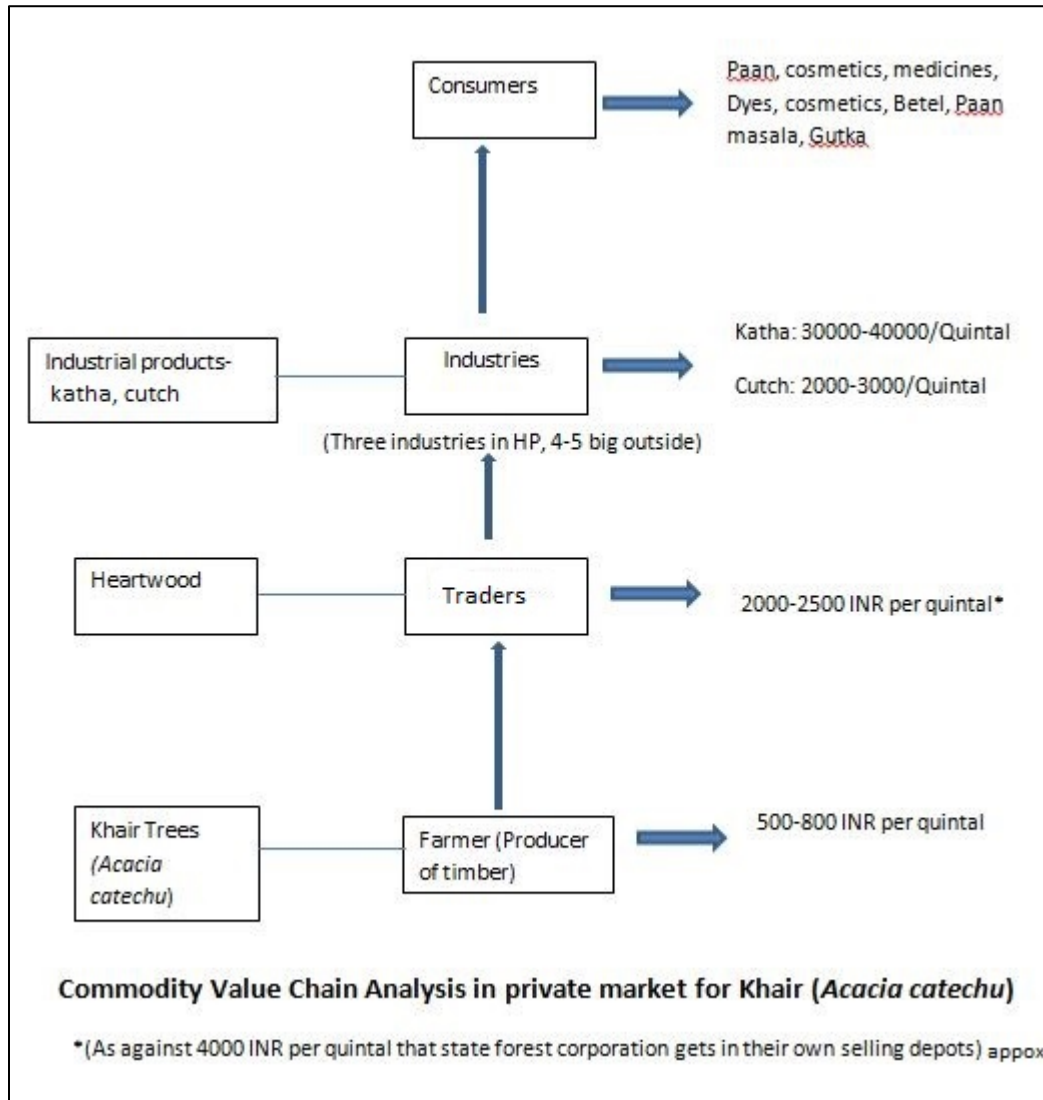


Figure 10: Commodity value chain analysis for Khair (Acacia catechu)

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