



European Union  
State Partnership Programme  
Chhattisgarh



## Poverty Impact Assessment Report, Chhattisgarh



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## **Acknowledgements**

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We have learned so much through the discussions held with stakeholders at all levels, and with community members. The PIA Team appreciates the time spent with us by villagers, including their readiness to share their thoughts and views on their livelihoods. Many of their thoughts and opinions are reflected in the report which follows.

The final responsibility, however, for opinions expressed, or any errors, in the report lies with the PIA Team, and especially with the international consultant, Dr. Rita Gebert, who had the final editing responsibility for the report. Opinions expressed in the report do not necessarily represent those of the European Union, the Government of Chhattisgarh or the EU-SPP TA Team.

*Unless otherwise noted, photos in the report taken by Rita Gebert.*

## Executive Summary

A Poverty Impact Assessment (PIA) was commissioned by the European Union State Partnership Programme Chhattisgarh (EU-SPP) and contracted by the GIZ-International Services Technical Assistance to the EU-SPP in late 2010. This PIA study has been carried out in two phases with three visits to Chhattisgarh from late 2010 through until the first half of 2011. The report that follows is based on extensive document study, village visits and consultation meetings with both governmental organisations and civil society organisations.

EU-SPP's overall objective is oriented to poverty reduction: *The SPP is a multi-sector support programme aimed at poverty alleviation in Chhattisgarh and Rajasthan.* In the light of such a programme goal, it is well-justified to carry out a PIA. Despite the best efforts of many institutional and civil society stakeholders, including the poor target groups themselves, rural poverty in Chhattisgarh remains deeply entrenched and widespread. A PIA Study, including this one, is *not* an evaluation although it does take a critical look at how the rural poor are being served by various schemes and programmes. In other words, it focuses on a combination of rural livelihood analysis with a focus on “last mile” service delivery. A main purpose of PIA is to define more clearly which measures, with whom and by what means, will make a greater contribution to poverty reduction.

Regarding MDG achievement, the Government of Chhattisgarh has made some good progress considering that the State was only created in November 2000. In particular, Chhattisgarh has made very good progress in its infant mortality rate. Institutional deliveries have picked up markedly in the State; from hardly 15% in 2004-05 to 45% in 2009 (40% rural). Generally speaking child malnutrition rates have improved, but remain high: the stunting rate is still 53% (56% rural), although it has come down from 61%. Women, especially tribal women, also suffer from under-nutrition and both women and children are anaemic. Overall literacy rates have improved to 71%, but a tribal area like Dantewada District has an ST male literacy rate of only 30.4% (female 13.4%). The proportion of pupils starting Class I who finish Class V also varies markedly: from only 35% up to 97%.

Thus, Chhattisgarh may be proud of its achievements at the “high” end of its performance, while the “low” end represents enormous challenges calling for high political commitment and will, and effective decentralisation of quality services with higher levels of accountability and transparency. The Government of Chhattisgarh has already demonstrated this will in making tremendous and for India, groundbreaking, improvements to the PDS. The challenge is to bring improvements to other programmes and schemes that impact the lives of so many of its citizens.

The plethora of centrally-sponsored and other schemes, multi-dimensional in their sector coverage and thus with a potentially high poverty impact, are not implemented in an integrated or converged manner. Rather, the opposite occurs: the schemes are so fragmented that the possible synergies and complementarities from budget and programme convergence get lost in the details of so many implementing rules and regulations. Coordinated use of various funding sources rarely happens. No local panchayati raj institution is in a position to track all the entitlements that should reach the gram panchayat and its people, especially the most disadvantaged among them. Gram panchayats end up as an “implementing arm” of various departments, rather than planning bodies for the 29 subjects under their purview. Gram sabhas have been almost completely sidelined as an effective body to give poorer people

voice, particularly in PESA areas. Apathy towards all grassroots institutions has become the norm.

People's livelihoods in Chhattisgarh vary both from block to block and within the same block depending on such factors as forest cover, roads and distance to markets, landholdings and general agronomic conditions. For those areas that are rather more forest dependent, people still have a mixed source livelihood. That is, part of their income comes from minor forest produce, a part from cropping and livestock, and a part from daily wage labour whether from better off farmers, the Forest Department, via MGNREGS, or from seasonal outmigration. It is telling that so few SC or ST respondents mentioned skilled employment as a viable livelihood option.

Several important conclusions may be drawn from the findings on livelihoods. First, Chhattisgarh's now well-functioning PDS system is making a big difference to reducing people's food insecurity for around three to five months of the year (depending on family size), although there are poor families in all the Blocks that are inexplicably excluded. Second, people's livelihoods in remoter, forested areas remain vulnerable even with a well-functioning PDS system. With a cash income of hardly 25,000 per annum, and very few physical assets to rely on, even only small "shocks" may have a debilitating effect. Such shocks include a major health problem, death in the family, crop failures, weather-related causes to reduce availability of certain forest products, outright forest closure through designation of protected areas, and the like.

Third, the vast majority of the tribal and Dalit population have no employment opportunities outside their areas of residence unless in menial and unskilled sectors; this is leading to youth un- and underemployment, as the absorptive capacity of the agricultural sector is diminishing. Programmes resources to assist educated, unemployed youth do not seem to be getting tapped. Fourth, remoter villages are faced with marketing problems: their remoteness is the "best excuse" for buyers to give them a low price for their products, not only because of higher transport costs but also because villagers are less likely to have independent market information and cannot themselves access "higher" parts of the value chain. Fifth, any person who is living on around Rs. 15 per day is going to be extremely "cash hungry;" this has serious implications for accessing both government and private sector services and markets. Cash poverty creates additional vulnerabilities and imposes many constraints on people's choices and capabilities. Sixth, tribal people's livelihoods are also vulnerable in the sense that they often do not have adequately secured land and forest rights despite PESA and the Forest Rights Act, 2006.

The nexus between poorer sections of the rural population and service delivery points shows how difficult it is to reach the last mile about which we are most concerned. The dynamic that arises at the local level determines, in the final analysis, whether the rural poor and destitute—especially Adivasis and Dalits, women and children—are able to avail of services and benefits in a way that will help to improve their livelihoods and increase their security. The PIA Team has found that in the service delivery sectors the poor are not being well-reached. While many efforts in recent years have been made to increase outreach quantitatively, the quality of outreach has suffered. Part of the problem lies in the disconnect between poor people's actual situation and what is on offer.

In conclusion, poverty reduction needs to be carefully strategised: "One size fits all" approaches need to be minimised through real decentralisation and devolution. The

Tribal or Community Development Block needs to be seen as the operative planning unit rather than the District because of the need to reach “hidden” and vulnerable populations. Moreover, when planning programmes the needs and capacities of the marginalised communities must be put at the forefront (the last mile should be made the first mile!). Regular impact monitoring is also needed (starting at local level and with key indicators), as without it there can be no tracking of key poverty indicators.

The PIA Team finds that there should be more active involvement of grassroots civil society organisations in as many local level programmes as possible. They can play a facilitating role with local communities that cannot be undertaken by government. Conflict-affected areas must also receive higher priority in terms of poverty reduction, focussing on effective development measures and including mediation efforts.

As poor people’s “voice” is not yet strong enough, and often ignored, all major sectors—whether health, education, forestry or PRIs—need adequate, responsive and independent grievance redressal mechanisms (such as already established for PDS). Finally, in the light of ineffective training workshop approaches, all major sectors need to revamp their capacity building programmes so that they emphasise mentoring and peer learning, following on from the example of the community health workers (mitanins).

## List of Abbreviations

AAY	Anna Antyodaya Yojana
ANC	Antenatal Care
ANM	Auxiliary Nurse Midwife
API	Annual Parasite Index
ASER	Annual Status of Education Report
ASHA	Accredited Social Health Activist
BCC	Behaviour Change Communication
BMO	Block Medical Officer
BPL	Below Poverty Line
BRGF	Backward Regions Grant Fund
CAG	Comptroller and Auditor General
CASA	Church's Auxiliary for Social Action
CCE	Continuous and Comprehensive Evaluation
CEO	Chief Executive Officer
CG	Chhattisgarh
CGMFPF	Chhattisgarh Minor Forest Products Federation
CHC	Community Health Centre
CM	Chief Minister
CSO	Civil Society Organisation
CSS	Centrally Sponsored Schemes
DLHS	District Level Household and Facility Survey
DHFW	Department of Health and Family Welfare
DPSW	Directorate of Panchayat and Social Welfare
DTW	Department of Tribal Welfare
DSE	Department of School Education
EU-SPP	European Union State Partnership Programme
FRA	Recognition of Forest Rights Act, 2006
FRC	Forest Rights Committee
GDI	Gender Development Index
GoCG	Government of Chhattisgarh
GoI	Government of India
GP	Gram Panchayat
GIZ-IS	Gesellschaft für Internationale Zusammenarbeit – International Services
HDI	Human Development Index
HSC	Health Service Centre
IAP	Integrated Action Plan
IAS	Indian Administrative Service
IEC	Information Education Communication
ICDS	Integrated Child Development Services
IFS	Indian Forestry Service
IMR	Infant Mortality Rate
IPHS	Indian Public Health Standard
JDS	Jeevan Deep Samithi
JFM(C)	Joint Forest Management (Committee)
JRM	Joint Review Mission
JSY	Janani Suraksha Yojana
IMR	Infant Mortality Rate
LWE	Left Wing Extremism
MDG	Millennium Development Goal
MDMS	Mid-Day Meal Scheme
MFP	Minor Forest Produce
MGML	Multi-Grade Multi-Level (Teaching)
MHFW	Ministry of Health and Family Welfare
MHRD	Ministry of Human Resources Development
MMR	Maternal Mortality Rate
MoEF	Ministry of Environment and Forestry
MPCE	Monthly Per Capita Expenditure

MPI	Multi-Dimensional Poverty Index
MPR	Ministry of Panchayati Raj
MPW	Multi-Purpose Worker
MRD	Ministry of Rural Development
MSF	Médecins Sans Frontières
MSP	Minimum Support Price
MTEF	Medium Term Economic Framework
MTA	Ministry of Tribal Affairs
MTR	Mid-Term Review
MWCD	Ministry of Women and Child Development
NFHS	National Family Health Survey
NPC	National Planning Commission
NRC	Nutrition Resource Centre
NREGA	National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
NRLM	National Rural Livelihoods Mission
NSSO	National Statistics and Survey Organisation
MFP	Non-Wood Forest Product
OBC	Other Backward Classes
OECD	Organization for Economic Cooperation and Development
OPHI	Oxford University Poverty and Human Development Initiative
PDS	Public Distribution System
PESA	Panchayats Extension to Scheduled Areas Act, 1996
PHC	Primary Health Centre
PIA	Poverty Impact Assessment
PIP	Programme Implementation Plan
PRC	Panchayat Resource Centre
PTG	Primitive Tribal Group
Re., Rs.	Indian Rupee, Indian Rupees
RSBY	Rashtriya Swasth Bima Yojana
SC	Scheduled Caste (also known as Dalits)
SCERT	State Council for Educational Research and Training
SDMC	School Development and Management Committee
SGSY	Swaranjayanti Gram Swarajgar Yojana
SHG	Self-Help Group
SHRC	State Health Resource Centre
SIRD	State Institute for Rural Development
SPC	State Planning Commission
SRS	Sample Registration Survey
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribe (also known as Adivasis)
TA	Technical Assistance
TDB	Tribal Development Block
UNICEF	United Nations Children's Fund
VHSC	Village Health and Sanitation Committee
WFP	World Food Programme
ZP	Zilla Panchayat

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*Think of the poorest person you have ever seen and  
ask if your next act will be of any use to him.*  
--Mahatma Gandhi

## 1. Introduction

A Poverty Impact Assessment (PIA) was commissioned by the European Union State Partnership Programme Chhattisgarh (EU-SPP) and contracted by the GIZ-International Services (GIZ-IS) Technical Assistance (TA) to the EU-SPP in late 2010. This PIA study has been carried out in two phases with three visits to Chhattisgarh from late 2010 through until the first half of 2011. The report that follows relates to both phases of the PIA study that took place in November – December 2010, February 2011 and April – May 2011. It is based on extensive document study, village visits and consultation meetings with both governmental organisations (GOs) and civil society organisations (CSOs).

The EU-SPP is being implemented in the State of Chhattisgarh from 2007 to 2013. The total budget is EUR 80 million, of which EUR 72 million is for direct budget support in the fields of health, education, decentralisation and forest-based livelihoods, while EUR 8 million is for TA, including programme reviews. The lead TA organisation is GIZ-IS which began its work to support the Government of Chhattisgarh (GoCG) in 2008. The programme purpose of the EU-SPP Chhattisgarh is to achieve: *“More equitable delivery of, and access to, quality health and education services as well as improved forest-based livelihoods through governance and institutional reform and capacity development on state and decentralised levels.”* The emphasis on equity means, of course, that Chhattisgarh’s poor, including poorest, families must also benefit from these improved services. EU-SPP’s overall objective is oriented to poverty reduction: *The SPP is a multi-sector support programme aimed at poverty alleviation in Chhattisgarh and Rajasthan.*

In the light of such programme goals, it is well-justified to carry out a PIA. Despite the best efforts of many institutional and civil society stakeholders, including the poor target groups themselves, rural poverty in Chhattisgarh remains deeply entrenched and widespread. Moreover, despite an extremely high overall rate of economic growth the poor are not getting adequate benefit, meaning that the gap between urban and rural people and between rich and poor is also growing at a rapid pace. The result is a “two India” syndrome with rich and poor living in different worlds. Thus, there are large parts of Chhattisgarh—including especially conflict-affected areas—that are excluded from the potential benefits of rapid development. The dynamics of this, and the mechanisms by which to rectify the situation, are less clear to date. Social exclusion and alienation in a State with a significant tribal population obviously plays a role. A PIA may put forward some explanations for this general situation. Although the phenomenon of urban poverty also exists in the State, initial consultations concluded that the PIA focus should be on rural areas, not the least because Chhattisgarh’s rural population is roughly 80% of its total population.

A PIA Study,<sup>1</sup> including this one, is *not* an evaluation although it does take a critical look at how the rural poor are being served by various schemes and programmes. A main purpose of PIA is to define more clearly which measures, with whom and by what means, will make a greater contribution to poverty reduction. It should also

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<sup>1</sup> For a description of PIA, please see the Concept Paper and Terms of Reference attached at Annex 1 of this report. For greater detail see OECD (2007) *Promoting Pro-Poor Growth: A Practical Guide to ex ante Poverty Impact Assessment*.

help to define possible negative impacts on poorer population groups. It is an instrument which should help to define an intervention—in this case, a large scale multi-component programme—so that it may be better targeted to achieve poverty reduction goals, ultimately contributing to achievement of one or more of the Millennium Development Goals (MDGs). In the case of EU – SPP the PIA will also help to provide greater understanding of rural people's livelihoods, since a detailed baseline survey could not be undertaken at the beginning of the programme in 2006 – 2007.

If a PIA Study is carried out early enough in an intervention, it assists in the design of the programme, bringing more focus to the potentially positive impact on people's overall poverty situation. Thus, if a more detailed PIA Study than this one were carried out, it could also serve the purposes of planning future budget support programmes, including those relying on Central fund transfers. Overall, then, any information and analysis—such as potentially provided by the current PIA Study—that would help support a more focussed and effective approach to poverty reduction especially in remoter and left wing extremism (LWE)-affected areas is still required in Chhattisgarh, and for a programme with the scale of the EU–SPP. Of course, how the analyses and recommendations of this PIA Study should be taken forward remains with the Government of Chhattisgarh and the TA Team.

## 1.1 Methodology

This PIA Study comprises two parts, both chronologically and methodologically. During the first part in November - December, given the need to compile, consolidate and apply existing data from secondary sources, the concentration was on data research and analysis (see list of selected references under Chapter 7). During the second part of the overall Study, field visits were emphasised during which qualitative data regarding local people's livelihoods have been collected and analysed. The point here is to gain better understanding of the nexus between poorer sections of the rural population and service delivery points in a quasi-decentralised system as we find it in India today. The dynamic that arises at the local level determines, in the final analysis, whether the rural poor and destitute—especially scheduled tribes (STs or Adivasis), scheduled castes (SCs or Dalits) women and children—are able to avail of services and benefits in a way that will help to improve their livelihoods and increase their security. A livelihoods analysis also leads to observations on the “underpinnings” of people's livelihoods: their security in terms of land, water, forests and employment.

Our initial study and discussions in Chhattisgarh showed that *reliable* and integrated poverty-related data from district, and especially from below, are available only in limited fashion. There is, in fact, much data available but from many sources, years and data sets. Moreover, some of the quantitative data sets are from very limited sample populations, as the researchers try to capture information on an All-India basis. Thus, comparable quantitative data to give a sound understanding of the multidimensionality of poverty in Chhattisgarh are lacking.

Since reliable, poverty-related monitoring and impact-related data are hardly available from district and below, the need for qualitative assessments that show how funds can be optimised for a greater poverty impact is great. Thus, an important aim of the PIA is to provide a gap-filling exercise in terms of the current state of knowledge on poverty and its facets in Chhattisgarh. This will also serve the purpose of supporting effective decentralisation when it comes to planning for

poverty reduction. The lack of integrated data is not unique to Chhattisgarh, and provides an indication of how difficult it is to come to solid conclusions on the differentiated impacts of various programmes on poor stakeholders' livelihoods.

In greater detail, then, the PIA study has been carried out by one international consultant and two Indian consultants, as follows<sup>2</sup>:

Dr. Rita Gebert: independent consultant; direct experience in carrying out PIA plus many years of experience on rural livelihoods and poverty reduction in India and elsewhere in Asia;

Ms. Annie Namala: executive director of Centre for Social Equity and Inclusion; many years of experience on social inclusion issues and education;

Mr. Jayant Kumar: head of programmes at CASA<sup>3</sup>; many years of programming experience on, among others, rights-based approaches, people-centred development, and livelihood support.

Discussions were held with state-level government officers in the following institutions: Department of Institutional Finance (DIF) (nodal agency for EU–SPP), State Council for Educational Research and Training (SCERT) (nodal officer for Education), Department of Health and Family Welfare (DHFV) (nodal officer for Health), Directorate of Panchayati Raj and Social Welfare (DPSW) (nodal officer for Panchayati raj institutions), Chhattisgarh State Minor Forest Produce Cooperatives Federation (CGMFPF) (nodal officer), State Planning Commission (SPC) and State Health Resource Centre (SHRC). CSOs in Raipur were also consulted; among them, Samarthan, CARE, CASA and the People's Health Resource Network (PHRN), plus a selection of smaller "grassroots" CSOs. Consultants of UNICEF working on Education and on the MDGs were also met. Phone interviews were held with the Director of Médecins Sans Frontières (MSF) and with the World Bank task manager for the now ended Chhattisgarh District Poverty Reduction Project.

In February and April field visits were made to selected blocks;<sup>4</sup> the Team would have liked to visit more than the six shown in Table One below, but time constraints made this impossible. Nonetheless, a selection of tribal and non-tribal areas was visited (see Figure 1 below). In all the blocks visited, the Team went to villages and habitations that are *not* gram panchayat (GP) main villages. Focus group discussions were held with women and men, during which people were given the opportunity to voice their opinions on PRI functioning, service delivery and to describe their overall livelihoods. The habitation focus just mentioned proved instructive in this regard. The Team also interacted with government officials (Health and Education) in several of the blocks to gain additional information and perspectives. After the field visits were concluded, the Team organised a consultation workshop with several field-based CSOs to triangulate the qualitative information gathered by the Team. A presentation and consultation was made with EU-SPP counterparts in Raipur to wrap up the Team's work on 19 May, 2011.

Table One: Blocks Visited for PIA Field Visits Showing Rural Population

S. No	Districts/Blocks Visited	Rural Population	ST Rural Population		SC Rural Population		Fifth Schedule Area?
			No.	%	No.	%	
.							

<sup>2</sup> See consultants' schedule at Annex 2.

<sup>3</sup> CASA = Church's Auxiliary for Social Action.

<sup>4</sup> Two of the consultant team members were able to pay a visit to the Zilla Panchayat (ZP) of Raipur District in December that, in turn, facilitated a visit to Dharsiwa Block and Barbanda Gram Panchayat (GP).

	<b>Bastar District</b>	<b>1,204,387</b>	<b>853,312</b>	<b>71</b>	<b>35,918</b>	<b>3</b>	<b>Yes IAP</b>
1.	Jagdapur	111,358	68,189	61	3122	3	Yes TDB*
2.	Darbha	76,840	63,853	83	880	1	Yes TDB
	<b>Bilaspur District</b>	<b>1,682,020</b>	<b>405,676</b>	<b>24</b>	<b>332,466</b>	<b>20</b>	<b>Partly</b>
3	Kota Block	166,725	76,545	46	16,976	10	Yes** TDB
	<b>Janjgir-Champa District</b>	<b>1,302,193</b>	<b>317,401</b>	<b>24</b>	<b>175,445</b>	<b>13</b>	<b>No</b>
4.	Dabhara	152,139	35,176	23	34,714	23	No
	<b>Raipur District</b>	<b>2,260,591</b>	<b>405,289</b>	<b>18</b>	<b>367,232</b>	<b>16</b>	<b>Partly</b>
5.	Dharsiwa Block	199,357	7461	4	33,178	17	No
6.	Gariaband Block	87,831	47,594	54	5048	6	Yes TDB

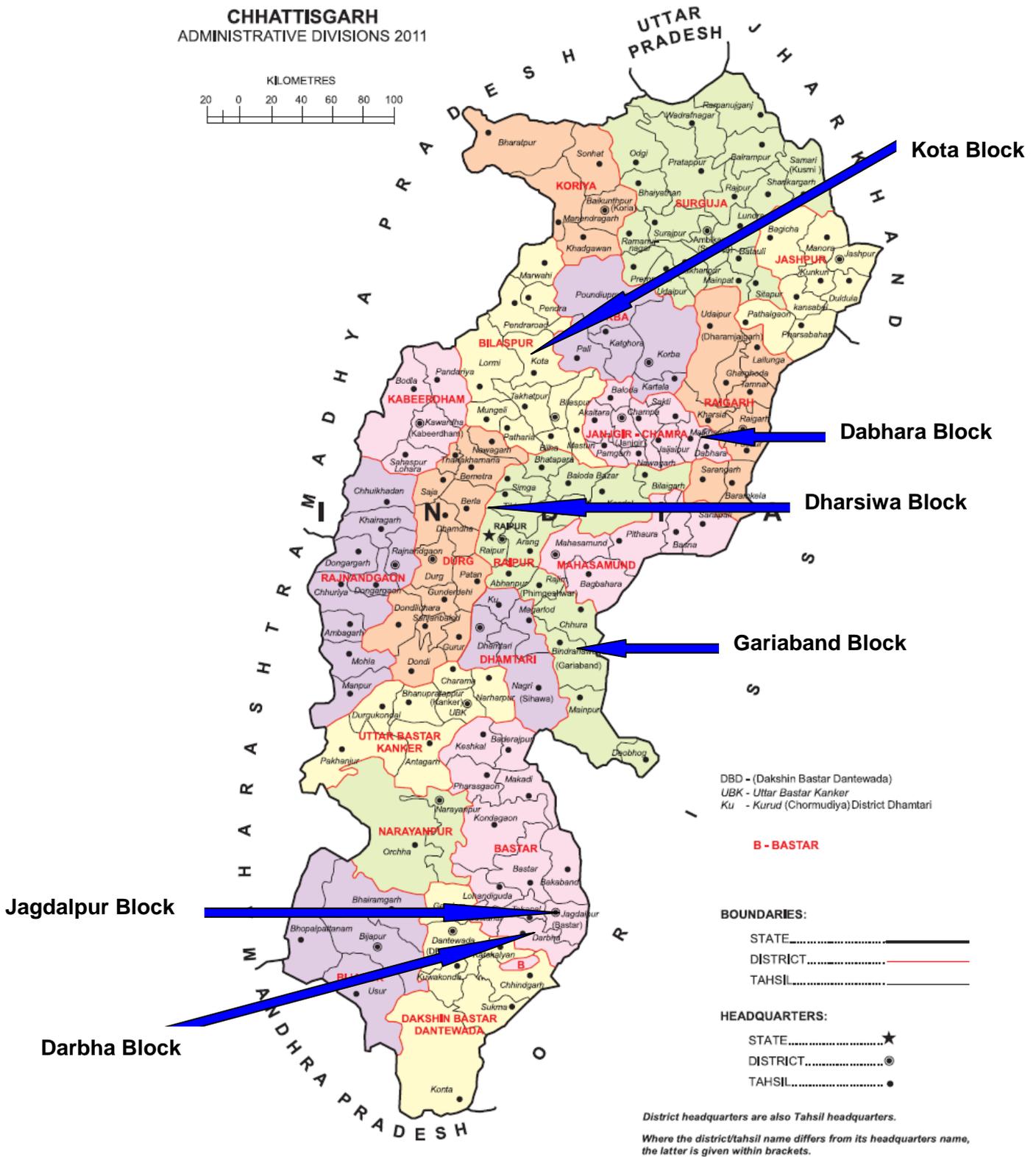
**Table Notes:** Source: Ministry of Rural Development, Department of Drinking Water and Sanitation Integrated Management Information System at <http://indiawater.gov.in/IMISWeb> Population figures given are 2009 projections based on 2001 Census data. Percentages are rounded up or down. \*TDB = Tribal Development Block.

\*\*According to the Scheduled Areas Order (C.O 192) of 2003, the scheduled area under Kota is called "Kota Revenue Inspection Circle."



*Photo 2: Focus Group Discussion with Villagers, Kota Block*

**Figure 1: Development Blocks Visited by PIA Team**



Base map is from Census 2011: *Administrative Atlas of India*  
 Available at: <http://www.censusindia.gov.in/2011census/maps/maps2011.html>

**1.2 What is Poverty?**

The question posed immediately above seems rather a facile one at first glance. At the same time, however, many academics and practitioners in the field have argued extensively over what poverty is and how to measure it. Some leading academicians have used agreed upon income levels to determine the number of people living in poverty. The current international standard, for example, is USD 1.25 per day at Purchasing Power Parity, apparently around Rs 20 in India. Others say that consumer expenditure figures provide a much more accurate picture of a nation's poor. In India for example, calorie intake (2400 rural) expenditure figures have been partly used to set "poverty lines" and determine the numbers living "Below Poverty Line" (BPL), although this has varied from one BPL Census to the next. Based on a person's BPL status, they are entitled to various transfers from the State. Unfortunately, however, the error level in past BPL censuses has been enormous: many who are genuinely poor have been excluded while those who are not poor have been included.

The latest available Monthly Per Capita Expenditure (MPCE) estimates show that four of the 17 major states have a rural MPCE below Rs. 600 per month, Chhattisgarh being among them.<sup>5</sup> The National Commission on Employment in the Unorganised Sector (the late Arjun Sengupta was lead author) estimated that 77% of Indian people have expenditures of less than Rs. 20 per day (about Rs. 600 per month), and considered that to be living in poverty.<sup>6</sup> The question, as suggested above, becomes how to accurately identify those who are forced to live on so little.

The difficulties in relying exclusively on statistics to estimate numbers of poor become obvious with the highly variable percentages of poor in India depending on the type of calculations made. What is accepted as valid estimates today may be rejected tomorrow, the 2002 BPL census calculations being a case in point. The National Planning Commission (NPC) had given a figure of 28% of Indians (41% in Chhattisgarh) living in poverty (based on a monthly MPCE of Rs. 356 in 2004 - 05). Since there was increasing controversy regarding the poverty line in use, the NPC commissioned an Expert Group under the chairmanship of Suresh Tendulkar to recalculate acceptable poverty lines for rural and urban India. The Tendulkar Committee findings published in 2009<sup>7</sup> conclude that in 2004 -05, 37% of Indians lived below the poverty line (42% rural), using an "expenditure" poverty line for a defined basket of goods. Using this poverty line, Chhattisgarh had a 55% rural poverty rate.

The World Bank, however, suggests there are 41% living on less than USD 1.25 per day. Using a Multi-Dimensional Poverty Index (MPI)<sup>8</sup> to estimate "MPI poverty," Alkire and Santos (2010: 32) estimated there are 421 million Indians falling in this category in the eight States of Chhattisgarh, Madhya Pradesh, Orissa, West Bengal,

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<sup>5</sup> See National Statistical and Survey Organisation (NSSO), Household Consumer Expenditure in India, 2007 – 2008. NSS 64<sup>th</sup> Round. In fact, only Orissa (Rs. 559) has a lower rural MPCE than Chhattisgarh (Rs. 582). In Chhattisgarh the poorest quintile has an MPCE of only Rs. 373.

<sup>6</sup> National Commission for Enterprises in the Unorganised Sector (Arjun Sengupta) (2009), *The Challenge of Employment in India – An Informal Economy Perspective*. Vol. I, p. iii.

<sup>7</sup> GoI, NPC (2009) *Report Of The Expert Group To Review The Methodology For Estimation Of Poverty*.

<sup>8</sup> The three dimensions of deprivation are as follows: Education (years of schooling and levels of child enrolment), Health (nutrition and child mortality), Living Standard (cooking fuel, sanitation, water, electricity, floor and asset ownership). A person is considered poor if the weighted sum of indicators comes to over 30%.

Jharkhand, Bihar, Uttar Pradesh and Rajasthan or around 70% of the population of these states (they used 2007 population projections). The same report suggests that 81% of India's ST population lives in MPI poverty (Alkire and Santos: 49). The MPI has also gained international acceptance as a valid measurement of poverty, although it must be admitted that it is a complex and time-consuming index to measure; it has also been used by the UNDP's annual Human Development Report team.<sup>9</sup>

A Committee to the Ministry of Rural Development (MRD) under N. C. Saxena (2009) when writing on recalculating the Indian poverty line for the purpose of BPL card issuance reported that "the number of food deficit people is at least double the number of officially declared poor in India." The Committee further noted that 50% of India's children are underweight, while 75 - 80% of rural women suffer from anaemia.<sup>10</sup> Even the Supreme Court of India has recently stepped into the "poverty fray," and ruled the following: ". . . the BPL population is anchored on a norm of 2400 calories per capita per day for rural areas and 2100 calories per capita per day for urban areas. According to the Tendulkar Committee, with the price levels of 2011, it is impossible for an individual in an urban area to consume 2100 calories on Rs. 20 and an individual in a rural area to consume 2400 calories on Rs.15." It further required the Planning Commission to issue an affidavit explaining its position of limiting the number of poor in any one state to 36%.<sup>11</sup>

A recent Union Cabinet decision has approved the conducting of a new BPL Census in 2011 after a hiatus of nine years. The Census will be different than previous ones in that it will automatically include certain groups such as Primitive Tribal Groups (PTGs) who then do not require surveying, and automatically exclude certain groups based on land/asset ownership. The rest of the population will be determined BPL or not based on seven parameters or "deprivation indicators" that include, among others, houses with one room, no family member from 16 – 59 years of age and no literate adult above the age of 25 years. The final list of deprivation indicators has not yet been decided upon; the States will be able to choose the most relevant indicators for the BPL Census.

Poverty is certainly best seen as a multi-dimensional phenomenon. It encompasses much more than income and expenditure and also includes wellbeing, capabilities and social inclusion. Moreover, people's *vulnerability* to poverty and destitution must also be taken into account. While recognising the veracity of poverty's multi-dimensionality, at the same time it must be noted that this does not make it easy to measure!<sup>12</sup> In this respect, there are also proxy indicators for poverty in use: primary among them are under five child malnutrition rates, especially stunting (an

<sup>9</sup> UNDP (2010) Human Development Report, especially pp. 94 - 99 and 161 – 164. A person is considered poor if the weighted sum of indicators comes to over 30%.

<sup>10</sup> Gol. Ministry of Rural Development, 2009. *Report of the Expert Group to Advise the Ministry of Rural Development on the Methodology for Conducting the Below Poverty Line Census for 11<sup>th</sup> Five Year Plan*, pp 3 and 10. We're not sure of the source for anaemia data given in this report. The NFHS-3 data indicate that on All-India basis, 57% of women are anaemic, while 72% of rural children are anaemic.

<sup>11</sup> This does, indeed, beg the question as to equitable transfers from the Centre to those States, including Chhattisgarh, that have a more than 36% poor population.

<sup>12</sup> This fact was also noted by the Tendulkar Committee in its major findings and conclusions. Therefore, it has opted to rely on MPCE as the primary method of calculating India's poverty line.

indicator for chronic under-nutrition), as there have been strong correlations noted between stunting rates and poverty.<sup>13</sup>

The PIA report that follows will not be an attempt to measure poverty in statistical terms, nor does it enter into the debate on the “best” way to measure poverty in India and elsewhere. Although the PIA Team does look, of course, at available statistics, the main thrust here is to offer a qualitative snapshot of poor people’s livelihoods in a way that attempts to capture the multi-dimensionality of poverty. This includes the services reaching them, and some of the major policies affecting them. Once the multi-dimensionality of poverty is understood, then it also becomes easier to understand, plan and predict programme interventions that will have the greatest positive impacts on poor people’s livelihoods.

## 2. National Poverty Reduction Policies and Legal Framework

National poverty reduction policy and strategies in India are encapsulated in the Five Year Plans. The Eleventh Five Year Plan (2007 – 2012) aims at faster economic growth with inclusion so that poorer and more vulnerable sections of the population are also able to benefit from it. The Twelfth Five Year Plan is currently being formulated with a consultative process, and aims to sharpen its focus on inclusion and poverty reduction. This would include, by way of decentralisation, increasing the effective powers of the Panchayati Raj Institutions (PRIs), as also recommended by the 13th Finance Commission.

Without going into past plan formulation and performance here, the Plans lay out all major social welfare and development schemes of the GoI.<sup>14</sup> In fact, there is a plethora of such schemes. They all share a commonality in that they are essentially devised in Delhi, allocated budgets there, and then sent as packages to the States complete with implementation rules and regulations. Such regulations include detailed instructions on how to administer the programmes and manage their finances. Many of the programmes are supposed to be implemented via the PRIs, although in practice most of the decision-making lies with the officials administering the schemes; many of the schemes come under the District Collectors.

India is a forerunner in terms of drafting and bringing into force legislation that assures the rights of its citizenry. This includes various pieces of legislation, starting from the Constitution, at national and state level on the three-tiered panchayat system that should bring government closer to the people, and make it more responsive. The framing of “needs” in terms of rights is of great relevance to the overall effort to reduce poverty and achieve the MDGs. Prime among these is the Right to Education Act, 2009 which means that all children from six to 14 years have the right to free and compulsory education as a justiciable right. The State makes various provisions and has the responsibility to ensure that no child is excluded from education for any reason including financial reasons.

Another important piece of legislation is the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (FRA) that vests gram sabhas in forest areas with the right to own Minor Forest Produce (MFP) and with

<sup>13</sup> See among others, Sununtar Setboonsarng (2005), *Child Malnutrition as a Poverty Indicator: An Evaluation in the Context of Different Development Interventions in Indonesia*. ADB Institute Discussion Paper 21.

<sup>14</sup> A Mid-Term Appraisal of 11<sup>th</sup> Plan Performance may be found at the NPC’s website: [http://planningcommission.nic.in/plans/mta/11th\\_mta/MTA.html](http://planningcommission.nic.in/plans/mta/11th_mta/MTA.html)

inalienability of community lands. The implementation of these and other acts and programmes is supported by the Right to Information Act, 2005.

Of critical importance in a state like Chhattisgarh, with its significant tribal population (see section 2.2 below), is the Panchayat Extension to Scheduled Areas Act of 1996 (PESA) which extends the panchayat system, with special provisions, to the Schedule Five areas that include all or part of 15 of Chhattisgarh's 18 districts,<sup>15</sup> thus making Chhattisgarh one of India's nine Schedule V States. While the provisions of PESA and FRA are only partly implemented in Chhattisgarh, Chhattisgarh and Madhya Pradesh both have more progressive clauses than some other States in their PESA Acts with respect to the gram sabhas' rights. A National Food Security Bill is being tabled in order to guarantee BPL families' rights to a minimum monthly entitlement of subsidised food grains and other food stuffs. A national policy on tribal people has yet to be passed in India, although it has been under discussion for a good seven years already (a draft came out in 2006).

The Gol's major Centrally Sponsored Schemes (CSS) that have a bearing on poverty include the following (the list aims at an overview, not a complete listing of CSS). Mission mode CSS, including large programmes for Health and Education, set up their own lines of implementation although in the final analysis they all come under the District Collector. Of course, in addition to this, there are also special Chief Ministers' (CM) schemes. In Chhattisgarh, for example, the Public Distribution System has been greatly expanded, extended and e-modernised compared to the norms set down by Gol. The Bal Hriday Suraksha Yojana is a well-known CM-sponsored scheme providing heart surgery for children. The provision of bicycles to ST girls entering Class IX is also a State-sponsored scheme.

- **Public Distribution System (PDS):** Food grain, and other rations, distribution scheme. The largest programme of its kind in the world; guarantees distribution of 35 kilos of rice or wheat at subsidised prices to all families with BPL cards. Under the Ministry of Consumer Affairs, Food and Public Distribution.
- **National Rural Health Mission (NRHM):** A consolidation of several major national health schemes that focus on the extension and provision of rural health services. Under the Ministry of Health and Family Welfare (MHFW);
- **Rashtriya Swasth Bima Yojana (RSBY):** A national health insurance scheme for AAY/BPL card holders that entitles a family of five to in-patient treatment (deliveries, surgery and complex outpatient procedures) at designated hospitals up to an annual value of Rs. 30,000 for a yearly fee of Rs. 30. Under MHFW in cooperation with private health insurance companies.
- **Sarva Shiksha Abhiyan (SSA):** Supports and promotes all aspects of primary education, including extending services and enabling the Right to Education Act. Under the Ministry of Human Resources Development (MHRD);
- **National Programme of Nutritional Support to Primary Education or, Mid-Day Meal Scheme (MDMS):** School lunch programme covering children attending Classes I to V. Under MHRD;
- **Mahatma Gandhi National Rural Employment Guarantee Act (and Scheme) (MGNREGS):** Guarantees rural labourers 100 days of employment

<sup>15</sup> Schedule Five areas refer to those areas listed under the Constitution of India which are home to larger numbers of Scheduled Tribes. Chhattisgarh has 146 Blocks, of which 85 are deemed tribal.

per family at a wage rate recently increased to Rs. 122 per day; an on-demand programme that includes provision for community-based asset creation and land improvement for farming. Under the Ministry of Rural Development (MRD);

- **Backward Regions Grant Fund (BRGF):** Special, untied funds over a three or four year period to districts designated as “backward.” Under MRD. An additional fund related to BRGF, but primarily for LWE-affected districts is called **Integrated Action Plan** with Rs. 25 – 30 crores per district over a two year period.
- **Indira Awaas Yojana (IAY):** Provides grants for low-cost housing to persons living below the poverty line. Under MRD;
- **Swaranjayanti Gram Swarajgar Yojana (SGSY):** Subsidised loan scheme to groups of poorer households to establish micro-businesses in rural areas. Has been decided to change this programme to “mission mode” as **National Rural Livelihoods Mission**. Under MRD.
- **Integrated Child Development Services (ICDS):** Provides and improves daycare facilities (anganwadis) for pre-school children, including nutrition and educational activities for children and their mothers since 1975. Under Ministry of Women and Child Development (MWCD).
- **Special Central Assistance (SCA) to Tribal Sub-Plan (TSP):** Provides extra funds to states with significant tribal populations and that have allocated appropriate budgets from their state plans for tribal populations (population proportionate). Under Ministry of Tribal Affairs (MTA). Includes Chhattisgarh. A similar SCA exists for the **Scheduled Caste Sub-Plan** which is also population proportionate.

From the list above it may be noted that the MRD is a key institutional stakeholder in terms of poverty reduction and rural development. Unfortunately, however, the EU–SPP was not designed to include direct cooperation with this ministry.

## 2.1 The MDGs in India and Chhattisgarh

The GoI has committed itself to achieving the MDGs by 2015.<sup>16</sup> The GoCG has also made such a commitment. In fact, a number of the achievement targets under the Eleventh Five Year Plan are the same as the MDGs but with an achievement date of 2012 rather than 2015. While the Plan target is a laudable political aim, practically it will not be possible to achieve a number of these targets. Nonetheless, the EU–SPP with its support in components related to health, education and sustainable collection and marketing of MFP is in a position to support the GoCG in meeting its MDG/Plan targets.

Regarding MDG achievement, the GoCG has made some good progress considering that the State was only created in November 2000. In particular, Chhattisgarh has made very good progress in its infant mortality rate (IMR). From a high of 76 in 2001, the IMR has reduced to only 54 in 2009; its rural rate of 55 is now on par with the All-India average. It is noticeable that the IMR dropped more quickly in the years from 2001 to around 2005 (decreasing from 76 to 63), but since then the IMR reduction rate has slowed (from 63 in 2005 to 54 in 2009).<sup>17</sup> At the same time, however, the IMR for rural tribal populations in Chhattisgarh remains much higher in

<sup>16</sup> For the list of MDGs and some of their targets please see Annex 3.

<sup>17</sup> See Sample Registration Survey (SRS) Bulletins 2001 to 2009 (published with a two year lag, i.e., data from 2009 become available in 2011).

parts of the state: 104 and 103 have been recorded for Bastar and Koriya Districts respectively.<sup>18</sup>

Overall literacy rates have improved,<sup>19</sup> although recent census data (2011) show that Chhattisgarh's rate of improvement has slipped behind the All-India rate from 2001 – 2011.<sup>20</sup> Moreover, the gaps between male and female literacy rates remain large. See Table 2 below. The differential literacy rates highlight the poorer literacy rates among women, Dalit and tribal populations in comparison to other communities. This in turn results in added disadvantages for their employment and livelihood opportunities.

Table Two: Literacy Rate in Chhattisgarh: SC, ST and Gender wise

	Male	Female	Total	Gender gap
Chhattisgarh	77.4%	51.9%	64.7%	25.50%
ST	65.0%	39.3%	52.2%	25.70%
SC	78.7%	49.2%	63.9%	29.50%

Source: Census Report 2001

In terms of maternal mortality rates (MMR) Chhattisgarh remains behind the All-India average of 254 (measured 2004 – 2006) with 335.<sup>21</sup> Institutional deliveries have picked up markedly in the State; from hardly 15% in 2004-05 (as low as 6% in some rural areas)<sup>22</sup> to 45% in 2009 (40% rural) (UNICEF Coverage Evaluation Survey 2009). While the improvement is very welcome, the PIA Team realises through its own investigations that the institutional delivery rate drops drastically with distance from facility: the Team visited areas where the rate was still at or close to 0% (interior villages of Kota and Gariaband Blocks).<sup>23</sup> Moreover, the Coverage Survey shows that Chhattisgarh still lags behind the All-India averages for 2009: 68% rural institutional deliveries and 73% overall.

Anaemia rates for women and children in Chhattisgarh are also high: 58% for women and 71% for children. Tribal women suffer from higher rates: 74%. Generally speaking child malnutrition rates have improved from the NFHS-2 to NFHS-3, but remain high: stunting is still at 53% (56% rural), although it has come down from 61%. As the NFHS-3 team wrote: "Despite improvements over time, the high levels of all three measures of nutritional status indicate that acute and chronic under-nutrition are still major problems in Chhattisgarh." (NFHS-3, *Chhattisgarh State Report*). Women also suffer from under-nutrition. The NFHS-3 reported that 74% of tribal women have a BMI of less than or equal to 18.5.

An unpublished UNICEF presentation made in Raipur in November 2010 highlights the challenges that Chhattisgarh will be faced with in achieving the various MDGs throughout the State. The presentation highlights the inter-district variations in achievements, and also shows the big needs for improvement in some of the health-

<sup>18</sup> Avinash Kumar (2010) *Human Development Research Paper 2010/44: A Review of Human Development Trends in South Asia: 1990-2009*, p. 27.

<sup>19</sup> See District Level Household and Facility Survey (DLHS) – 3 Fact Sheet, Chhattisgarh.

<sup>20</sup> Chhattisgarh's literacy rate was 64.8% in 2001 (All-India 64.7%). By 2011, however, the rates were 71.4% for Chhattisgarh and 74%, All-India.

<sup>21</sup> *SRS Bulletin*, April 2009.

<sup>22</sup> See the GoI (Central Statistical Organisation) report on MDG Achievement: *Millennium Development Goals – India Country Report 2009: Mid-Term Statistical Appraisal*. See also A. Kumar, *ibid*.

<sup>23</sup> The Team's findings are also confirmed by health-related data available from Chhattisgarh's Swasth Panchayat Yojana data bases.

and education-related areas. For example, literacy rates among 15 to 24 year olds vary from a low of 11% in the southern districts to a high of 77% in the central districts. Dantewada District has an ST male literacy rate of 30.4%, while for females it is only 13.4%. The proportion of pupils starting Class I who finish Class V also varies markedly: from only 35% up to 97%. Population with access to improved sanitation varies from a low of 13% in Durg to a high of 54% in Dhamtari, while the DLHS-3 shows that access to toilets in rural areas is only 10%.<sup>24</sup> The Annual Status of Education Report (ASER) 2010 also gives indication of poor rural education service delivery: after five years of schooling 38.4% of children have so little literacy skills that they cannot manage more than a Class I text (this improves to 7.2% by Class VIII).

Thus, while Chhattisgarh may be proud of its achievements at the “high” end of its performance, the “low” end represents enormous challenges calling for high political commitment and will, and effective decentralisation of quality services with higher levels of accountability and transparency. The Government of Chhattisgarh has already demonstrated this will in making tremendous and for India, groundbreaking, improvements to the PDS. The challenge is to bring improvements to other programmes and schemes that impact the lives of so many of its citizens.

## 2.2 Poverty Reduction in Chhattisgarh: Major Framework Conditions

Seen from various perspectives, Chhattisgarh’s rural people are among the worst off in India. The Tendulkar Committee results on poverty showed that Chhattisgarh is, officially speaking, the third poorest State in India. As mentioned, as of 2004 -2005, 55% of its rural population lived below the poverty line while for the State as a whole it is 49% (see table at Annex Four). Chhattisgarh figures near the bottom of India’s state list of Human Development Indices (HDI); one source puts it at 30 of 35 in 2006.<sup>25</sup> The Oxford University Poverty and Human Development Initiative (OPHI), which has developed the MPI, presented statistics in a paper published in 2010 showing that 72% of the rural population in CG is MPI-poor.<sup>26</sup>

This is not to say that the State of Chhattisgarh has not made progress toward improving poverty-related indicators and is not making some concerted efforts in this regard. Nonetheless, as mentioned above, it is faced with many challenges and lags behind on a number of key fronts. Perhaps the revamping of the PDS in Chhattisgarh is also an indirect admission of the depth of food poverty in the state. For the purposes of issuing the highly subsidised rice rations (Re. 1, or Rs. 2 per kilo when the minimum market price is around Rs. 14/kilo), the State has declared some 74% of its families—at least 3.7 million families—eligible for BPL or Anna Antyodaya Yojana (AAY) cards (AAY cards are reserved for the poorest of the poor).

Chhattisgarh belongs to the “tribal belt” of central India that also includes the states of Jharkhand, Orissa (poorest in India), and Madhya Pradesh and parts of Uttar Pradesh, Bihar (second poorest) and Maharashtra. The sheer number of poor in these States is, as mentioned above, huge with many of them belonging to *Adivasi*

<sup>24</sup> The State’s Swasth Panchayat Yojana data show many villages with 0 toilet availability.

<sup>25</sup> Ministry of Women and Child Development (2009) *Gendering Human Development Indices: Recasting the Gender Development Index and Gender Empowerment Measure for India*. Part Two: “HDI and GDI Estimates for India and the States/UTs: Results and Analysis.” (pp 31-32; Table 4.5).

<sup>26</sup> Alkire, S. and Santos, M. E. (2010) “Acute Multidimensional Poverty: A New Index for Developing Countries.” *OPHI Working Paper No. 38*. Available from [www.ophi.org.uk](http://www.ophi.org.uk)

and Dalit communities living under conditions of social exclusion and geographic remoteness. To overcome such extensive and deep-rooted poverty requires long term commitment and carefully targeted programmes, not to mention overall pro-poor growth. While the State's ST population is largely concentrated in the southern and northernmost districts, it is also obvious from Figure 2 below (prepared by the PIA Team) that the ST population is best seen from the block level, both in terms of percentage and sheer numbers. Thus, while Raipur and Mahasamund are not considered "backward" districts, between them they have five blocks with a rural ST population of over 280,000! The Durg District Block of Dondilohara has almost exactly the same ST population as the entire district of Narayanpur.

Aside from the States in the northeast of India, there is no State that has a larger tribal population than Chhattisgarh in percent terms. Over half of its 146 Blocks are TDBs. Tribal people belonging to some 42 officially scheduled groups, including around five so-called PTGs,<sup>27</sup> comprise close to 38% of the State's rural population (Food Security Atlas of Chhattisgarh, 2008: p 49.)<sup>28</sup> The overall tribal population of the State is 31% according to the 2001 Census (over 7 million in 2011), while Dalits comprise some 12%, and "Other Backward Classes" (OBCs) another 42%. Thus, only a small minority of the State's population belongs to "other" castes, classes and groups. In India generally, STs and SCs tend to have a disproportionately high percentage of poor people among them. In Chhattisgarh the calculations of the WFP Food Security Atlas Team show that the Adivasis suffer from poverty disproportionately: while they comprise 38% of the rural population, they comprise 50% of the rural poor population (2008: 12). The Ministry of Tribal Affairs (MTA) estimated that at least 55% of Adivasis are poor.<sup>29</sup> Given the Tendulkar Committee findings, however, this number must be higher.

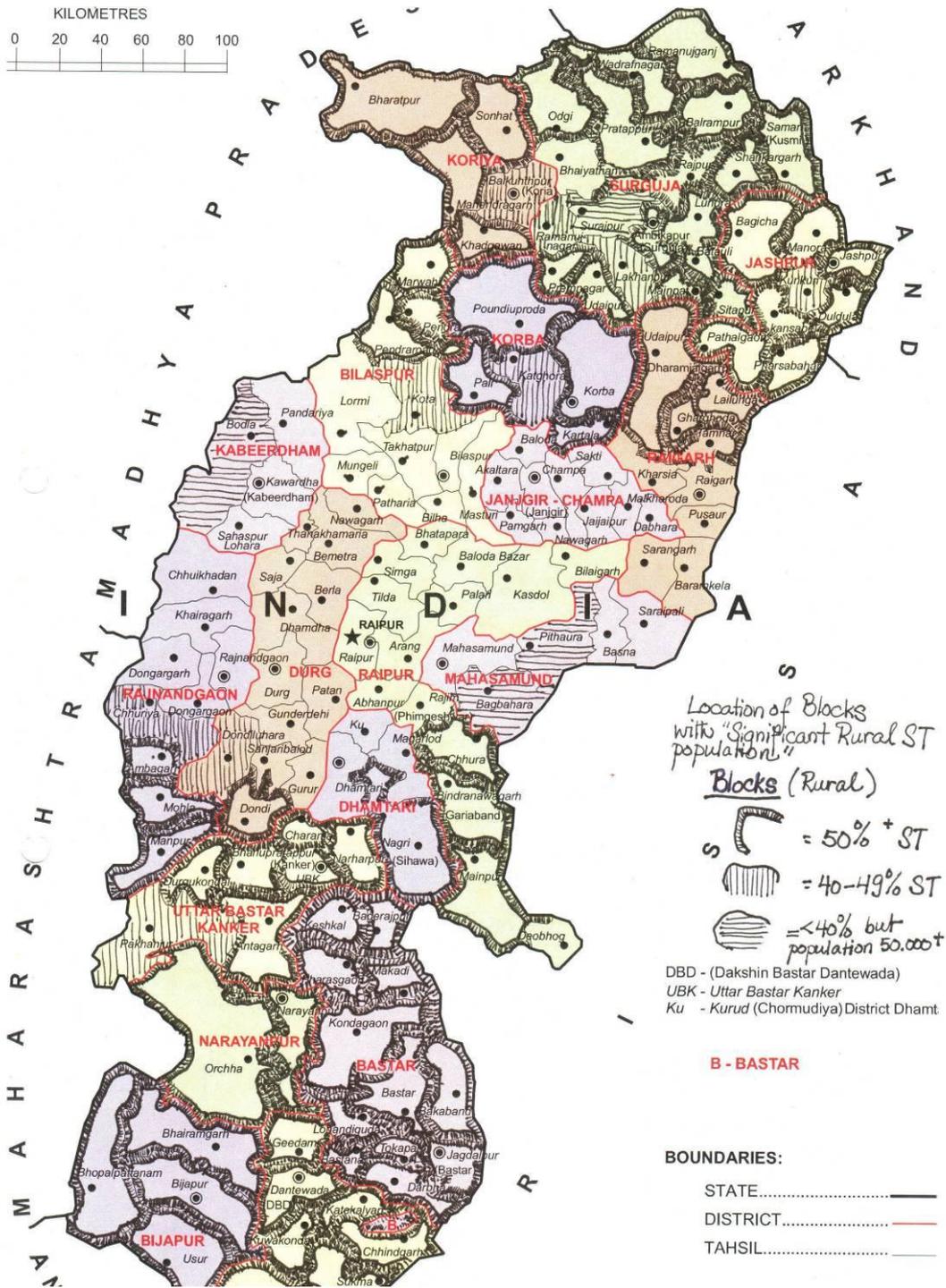
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<sup>27</sup> Normally, one hears that there are five PTGs in Chhattisgarh, but some sources say there are six or seven. Two of the main PTGs are Kamars and Baigas.

<sup>28</sup> The figure of 38% is also confirmed by the MRD DDWS IMIS statistical data base that projected that for 2009, Chhattisgarh would have a rural tribal population of 38%.

<sup>29</sup> MTA. *Annual Report, 2009*, p. 27. I use the phrase "at least," as the percentages were determined prior to the Tendulkar Commission's deliberations and conclusions. According to the MTA Report, Adivasis in Orissa, Madhya Pradesh and Maharashtra suffer from higher rates of poverty than in Chhattisgarh.

**Figure 2: Blocks of Chhattisgarh with a Significant ST Population**



**Figure Notes:**

When looking at the ST, thus mostly poor, population it becomes clear from the map that “non-backward” districts have pockets with significant vulnerable populations. Thus, to focus on “backward” or “underserved” districts without looking at blocks will miss important targeting opportunities. The tribal population in districts like Raipur, Mahasamund and Durg are not only quite high, it is much higher than some of the more sparsely tribal development blocks (TDBs) in the North and South of the state.

*Scanning errors caused the southernmost blocks of Dantewada District to be cut off.*

As mentioned, Chhattisgarh has been experiencing very high rates of overall economic growth during the Eleventh Five Year Plan period. This is occurring largely because of the boom in the industrial and mining sector in the state.<sup>30</sup> This “boom growth” is starting to bring in significant revenues to the state, but there is a growing gap between the better off and the rural poor in Chhattisgarh which is a cause for concern. The latest MPCE data from 2007 – 2008 (published in 2010) show that the difference between urban and rural consumer expenditure is the greatest in Chhattisgarh when compared to other States. While average rural MPCE in Chhattisgarh remains at Rs. 582, urban MPCE has gone up to Rs. 1503: the difference in expenditure between the two is 158%. The All-India average is only 91%.<sup>31</sup>

Chhattisgarh was created by way of the bifurcation of Madhya Pradesh in November 2000. It was considered the most remote and “backward” part of Madhya Pradesh, and by creating a separate State it was hoped that much more would be done for its poor and tribal populations. Chhattisgarh’s relative newness as a State and its reputation as a “remote backwater,” have made it difficult to attract and keep adequate numbers of senior administrators, such as from the Indian Administrative Service (IAS). Recent media reports suggest there are at least 70 vacancies among top posts in the State. Moreover, Chhattisgarh currently has quite a large number of senior posts, normally to be filled by IAS officers, which are held by Indian Forest Service (IFS) officers. This administrative understaffing has certainly had a negative impact on the efficiency and effectiveness of programme implementation at various levels. A Situation Analysis carried out by the GoI – UN Joint Convergence Programme for District Planning in Kanker District points out both large numbers of vacancies in key posts as well as high turnover rates. The PIA Team’s investigations also confirm this high vacancy trend, as do other reports such as the NRHM Central Review Mission Report of December 2010 and the Medium Term Expenditure Framework (MTEF) for School Education, 2010.

Around half of Chhattisgarh’s districts, primarily those which are remoter and “underserved,”<sup>32</sup> have higher forest coverage, higher percentages of tribal populations and all come under PESA (see Figure 3). Some of the so-called underserved districts, especially the four southernmost districts of Bijapur, Narayanpur, Dantewada and Bastar, are victim to violence or threat of violence by both leftwing extremists (*Naxalites*) and paramilitary forces (primarily the *Salwa Judum*). The level of violence particularly in the southern part of the State has forced thousands of people, including women and children, into displaced person camps.<sup>33</sup> In other districts such as Raipur, however, violence (or threats of violence) also occurs, if on a more sporadic basis. The initiation and maintenance of processes of conflict resolution and peace-making remain a big challenge in Chhattisgarh and elsewhere in India’s so-called “Red Corridor.”

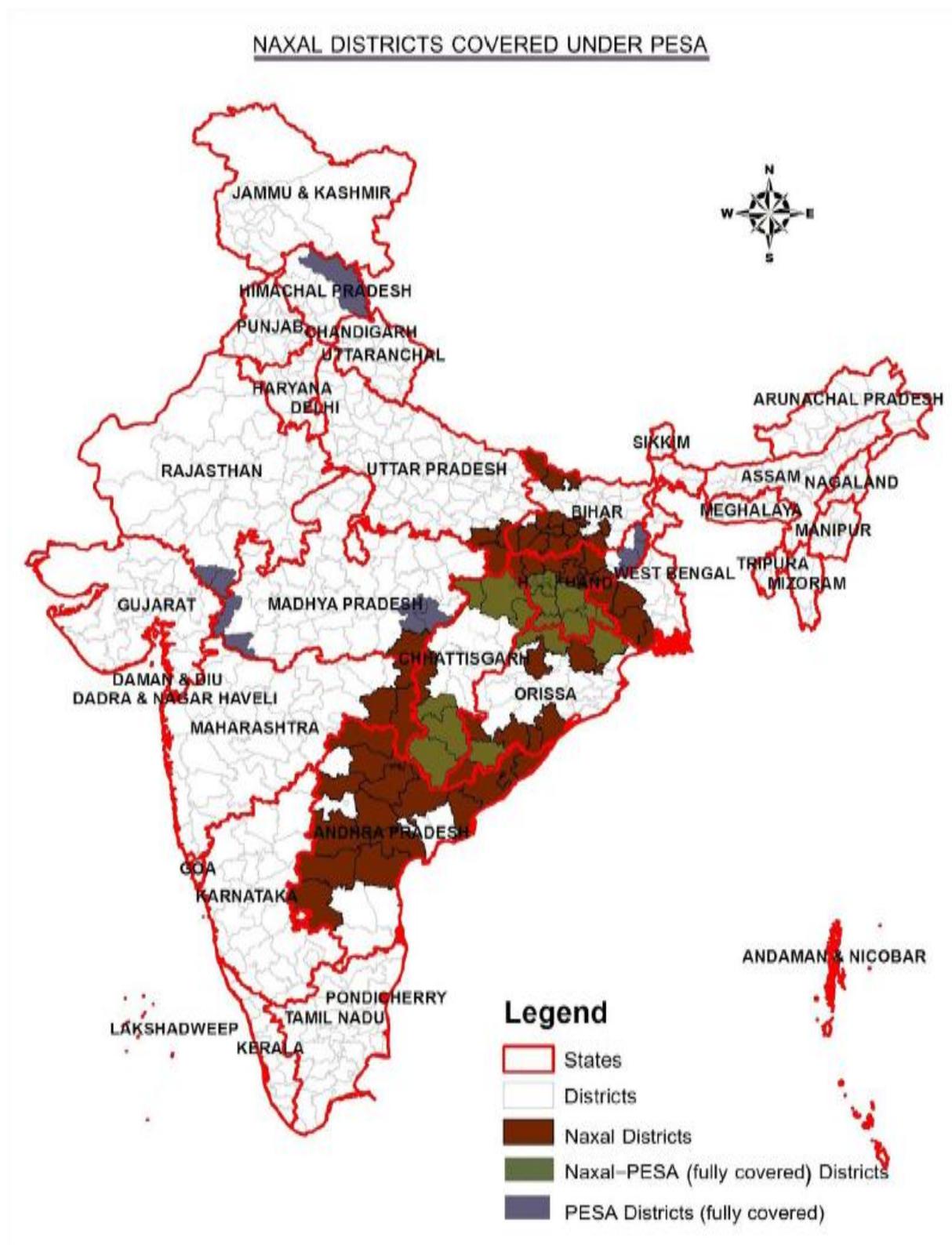
### Figure 3:

<sup>30</sup> Just in November 2010, the Chief Minister Dr. Raman Singh was given an award for Chhattisgarh posting India’s fastest economic growth in 2009 – 2010; over 11%!

<sup>31</sup> *NSS Report No.530: Household Consumer Expenditure in India, 2007-08*, p. 13.

<sup>32</sup> The EU-SPP MTR says that there are nine underserved districts; those with the lowest HDI ranking in the State: Kabirdham, Sarguja, Dantewada, Narayanpur, Bijapur, Bastar, Raigarh, Koriya and Rajnandgaon. The Chhattisgarh HDR Chapter (2006: 196) indicates that Kanker rather than Raigarh should be on this list when the HDI is recalculated taking income from mining and industrial activity into account.

<sup>33</sup> The international NGO, MSF, called the effects of civil strife in Chhattisgarh globally one of the least reported humanitarian crises in 2006.



Source: MoPR Presentation by Secretary A. N. Sinha, “Implementation of PESA.” (No date).

The violence in some parts of the State makes normal processes of governance and/or governance reform very difficult, even impossible, to implement. Normal

service delivery also becomes a big challenge. The checks and balances required—not to mention a modicum of transparency and accountability—to ensure that intended, primarily tribal, beneficiaries receive their entitlements are not adequately in place. This, in turn, has both direct and indirect impacts on livelihoods and well-being. A case in point is the RSBY: in the three LWE districts of Narayanpur, Bijapur and Dantewada, there are not even 10,000 people enrolled to get the RSBY cards, although it is over 110,000 in Bastar (data from Gol RSBY website: <http://www.rsby.gov.in/Statewise.aspx?state=13> ).

Another issue that arises in Chhattisgarh is that some of the economic growth led by mining, factories and power plants results in people becoming alienated from their traditional homelands. That is, despite PESA and FRA, tribal people may be displaced from their land and forests when their lands are appropriated for other purposes determined by the State. In recent years there have been more efforts to provide adequate compensation for state-acquired land. The question remains, however, as to what a tribal person with little education will do without his or her land, and whether the amounts provided will allow the family genuine alternatives. Moreover, in some parts of the State illegal mining and sponge iron works are going on that have resulted in loss of land by both ST and SC communities.

Since tribal groups do not have a strong voice, they are unable to articulate their rights and demands coherently which in turn results in too little response from other stakeholders. When perceived deprivation is combined with perceptions of injustice it may also contribute to security problems and even, in the worst case, to LWE.<sup>34</sup> The statement of Prime Minister Dr. Manmohan Singh in November 2009 acknowledges the connection between exploitation, exclusion and LWE:

*There has been a systematic failure in giving the tribals a stake in the modern economic processes that inexorably intrude into their living spaces. The alienation built over decades is now taking a dangerous turn in some parts of our country. The systematic exploitation and social and economic abuse of our tribal communities can no longer be tolerated.*

Considering the significant number of Schedule Five PESA areas in Chhattisgarh, the local panchayats and especially the gram sabhas *should* be vested with more autonomy and decision-making powers than in non-PESA areas.<sup>35</sup> This is especially true with regard to the inalienability of people from their lands and the rights accorded forest-dwelling and tribal villagers in terms of natural resource management and outright ownership of Minor Forest Produce (MFP). FRA 2006 strengthens these aspects over and above what is mentioned under the PESA clauses. A serious problem, however, is that the gram sabhas have not yet been adequately empowered to act in their own interests. Thus, as N. C. Saxena<sup>36</sup> reported in May 2010, the process of issuing land rights under FRA has been

<sup>34</sup> LWE is a highly controversial issue in India and also in Chhattisgarh. The Team refers the interested reader to the 2008 Report of the Expert Group to the Planning Commission entitled *Development Challenges in Extremist Affected Areas*. It does not “pull any punches” in its assessment that LWE is strongly correlated with issues of exploitation and exclusion in tribal areas.

<sup>35</sup> The NPC’s Mid-Term Appraisal of the 11<sup>th</sup> Plan includes a chapter on decentralisation and PRIs. Based on a “devolution index,” Chhattisgarh figures as one of the lowest performing of the major states in terms of effective devolution. See the table and chart from the Appraisal at Annex 5.

<sup>36</sup> The N. C. Saxena mentioned here is a senior Gol advisor who has chaired high-level Gol-appointed committees, not the same person who has been a member of the EU–SPP Mid-Term Review!

dominated by the lowest rung officials who may not have understood its provisions. At the same time too few tribal communities have had adequate information to demand their due rights.<sup>37</sup> One of the problems from the point of view of the communities is that the deadline for a right to appeal land rights decisions was set with too short notice (limited to December 2009).

The plethora of CSS and other schemes, multi-dimensional in their sector coverage and thus with a potentially high poverty impact, are not implemented in an integrated or converged manner. Rather, the opposite occurs: the CSS are so fragmented that the possible synergies and complementarities from budget and programme convergence get lost in the details of so many implementing rules and regulations. Coordinated use of various funding sources rarely happens. This is a governance issue that directly relates to effective decentralisation and the functioning of the PRIs. While this is not an issue particular to Chhattisgarh, there is no doubt that the decentralised bodies, starting from gram sabhas—the village electorate—to village and GP standing committees to the GPs themselves, along with Janpad and Zilla Parishads (ZPs) at Block and District levels are not functioning in a way to give the poor voice in the planning and implementation of so many schemes that are meant to benefit them. No PRI is in a position to track all the entitlements that should reach the GP and its people, especially the most disadvantaged among them. A process of converged district planning is being supported via the United Nations in several districts of Chhattisgarh. This is certainly a good step in the right direction, and urgently required.

The effectiveness of poverty reduction and other programmes is also reduced in the presence of corruption. This increases poor people's "out of pocket" expenditures for what are intended as free services, while it also decreases both the quality and quantity of programmes, schemes and services for the poor. If a qualified teacher sub-contracts his/her position in a rural school to an un- or semi-qualified person, the children's education will suffer. If a health worker charges money for medicines to poor mothers, their children will suffer. If construction budgets are shared and/or siphoned off, the road to bring improved communications to a remote village will deteriorate more quickly.

An India-wide study on corruption, especially focussing on rural poor households, came to the conclusion that some Rs. 8.83 billion (about EUR 147 million) is being paid annually by poor households for 11 services that they are entitled to receive for free. Chhattisgarh is not immune to this; the study concluded that it suffers from "high" corruption levels in the area of service delivery for poor families.<sup>38</sup> Given the large number of schemes not included under this Transparency International survey, the total amount of wrongfully demanded payments from poor households would be still higher. Since there is often a decided opacity in the complicated processes, for example, required to release funds to local areas, villagers often do not even realise that they are paying an illegitimate fee; that is, they are told they have to pay certain

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<sup>37</sup> See the N. C. Saxena trip report from mid-2010 to Chhattisgarh called "Implementation of Forest Rights Act in Chhattisgarh." The entire report, commissioned by the MoEF and MTA, came out in December 2010 and is entitled Report [of the] National Committee on Forest Rights Act.

<sup>38</sup> Transparency International India – Centre for Media Studies (2008). *India Corruption Study 2007: With Focus on BPL Households*. Depending on responses from BPL respondents, states were classified as having "alarming," "very high," "high" or "moderate" levels of corruption. The Study covered over 100 districts of India. As with many other investigations, it also shows that large numbers—varying from State to State—of those with BPL Cards are not actually poor.

registration fees or fees for forms or for other things. The fee being requested may or may not be legitimate.

Finally, effective decentralisation should not only lead to the poor having voice, it should also lead to more accurately targeted poverty reduction measures that would have greater positive effect and reduce resource wastage. In this regard, one of the conclusions of the external Backward Regions Grant Fund (BRGF) review mission (2009) is instructive in highlighting the need for strategic focus. The BRGF has some similarities with the EU–SPP in that it is also largely an untied fund (although on a much larger scale than the EU–SPP; it provides up to Rs. 235 crores annually, some EUR 39 million) that aims to reduce poverty, albeit only in so-called backward areas. *The study did not come across any backwardness criteria used to distribute funds. This has resulted into a situation where the remote, sparsely populated, areas continue to get little funds from BRGF . . . On redressing backwardness there is little initiative.*<sup>39</sup>



*Photo 3: The Fair Price Shop: Keeping its Opening Hours Properly*  
(Both photos by Jayant Kumar).



*Photo 4: ST Girls with their Midday Meal*

<sup>39</sup> *First Independent Review Mission for Backward Regions Grant Fund – State Report Chhattisgarh* (2009), pp. 12 and 33. There is also an All-India BRGF evaluation report available (see Selected References below) on the internet.

**Box 1:****Poverty Impact: What Programmes Work Best?**

Based on the Team's overall assessment of programmes in Chhattisgarh in terms of positive poverty impacts on a broad scale, there are three that stand out above the rest. The first is the revamped PDS scheme with its large coverage of beneficiaries. Perhaps the most important aspect of the "improved" PDS is that it has been effectively decentralised; Fair Price Shops have been put in the hands of local bodies like GPs, SHGs or cooperatives. Other regulations were changed to enable such local bodies to run the shops with dramatically minimised leakages, and a decent profit. Then the whole PDS has been effectively computerised and made more transparent. Even delivery vehicles are painted bright yellow. Finally, a grievance redressal system has been put in place and is functioning well. A number of sources informed the Team that the promised response time of 48 hours from a helpline call is being adhered to.

Another scheme that has functioned well, with some limitations, is the mitanins. A point in common they share with the PDS is effective decentralisation. Although some 5,000 habitations have no mitanins, 60,000 do. It is the only habitation-targeted programme and gives the vast majority of rural poor access to at least simple, free medicines, first aid and MCH advice and referrals. The women who volunteer to be mitanins can look forward to regular training and mentoring. This is part of the success of the mitanins, leading to a remarkably low drop-out rate over time and villagers still saying the mitanin is the first person they turn to when they need medical attention.

Of less complexity, but also of some importance for poor, rural families is the MDMS. It functions state-wide and few, if any, schools are left out. It is an "attractant" for poorer children to attend their classes, and for children whose parents are out working all day it provides them at least a simple meal. The MDMS, although it has some funding and food quality issues, works as well as it does through decentralisation. Local SHGs prepare and distribute the meals to the schools. Problems arise with payment delays to the SHGs for example, that would probably be more easily taken care of if the MDMS funds were completely decentralised to the education or school committees in the GPs.

DHFW in Chhattisgarh started the Chhattisgarh Rural Medical Corps (CRMC) within the past few years to start to take care of the huge gaps in its rural medical personnel. A three-year training programme was devised by which Rural Medical Assistants (RMAs) become qualified to work as rural health practitioners. They are normally posted at PHCs and will also receive (as all medical personnel) a hardship allowance depending on the hardship grading of the health facility location. While it is true that rural health facilities remain underutilised in Chhattisgarh, the posting of RMAs is undoubtedly a step in the right direction to ensure that a much broader cross-section of the rural population, including poor families, can access much-needed health services.

Unfortunately, the MGNREGS has failed to live up to expectations regarding its poverty reduction impact with too few days' employment per family and seriously delayed payments.

**3. Livelihoods Analysis from Selected Blocks: Who Are the Poor?**

Livelihoods in this section are described primarily in terms of “income generation.” Nonetheless, the ability to create and sustain a livelihood with dignity and wellbeing is also dependent on societal and political or policy factors in general, and on individuals’ and communities’ abilities to access crucial social services that will improve their capabilities. Primary among these are health and education, while welfare schemes also have an important role to play in India (PDS in particular).<sup>40</sup> While the health and education situation of people has certainly improved over the years, there are still many difficult areas, and both tribal and Dalit people often end up living well below their potentials. These issues will be discussed in greater detail in the sections below.

Based on the Team’s visits to various blocks a clear picture of rural livelihoods began to emerge. In fact, the blocks visited represent a range of socio-economic conditions, with a larger number of tribal habitations in the selection. The Team regrets that it did not have a chance to visit a PTG village during its field visits, although a focus group discussion was held with some Kamar people who came to where the Team was in Gariaband. Villages visited ranged from completely non-forest dependent to relatively forest dependent in terms of sources of income. Although a “guesstimate,” the proportion of MFP in the family’s overall income generation seemed to be anywhere from 25-40% in forest fringe areas.

People’s livelihoods not only vary from block to block, they also vary in different areas of the same block depending on such factors as forest cover, roads and distance to markets, landholdings and general agronomic conditions. For those areas that are rather more forest dependent, people still have a mixed source livelihood. That is, part of their income comes from MFP, a part from cropping and livestock, and a part from daily wage labour whether from better off farmers, the Forest Department, via MGNREGS, or from seasonal outmigration. This chapter will describe livelihoods in terms of forest aspects, agriculture and finally labour. It is telling that so few SC or ST respondents mentioned that anyone from their habitation had been able to get skilled employment. Despite legislation to the contrary,<sup>41</sup> they also did not get employment in locally established mining or industrial operations.

Differences in livelihood are important to know about generally because it will assist greatly in tailoring programmes and schemes to fit people’s real needs and capacities. Under the present circumstances there is often wastage of programme resources because they are too uniform, lacking the necessary local flexibility in planning and implementation to respond adequately to ground realities. Thus, people either do not take up the programmes at all, or do take them up but then do not sustain their involvement in them. These “one size fits all” approaches neither reflect the spirit of decentralisation nor allow people’s needs and potentials to come up through local, bottom-up planning.

“Voice” in the sense of having the opportunity to effectively articulate needs and legitimate entitlements to goods and services is another area of particular importance in making up a person’s or community’s overall sustainable livelihood. The Team’s discussions with villagers in different parts of Chhattisgarh has led us to conclude that people do not have an effective voice unless a concerted effort is made from the government side to listen (as is happening under the flagship PDS programme). The decentralised structures of governance that were intended to

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<sup>40</sup> The PIA Team learned of various pension, disability and unemployment schemes, but also heard uniformly of the difficulties people have to get any regular payments under them.

<sup>41</sup> National Resettlement and Rehabilitation Policy, 2007.

create a “vox populi”—especially the GPs, committees and gram sabhas—have by and large been unable to live up to expectations. This is particularly true of the gram sabhas in the areas visited by the Team. People complained of the gram sabhas being disempowered bodies that not even the Sarpanch feels accountable towards. Further discussion on the issue of decentralisation is found below (see 4.1.4).

#### Land-Related Aspects:

At the heart of rural people’s livelihoods is their secure access and control of the resources required to create a sustainable livelihood. This normally means adequate land and water and, in the case of especially the tribal populations in Chhattisgarh, forests. While non-forested areas of the state seem to be regularised in terms of land ownership and titles, the forested areas (pretty much all of which fall within the Scheduled Areas that make up 64% of the state’s geographical area) are not. Concerted efforts to issue individual land titles (*pattas*) in Scheduled Areas under FRA have resulted in the issuance of over 200,000 titles, one of the highest in India. Unfortunately, however, in the villages visited the Team heard of many cases whereby *pattas* were inaccurately issued. That is, too little proper surveying had been done, and people were issued with *pattas* for much less land than what they had actually been cultivating. There were even cases where *pattas* were issued for plots that are being utilised by others. It has been reported in several sources that appeals processes have hardly been countenanced and people have been told that once they are issued a *patta* they have to vacate the remaining land for which they do not have a *patta*. Thus, if a family has been cultivating or otherwise using five acres in a defined forest area and they are issued with a *patta* for 1½ acres then they are supposed to stop cultivating the other 3½ acres; if this is really followed through it would increase that family’s vulnerability immeasurably.

In non forest Dalit villages in Janjgir Champa District where the Team visited, people reported the setting up of small, sponge iron factories and power plants. They said this resulted in three negative outcomes for them. In the first instance, their limited lands were taken away (apparently without due process), second such unregulated plants add to both air and water pollution and third, the local people did not gain employment as had been promised to them. Even educated youth from these communities were not given employment since labour was brought in from neighbouring states and urban areas. Thus, while it might be anticipated that industrial development would be a positive development for local people’s livelihoods, in such cases as the Team observed in Janjgir, the impact was wholly negative: loss of land, increased pollution and no increased job opportunities. In other words, people’s vulnerability has increased.

#### Forest-Related Aspects:

Although Chhattisgarh has one of the highest forest cover rates in all of India at 41%, there have also been fairly high levels of forest degradation, and even denudation where open pit coal mines and large scale power plants are in operation (about 31% of forest areas is considered “degraded”).<sup>42</sup> (See Figure 4 below) Unfortunately, the causes of forest degradation have not been thoroughly explored and documented in the State. Generally speaking, however, communities with a major livelihood stake in forests ensure their adequate conservation. In the final analysis, forest degradation has resulted in higher vulnerability in the tribal livelihood

<sup>42</sup> From Chhattisgarh Department of Forestry website.

that has yet to be compensated for by alternatives in either farming or off-farm sectors.

The history of forest policy in India has not favoured the tribal people since British colonial times. Tribal people's reduced control and access to forest areas they have lived and worked in for generations has added insecurity to their livelihoods. While they may have never been "well off" in the "accumulation of wealth" sense of the phrase, the forest – shifting cultivation livelihood would have provided adequate subsistence for many families. The FRA passed in 2006 is supposed to help right some of these historically and contemporaneously perpetuated wrongs. The individual land titles mentioned above have been issued in forest areas since the advent of FRA.<sup>43</sup>

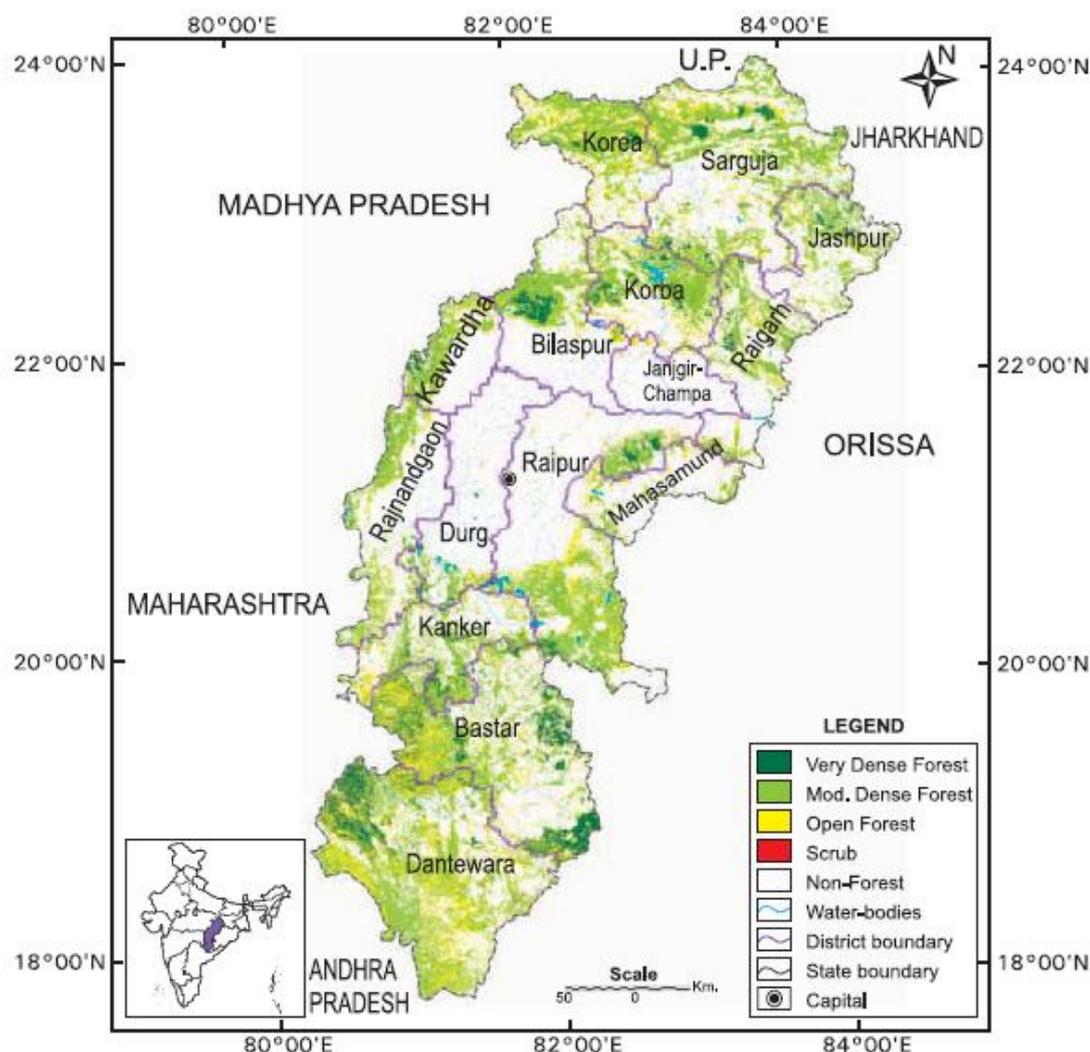
From the point of view of forest-dwelling and forest fringe villages/habitations, however, it would be just as important, if not more important, to gain adequate *community* forest rights that are part of the FRA as well. Traditionally forest-dwelling peoples have managed and conserved their forest areas for generations. Community management ensures that all families will have access to the forest resources required for their livelihoods. This is all the more important for poorer families who may have very little agricultural land. Community forest rights would provide many communities with increased livelihood security and sustainability, but they have hardly been recognised in most of the States, including Chhattisgarh. A letter dated 20 July, 2010 from the MTA states categorically that the States have not properly attended to the issue of community forest rights which would also ensure gram sabhas the ownership of MFP.<sup>44</sup>

PTGs, such as Kamars and Baigas, tend to be more forest dependent than others as they live more directly in forest and engage in less agriculture than other tribal groups. It was surprising to know that PTGs, even in the Raipur Block of Gariaband, engage in barter trade in bamboo products. That is, they make baskets and other items of various kinds and sizes and rather than selling them for cash, they generally exchange them for rice. This of course vastly reduces their bargaining power to receive a decent return on their products. Their livelihoods are made all the more insecure because of policies to establish, with little consultation or dialogue, conservation habitats for tigers or wildlife in general. Adivasi dependence on forests, however, has also changed over time. There are two or three main reasons for this. One, as mentioned, is that some areas are suffering from forest degradation and overharvesting of both timber and MFP (this would be obvious by overlaying Figures 2 and 4), another is that some areas such as those closer to forest conservation and wildlife sanctuaries are becoming closed to people's activities including MFP collection, still another reason is that some areas have seen both legal and illegal forest land acquisition by mining and industrial interests.

#### **Figure 4: Forest Cover Map of Chhattisgarh**

<sup>43</sup> Chhattisgarh has a very good record compared to other States in issuing individual land use rights under the FRA 2006, but has been much slower in the issuance of communal property rights. MTA "Status Report on FRA," July 2010. The State does not appear to have concrete plans to divest its interests in the nationalised MFP trade to the tribal owners through their gram sabhas. This would admittedly require careful planning and adequate market regulations.

<sup>44</sup> The letter is at MTA's website: <http://tribal.nic.in/writereaddata/mainlinkFile/File1244.pdf>



Source: Forest Survey of India, 2009. *The Map shows that growing parts of the PESA areas are now either open forest or even non-forest.*

The forest provides a significant number of villages with both foods for their own consumption and with saleable items. For those families who are especially poor, accessing the forest to have the necessary calories to survive is crucial. In areas where the quality of the forest is still good, women can collect various types of fruits and vegetables to ensure their family's food security. Although there are regional variations, according to our investigations the main MFP sold include: mahua flowers and seeds, tendu leaves, bamboo (processed into mats and baskets), and sal (mainly seeds).<sup>45</sup> In Bastar region, tamarind is an important product, as is the wild silk cocoon. Other MFP sold are chironji, mahul leaves (for traditional cup and plate making) some roots, leaves and herbs that can be used for ayurvedic medicines, forest honey, other wild fruits and mushrooms. We know that lac is sold in some areas and is being actively promoted by the CGMFPF, including in Sarguja and Dhamtari Districts, but we did not have a chance to visit these areas.

<sup>45</sup> A quantitative study on MFP in six forest divisions showed the top products to be: mahua flowers and seed, sal seed, tendu leaves, chironji, lac, tamarind and honey. These seven MFP accounted for 71% of the total value from the 47 products surveyed. The study did not list bamboo because the Forest Department had not officially recognised it as an MFP. R. S. Gautam et al (2010) *Contribution of NTFPs in Rural Economy of Chhattisgarh State*.

In places like Bastar, Gariaband and Kota blocks where the tribal people live close to forests and have only marginally productive upland plots for agricultural crops, the forest is an extremely important source of cash income. Nonetheless, support and market prices for their products are low, whether nationalised or not. This is especially true when we look at the price gained for the labour involved (an example of this is tendu which involves both forest collection, tie making for the bundles, the bundling itself with the appropriate number of leaves and laying out of the bundles). No families interviewed by the Team are able to earn the minimum wage through, for example, tendu collection (even after bonus payments). Another issue is the difficulty or risk involved in collecting the product (wild honey is a good example of this) which should give it a premium price.

The nationalised MFP (tendu,<sup>46</sup> sal seed, harra and gums) are sold to Forest Department sanctioned agents or “phad munshis” who are the persons in charge of the nearest MFP procurement centre (for nationalised MFP). Private traders (both in the villages and at the next market or “haat”) buy the non-nationalised MFP. In the villages visited, people are members of collectors’ cooperatives as evidenced by them getting bonus payments for tendu leaves. Nonetheless, the people we spoke with could not always distinguish between private or Forest Department-sanctioned buyers (agents) of their products and in the villages visited there was no mention of active involvement of SHGs in either collection or sales of MFP. They did not mention having an active role in the cooperatives; indeed, the people did not seem to have much knowledge of the cooperatives that they are supposed to be in charge of. There is little or no transparency for them in how prices and bonuses are set, and they also have little say over the operation of procurement centres.

### Agricultural Activities:

In all areas visited by the Team, a telling problem for local people is the low productivity of rainfed agricultural systems. Marginal farmers who are also agricultural labourers have not been enabled to make adequate land improvements and reported paddy yields that were as little as two quintals per acre (works out to about 500 kilograms/hectare<sup>47</sup> which, when converted to rice would be some 310 kilograms, far less than the average annual rural poor family requirement of some 800 to 850 kilos).<sup>48</sup> Most of the people we met plant rice and other food grains on hardly one to two acres of land; thus, their own grain production provides them with around three to four months of food security. As it turns out, families also tend to sell some of the rice they produce in order to earn badly needed cash income. They consume all other grains produced such as maize and millets.

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<sup>46</sup> Tendu leaves are used for making the traditional beedi cigarettes in India. Tendu remains the highest volume and value nationalised MFP in Chhattisgarh; its purchase and trade are wholly under the control and supervision of the Forest Department’s CGMFPF.

<sup>47</sup> Although Chhattisgarh is called the “rice bowl” of India, this is not a reference to its productivity but rather the significant percentage of agricultural land in the State devoted to rice production. Average yields in the State are only some 1450 kgs/ha which is 70% of the national average yield of 2080 kgs/ha. See <http://agridept.cg.gov.in/performance.html>

<sup>48</sup> Various national and international estimates of per capita rice consumption in India put it at around 76 kilos per annum. Our own investigations, plus information from others such as the Jan Swasthya Sahyog in Bilaspur, show that the rural poor are consuming some 170 kilos per capita per annum. Of course, the main reason for this is that they have few other food grains to consume, few vegetables, little fruit and very little protein (even from pulses). Thus, unlike the trend in better off parts of the country, they have no opportunity to substitute rice with other food items.

Vegetable cultivation, whether for own consumption (extremely important to improve the nutritional status of the family's women and children) or for marketing is almost nil in the remoter, rainfed areas. Forest-fringe villages may have access to forest vegetables and fruits, but cultivated fruit trees are rare. Moreover, people are so cash poor that if they have a chance to sell a product like tamarind, for example, they will not consume it themselves.<sup>49</sup> Livestock rearing in the areas visited is also very small scale and does not represent a significant source of either protein or cash income. All in all, small landholdings of marginally productive rainfed lands remain as one of the core reasons for the insecure livelihoods of Chhattisgarh's rural poor.

### Wage Labour:

Another important source of income for villagers is labour. In all villages visited, people have mentioned working on the MGNREGS schemes. The number of days employment they received however, is very much less than the 100 day/job card/year quota as set in the guidelines. People mentioned receiving on the order of 30 – 35 days with huge delays in payments in most, if not all, cases. That is, we were told time and again of people having to wait up to one year and more to receive their MGNREGS payments. Various reasons were given, including delays in “technical verification” of the schemes, delays at local post offices and the like. While some minor delays are reasonable in such a huge scheme, such long delays are not. It undermines the people's confidence in a very important government programme. Forest area villagers also work for the Forest Department on forest lands, earning Rs. 100 per day. While the days available for work may not be more than under MGNREGS, it seems the payment delays are generally not as severe.

People also work for somewhat better off farmers in their areas. All have mentioned that while the wages received are much less than MGNREGS or Forest Department (as low as Rs. 30 up to Rs. 70 depending on the area and task), they are paid on the spot and may also get some food. They said they are happier with this arrangement despite the lower wage rates because of the guarantee that they will be paid immediately. There was thus little evidence in the areas visited that MGNREGS is having a positive impact on local wage rates, although there are reports of this in other areas. In the villages visited there is also regular, seasonal male labour migration to places like Raipur. Our impression, however, is that this has reduced, owing in part to the PDS and to a lesser extent to the MGNREGS.

Theoretically, the MGNREGS should also make a big contribution to help people stay in their villages to work but practically the number of days is much less than anticipated. An important aspect of the MGNREGS is that it is possible to use the funds for families to do land improvements that they otherwise would have no chance to invest in. Considering the miserable grain yields that dry land farmers can look forward to, such improvements could make a big impact on their yields, thus improving food security. In the long run, improving farm outputs through land improvement would make a greater impact on poverty than minor infrastructure schemes of dubious quality and purpose. In Chhattisgarh, however, the thrust of MGNREGS remains on construction-oriented projects, quite a number of which appear to have been designed to earn money for the Sarpanches, contractors and others.

Finally, since wage labour does form such an important part of people's livelihoods, it is worth repeating that the private sector, casual labour wages that women and men

<sup>49</sup> An exception to this, however, is mahua. People do keep a portion of it for themselves in order to produce alcohol for their own consumption.

receive seldom match the minimum wages as designated by law. Women may also receive lower wages than men, although the Team did not have a chance to go into detail on this.

Overall Conclusion on Livelihoods:

The Team made some calculations as to the average income for a five-member family in the rural, forested areas and came to the conclusion that this gross cash income is around Rs. 20,000 to 35,000 per annum for a family of five (not including costs of production/collection). The imputed cash value of PDS rice, forest products for home use and the value of own agricultural production would be on the order of another Rs. 12,000. This comes to Rs. 11 to 19 per capita per day, well below the poverty line and consistent with the Sengupta Report which estimates that 77% of the Indian population has less than Rs. 20/day expenditures.<sup>50</sup> We assume, however, that in the non-tribal and major rice growing areas of Chhattisgarh, annual incomes for those with land will be quite a bit higher than this. Moreover, agricultural wages will also be higher in the main rice-growing areas.



Sources of Livelihood at a Tribal Village, Kota Block  
Photo 5: Mahua Flowers



Photo 6: Local Variety Pigs

<sup>50</sup> As the Team realised when speaking with poor families in all the areas, the difference between net income and expenditures is very little since most people are unable to generate savings, or create additional assets.

**Box 2:****Main Sources of BPL Family Income (Central Chhattisgarh forested areas)\***

	<b>Cash (Gross)</b>	<b>Non-Cash</b>
Various MFP (mainly mahua, tendu and sal):	5,000	1,000
Own Agricultural Production (crops):	3,500	6,000
PDS Rice:		5,000
Other PDS Rations (like salt, sugar)		(not sure of value)
Anganwadi and MDMS food schemes		(not sure of value)
MGNREGS and Dept of Forestry Work	4,500	
Agricultural Labour	3,000	
Off-Season Labour Outside the Village	4,000	(rough estimate, in some areas it does not exist)
<b>Miscellaneous Sales (livestock, handicrafts)</b>	<b>2,000</b>	
	<b>22,000</b>	<b>12,000+</b>

\*Summary based on Focus Group Discussions with tribal villagers in Gariaband and Kota. Indicative only as there was no time to conduct in-depth discussions at family level regarding cash income. The Team's investigations showed that an ST family in Bastar may earn a higher income from MFP than shown in this table, more on the order of 9,000 with the income from tamarind. A recent MFP marketing study showed that in one part of Raigarh, there are families that can earn as much as Rs. 21,000/year from MFP alone! Unfortunately, this seems to be an exception rather than the rule.<sup>51</sup>

There are several important conclusions to be drawn from this discussion on livelihoods. First, Chhattisgarh's now well-functioning PDS system is making a big difference to reducing people's food insecurity for around three to five months of the year (depending on family size), although the Team has met ST families in all the Blocks that are inexplicably excluded from BPL/AAY lists. Second, people's livelihoods in remoter, forested areas remain vulnerable even with a well-functioning PDS system. With a cash income of hardly 25,000 per annum, and very few physical assets to rely on, even only small "shocks" may have a debilitating effect. Such shocks include a major health problem, death in the family, crop failures, weather-related causes to reduce availability of certain forest products (lac, for example, is sensitive to climate), outright forest closure through designation of protected areas, and the like. We were told, for example, that if a family has to arrange a daughter's marriage for some Rs. 10,000 to 20,000, their only chance to do so is to borrow the money from a well off family and then agree to be "bonded" to that family for one or two years until the loan is paid off through a combination of labour and cash.

Third, the vast majority of the tribal and Dalit population have no employment opportunities outside their areas of residence unless in menial and unskilled sectors; this is leading to youth un- and underemployment,<sup>52</sup> as the absorptive capacity of the agricultural sector is diminishing. Programmes resources to assist educated,

<sup>51</sup> Rajendra Singh Gautam et al., (2010) *ibid.*

<sup>52</sup> Youth underemployment and lack of prospects have been indicated as among the causes for them to join extremist movements or engage in other destructive or self-destructive behaviours. See World Bank Development Report (2011) *Conflict, Security and Development.*

unemployed youth do not seem to be getting tapped.<sup>53</sup> Fourth, remoter villages are faced with marketing problems: their remoteness is the “best excuse” for buyers to give them a low price for their products, not only because of higher transport costs but also because villagers are less likely to have independent market information and cannot themselves access “higher” parts of the value chain. Fifth, any person who is living on around Rs. 15 per day is going to be extremely “cash hungry;” this has serious implications for accessing both government and private sector services and markets. Cash poverty creates additional vulnerabilities and imposes many constraints on people’s choices and capabilities. Sixth, tribal people’s livelihoods are also vulnerable in the sense that they often do not have adequately secured land and forest rights despite PESA and FRA.

#### **4. Stakeholder and Institutional Analysis Including Service Delivery**

In this section of the report we describe and analyse key stakeholders in respect of their poverty orientation and general abilities or capacities to play a role in poverty reduction based on our own observations, and others’ (CSO, GO) observations and reports. We look in particular at institutional stakeholders and their service delivery mechanisms with a focus on the “frontline” or “last mile” services from village to block. In the Health Sector this means the primary health care system (promotive, preventive and curative) starting with the volunteer community health workers known as mitanins in Chhattisgarh, the Health Sub-Centres (HSCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs). In Education this means a focus on schools and teachers, although general aspects of the School Education system are also included as relevant. Under forest-based livelihoods we look primarily at the Department of Forest – villager relationship. Under PRIs we look primarily at the functioning of the various “sector” committees that have been established, including the Village Health and Sanitation Committees (VHSCs) (established on revenue village basis) the School Development and Management Committees (SDMCs) (established on school basis) and Joint Forest Management Committees (GP level). We include a brief analysis of civil society organisations (CSOs). Finally, we look at the rural population, especially tribal people who live in and near forested areas.

Because of the PIA Team’s chosen focus on remoter, often tribal, villages and habitations, there is also a decided bias in the study towards “last mile” service delivery. In other words, looking at how effectively the last mile is covered.

##### **4.1 Institutional Stakeholders and Service Delivery Mechanisms**

###### *4.1.1 Health*

The front line of the primary healthcare system in Chhattisgarh is the mitanins. These voluntary community health workers started to be mobilised and trained in the state by 2002. They predate the NRHM’s concept of Accredited Social Health Activist (ASHA) which started in 2005. Indeed, the mitanin concept is the inspiration and best practice for ASHAs. So far in Chhattisgarh some 60,000 mitanins have been recruited over the years. The idea behind this large number of mitanins is that they should serve their habitations and be easily accessible to all people living there (especially pregnant and lactating women and children under five). Many of them

<sup>53</sup> The National Skills Development Mission has been established under the Prime Minister’s Office in 2008 with a not-for-profit corporation called the National Skills Development Cooperation. These are set to continue under the Twelfth Plan period.

have been serving in this function for eight years already, while others have come more recently into the system. There is a clear system of support for them from the SHRC that includes some 14 training modules and courses. Mitanin Master Trainers are available in every block (cluster-level) who are in regular contact with the mitanins, both for training and follow-up. There are two committees at village/panchayat level that should support the mitanin: Village Education, Health and Social Welfare Committee (under the GP) plus the VHSC, the latter of which should be something like a Jeevan Deep Samithi (JDS)<sup>54</sup> for the revenue village with an untied fund attached to it (a description of the committees is under 4.1.4 below).

The formal, three-tiered, (rural) primary healthcare system starts with the Health Sub-Centres (HSCs)<sup>55</sup>. Under the NRHM they should have three medical staff: two Auxiliary Nurse Midwives (ANM) paid from Central funds and a Male Health Worker (MHW) paid for by State funds. As with other health facilities in India, there are Indian Public Health Standards (IPHS) for HSCs, including population norms, size, location, equipment, services, medicines, operating norms, etcetera. There should be one facility per 3000 population in hilly areas and one per 5000 in plains areas. The next tier up in the system, the PHCs are like rural clinics which are supposed to have six beds and four Medical Officers and can offer 24/7 delivery and emergency services.<sup>56</sup> Their population norm is one per 20,000 to 30,000. In Chhattisgarh, the Community Health Centres (CHCs) are small hospitals with at least 20 beds; there are 143 of them in the State.

When we look at the health system, and particularly at the delivery of health services in Chhattisgarh's rural areas we can quickly see that there is a large gap between expected and actual delivery of services, with the exception of the mitanins. Even for the mitanins there are some difficulties, many of which are caused by inadequate support mechanisms from the three-tier health system. Another issue is that the mitanins' service to the village is much more focused on simple curative aspects, rather than the preventive and promotive aspects that were originally envisioned. The Team's impression from discussing with the mitanins is that they are becoming increasingly burdened with tasks imposed on them from especially the HSC, and through their assistance to the ICDS. A problem from the side of both the mitanins and the patients is that they do not have adequate grievance redressal mechanisms, although the SHRC apparently would like to set up a mitanin helpline.

There are several issues that manifest themselves at this interface between people (potential patients) and the health services. There are issues that affect the rural poor, especially women, more than the general population. Remoteness, for example, is a factor that has an overriding effect on the delivery of health services, including support provided to the mitanin. In this regard, with the start-up of the Chhattisgarh Rural Medical Corps (CRMC), 59 blocks (CHC locations) have been determined as "difficult", "most difficult" and "inaccessible." Out of around 721 PHCs in Chhattisgarh, almost 50% of them have been so-classified (353)! What we see immediately is that while the number of functioning HSCs in the state is large at

<sup>54</sup> The JDS is a like a management and development committee attached to a government health centre or hospital. They should try to raise funds for the health facility and also make decisions regarding the use of untied funds allocated via NRHM to the facility. Various reports, studies and personal communications indicate that they do not function very well.

<sup>55</sup> They are often referred to as Sub-Centres, but the abbreviation of SC is used in this report for Scheduled Castes, so the abbreviation of HSC is adopted for these Sub-Centres.

<sup>56</sup> According to DHFW data there are approximately 354 PHCs now offering 24/7 services.

4721<sup>57</sup>—thus not representing a huge gap in terms of available infrastructure—the number of staff required to fill these HSCs is enormous at the suggested NRHM norm of two ANMs per HSC plus one male Multipurpose Worker (MPW). The draft MTEF for Health estimates that another 673 ANMs would be required in the State, but that is based on the 5,000 plus sanctioned posts which is far below the IPHS norm. Therefore, if the IPHS is followed, there would be a need for an *additional 5,000* ANMs. There is a requirement for 2227 MPWs.

In terms of reaching those who most need health services, however, the question is less the number of HSCs and more *how* they deliver the services. Based on our discussions with villagers, including mitanins, it is sure that far too many of the HSCs do not provide quality services. Our impressions are confirmed by the reports of the annual Common Review Missions (CRM) on NRHM. The CRM Reports are written by highly qualified public health and medical personnel, but the observations of villagers are indicative of the problems they face in seeking quality health services. Quite a number of the villagers' observations are little different from those of the experts!

In the final analysis, the rural facilities are much underutilised because of various problems, but which boil down to the State being unable to fulfil people's specific demands for health services.<sup>58</sup> When the Team asked villagers in Gariaband and Kota blocks about their health-seeking behaviours, they always mentioned the mitanin in the first instance and in the second instance they almost all have mentioned "*jhola chaap*" doctors who are, in fact, not doctors at all but rather self-made (perhaps self-taught and certainly not licensed) paramedics who provide medicines and injections to villagers, including women in labour, through home visits. People have told us that they go to the government facilities for curative services as the last resort, although this is not true of deliveries.

The following is a list of villagers' observations and experiences mentioned to the Team in various villages regarding local health facilities. Of course, it should not be taken to mean that they necessarily hold true everywhere, as the Team realises that there are also well-functioning facilities in the state.

- The HSCs do not provide regular services;
- The opening hours of the HSC are not known;
- The HSCs do not provide free services or medicines to BPL card holders;
- The HSC does not have the "right" medicine so it is necessary to go buy it from the market (which entails greater costs);
- The ANM said she couldn't help the patient and sent him/her home (some similar responses regarding the PHC);
- The ANM said she only has "special" medicine she bought herself so the patient has to pay for it;
- The HSCs and PHCs are not clean;
- The HSC staff (usually ANM) treat patients with disrespect;

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<sup>57</sup> The draft Mid-Term Economic Framework (MTEF) for Health in Chhattisgarh estimates that according to 2001 Census data, there would need to be another 690 HSCs in the State to meet the population norms of 2001. The 2011 Census data indicate, however, that Chhattisgarh's population is now over 25 million, meaning that there would need to be 25% more health facilities than estimated.

<sup>58</sup> See Report of the fourth NRHM CRM (2011). The mission took place in December 2010.

- The ANM uses the mitanin for “menial work” at the HSC in relation to a delivery (i.e., making the mitanin clean up blood, placenta) and makes her stay too long;
- The ANM asks for money from both the mitanin and the patient under JSY;
- The PHCs are too far away to go to, are not regularly open and may not have a doctor available;
- Out of pocket expenditures (travel, medicines, food, payments to facility staff) make going to a higher level facility too expensive;
- For pregnant women in remoter areas, transport issues are a serious concern (combined with uncertainty of facility opening hours) so that they prefer to give birth at home;
- Why take a pregnant woman to a facility? If it’s far, she may give birth along the way.
- Some mitanins have trouble getting their drug kits refilled on time (others say there are no problems);
- There have been cases where a referred (by mitanin) patient died at the referral centre. Both the mitanin and the facility lost credibility;
- If the health problem is more serious, the villagers will prefer to go to a CHC even if farther than a PHC, as they are more sure of the availability of the service;
- Most rural villagers tend not to seek the services of qualified private doctors (too expensive, too far away).

The rather long list of “monitoring” points from the villagers’ perspective tells us two things: one is that they do, indeed, have demands for health services from the point nearest them (whether HSC or PHC). Counter-intuitively, perhaps the facilities are underutilised, but the main reason relates to the opportunity-costs of going. Nonetheless, people still are, and would be, willing to use the services. Mitanins correctly refer patients to health facilities and people do go when they feel it is their best option. The point is that the patient should feel confident in the service provider, the quality of service and its cost-effectiveness. Chhattisgarh villagers, especially including tribal villagers, pay huge out of pocket expenses for health compared to their cash incomes. Villagers we spoke with mentioned spending on the order of Rs. 2,000 per year for outpatient health expenses. While this may not seem like a lot, for the very poor family that may only have some Rs. 20,000 cash income per year it represents 10% of annual income and is thus a large amount, indeed.

When we look at these tribal villagers’ observations in more detail, we can see that they are quite rational and based on facts, even if they don’t know the IPHS Manuals! It points to the real possibility of poor, tribal villagers being able to be part of facility monitoring. Irregular facility services are part of the plight of the rural areas. As far as we know, there are no HSCs in all of Chhattisgarh where there are two ANMs posted. In fact, at Gariaband we were told that although there is quite a large number of HSCs (the BMO reported 43 for a rural population of around 87,000) there are five of them without an ANM. We were told that in Mainpur and Deobhog Blocks (two TDBs farther south in Raipur District), that there were many cases of one ANM serving two HSCs. Indeed, the BMO Gariaband is also responsible for Mainpur Block. The ANM is, in fact, supposed to provide regular mobile services such as for immunisation. This means that there will certainly be a number of days per week that the HSC is not open at all. An additional point is that the HSCs seldom have adequate residential facilities for the ANM, and she may live quite far away. The hygiene standards at the primary healthcare facilities are not very good, and it is little wonder that tribal villagers who themselves are particular about having clean homes and courtyards feel uncomfortable with the standards.



Photos 7 and 8: Gariaband Contrasts.

The courtyard is immaculately swept.

When was the health facility toilet last cleaned, where are the doors and water?

Although it is easy to dismiss the *jhola chaap* as quacks who cause more harm than good, it should not be concluded that villagers seek their services out of ignorance. Rather, the *jhola chaap* provides his service in a way that is very suitable to the villagers' means and perceived needs. In fact, the Team was surprised at how widespread they are: although it may be expected that in the remoter areas they would be the service of choice, it turned out that in villages that are less than 10 kilometres away from the CHC people also choose the *jhola chaap* if the mitanin cannot help them. As unqualified medical practitioners are so widespread throughout the rural areas, it shows that people desperately want health services and that there is a huge gap between what they want and what the formal services are able to provide.

According to information from Gariaband and Bilaspur the *jhola chaap* live somewhere within a few kilometre radius; villagers said they had a choice of several they could call. From the villagers' point of view there are major advantages of this service: first, when the villagers call the person, he is there within a short time. Based on his "diagnosis," he then provides either pills of some sort, an injection (likely of Neobiron or an analgesic), or a saline drip. The villagers told us that his service is fairly expensive: for an injection of Neobiron it would cost about Rs. 50, but because this unqualified service provider lives nearby he is willing to take deferred payments at no extra cost, a huge benefit for people who are chronically cash short. People told us they could even pay him several months later and it would be alright. They also told us of cases where the *jhola chaap* refused to treat patients because he said their situation was too serious for him and referred them to a clinic or hospital. Because the villagers are as much clients as they are patients of the unqualified medic, he treats them quite well to maintain business.

When the Team asked villagers what kind of health problems they are mainly faced with, they mentioned stomach problems (diarrhoea, gastroenteritis), fevers and malaria, various respiratory ailments, eye and skin infections and the like. Mitanins also told us of maternal mortality and infant deaths (generally stillbirths rather than deaths of neonates) at all villages visited. Due to sanitation and hygiene problems, women may also get reproductive tract infections. In other words, while much of an average village's health problems may be handled by a well-functioning primary healthcare service, it is also obvious that the backup required to increase the percentage of safe deliveries continues to fall short of the last mile. Thus, "First

Referral Units” and tertiary care are certainly required in a well-functioning health system which is, indeed, in the process of being established in Chhattisgarh. Nonetheless, in the first analysis, if the mother’s health were significantly improved, then the number of complications, including miscarriages and stillbirths would come down. This comes under the purview of primary healthcare.

Indeed, when a village takes its health issues into its own hands, there is much that local people can do on their own to improve their overall health situation (sanitation and hygiene plus nutrition issues play an enormous role). In respect of health awareness, Chhattisgarh started experimenting with a local health monitoring system called Swasth Panchayat Yojana. It started in 2006 with 32 indicators which have since been reduced to 10. While this is a good start in health awareness creation, it is still too complicated and too much driven from outside. In fact, this instrument would work much better if the local people (each revenue village with a VHSC) would be facilitated to select their own health monitoring indicators on which they can take action using, for example, the VHSC fund and even *shramadan* (volunteer labour for a common cause).

The Team is most concerned with complications such as pre-eclampsia that may arise during the pregnancy of a woman in general ill health (underweight, anaemic, lacking vitamins in diet). This can only be detected properly if the woman receives all prescribed ante-natal checkups (ANCs) but this seldom happens (only 20% according to UNICEF: 2009). Another issue would be if mitanins, anganwadi workers and ANMs are all adequately aware of the symptoms of something like pre-eclampsia. Poor, tribal or Dalit women will thus be more prone to miscarriage and stillbirth, and more likely to become seriously ill or die themselves as a result of pregnancy.<sup>59</sup>



Photos 9 and 10: Kota Block: Young or Old, None of These Women Have Delivered at a Health Facility

<sup>59</sup> A first time pregnant woman, for example, is particularly vulnerable to serious complications should she catch malaria. A number of tribal areas in the State, are malaria endemic with APIs of five and above, viz., Dantewada, Bastar, Kanker, Koriya, Sarguja, Korba and Jashpur (4<sup>th</sup> CRM: p. 26);

An important issue for poor, pregnant women living in remoter areas is less the access to institutional deliveries and more the access to *safe* deliveries. A safe delivery can take place in the woman's home if it is attended by an appropriately trained skilled birth attendant (SBA) (or *dai*), including a mitanin or an ANM. With the push of the State towards institutional deliveries, however, SBA training and promotion have fallen by the wayside. This is a major disservice for poorer women whose only resort, then, is an "unsafe" delivery. The Team investigations revealed that although JSY provides for Rs. 500 to be paid to a woman delivering at home, virtually no woman had actually received this payment in the areas visited. Reports suggest that ANMs have likely received this money. Furthermore, given the observations by the 4<sup>th</sup> NRHM CRM on facility conditions for labour and deliveries, it is by no means sure that an institutional delivery will be a safe one!

An issue that struck the Team is that both poor women and men accept chronically sub-optimal health of themselves and their children as the norm. Moreover, because of their poverty they tend to delay seeking treatment in the hopes that they'll simply get better on their own and not have to find the money to pay for healthcare. There is a vicious circle by which, for example, tribal and Dalit people's poor health status reduces their potentials for both study and work which in turn perpetuates their poverty. Poor women are doubly burdened in that their labour in family, fields and forest is so highly demanded, combined with lesser decision-making autonomy and status, that they end up suffering with curable ailments for too long. There are two consequences of this behaviour and attitudes: when people finally do seek treatment, their condition has already worsened making it more difficult to treat. Second, child malnutrition is not adequately paid attention to as thin, small children are seen as a norm rather than a product of potentially serious nutritional deficiencies, and a cause of both physical and cognitive development problems.

In fact, child malnutrition is one of the most serious problems continuing to plague rural Chhattisgarh today, including tribal children and especially PTG children. A study of Kamar children<sup>60</sup> indicated that an astounding 94% of four to six year olds are underweight, while 67% were found to be stunted (compared to 53% for children under three in rural areas of the state; NFHS-3 data). As the study was undertaken in 2006, prior to the improvements made to the PDS in the State, it may be that their situation has improved somewhat in the meantime, although this cannot be sure. Among other issues, the PDS would not ensure a higher intake of micronutrients. Nonetheless, children's developmental abilities will be adversely affected with chronic malnutrition, and there is still too little attention paid to this issue. The lack of attention to "mildly" undernourished children starts with the parents but extends to mitanins and anganwadi workers who also do not take enough pro-active measures to help prevent more serious malnutrition.

One of the initiatives to tackle malnutrition is the establishment of Nutrition Resource Centres (NRCs) for mothers and children who are severely malnourished (wasted) at the CHCs in Chhattisgarh. So far, 18 of 20 NRCs set up are functioning, but from a poverty perspective, some problems are immediately evident. For example, the mother and child are supposed to stay at the NRC for a period of some twelve days (until the child shows signs of improvement). This represents a huge opportunity cost to the family, as the woman's labour will be unavailable for such a long time, whether paid or unpaid.<sup>61</sup> Another aspect would be if the NRCs have a friendly and inviting atmosphere with plenty of attractive, relevant and easy to understand

<sup>60</sup> Mitashree Mitra et al. (2007) "Nutritional Status of Kamar Tribal Children in Chhattisgarh," *Indian Journal of Paediatrics*. Vol. 74 (4): 381 – 384.

<sup>61</sup> This observation has also been made by the NRHM CRM Team, 2010 (p. 25).

information education and communication (IEC) materials available. One would also expect that the mother should be paid the minimum daily wage for every day that she stays at the NRC and not just boarding and lodging.

Finally, while the NRC is a good effort, it also has to be asked if the recommendations that are made there are possible for a very poor, forest fringe family to implement. Undoubtedly, a recommendation will be for the child to get more leafy green vegetables and fruits or more pulses. If a poor family has to buy the fruit and vegetables, it becomes a costly endeavour, particularly if it entails extra trips to a market. On the other side of the coin, the family may have traditional knowledge of, and more access to wild, green vegetables. If the NRC staff is not aware of “forest foods,” they may also not be able to make appropriate recommendations for the mothers. A question to ask here is why should there be such a large number of wasted children (Grade IV malnutrition status) to warrant the NRCs in the first place? Theoretically, since all gram panchayats have Anganwadis and several mitanins, there should be enough frontline service available to prevent a child even of a poor family to reach such a critical state. Practically, then, the system is showing signs of failing the poorer families in the State.<sup>62</sup>

Health service personnel worldwide tend to be prescriptive in their approaches to community, maternal and child health. In tribal and Dalit areas dogged by poverty and chronic cash deficits, remoteness and social exclusion, prescription may not work. Thus, a well-meaning mitanin may urge all mothers in her village to exclusively breastfeed their babies for the first six months. The mothers may also want to follow this good advice but if their own health status is poor—with low BMI and anaemia—they will not be able to; indeed, they may be harming their own health since extensive breastfeeding may lead to calcium deficiencies and early onset of osteoporosis. NFHS-3 showed that of over 1,000 tribal women checked/interviewed, 74% of them were underweight (BMI  $\leq$  18.5), of which 24% were “moderately to severely thin” (BMI  $\leq$  17).

In conclusion, poor families’, especially *Adivasi* families, access and use of government-sponsored health services drops drastically after the level of mitanin, despite their obvious needs and demands for health services. If the percentage of institutional deliveries would be mapped village-wise in a block it would also show a clear drop with distance from the next (reliable) health facility. Although the mitanins are a driving force in the increase in institutional deliveries in Chhattisgarh and decreases in infant deaths, the Team discovered that there are habitations in tribal areas that do not even have a mitanin. The SHRC confirmed that there are some 5,000 habitations in the State without them. Given people’s, especially poor people’s, strong preference to be treated either at home or near their homes, a strong thrust will have to be made to improve the first line of government services: the HSCs. In this respect, recruitment drives, with the provision of scholarships, should be made to younger tribal and Dalit mitanins to enable them to become ANMs.

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<sup>62</sup> CAG 2010 *Performance Audit* of the ICDS shows that a good 50% of children and their mothers in the State are not even reached by Anganwadi services. The 50% who are being reached often get sub-standard services. A major problem pointed out by the CAG Team is the major deficiency in ICDS supervisory staff.

#### 4.1.2 Education

There are several institutional stakeholders coming under the rubric of education, and who are involved in the EU-SPP but in this section we focus primarily on the “frontline” of different types of schools and teachers in the rural areas. The issue of school-based committees is discussed under the section on PRIs below. As the EU-SPP also provides funds to the DTW, we also include some of the observations and conclusions of the Comptroller and Auditor General (CAG) Report that were included in the Performance Audit on SC and ST Education covering the fiscal years 01.04.2005 to 31.3.2010.

While the Right to Education emphasises all children’s right to quality and equitable education from six to 14 years (elementary classes I - VIII), the Chhattisgarh State policy and targets on education are more ambitious: *universal access to primary education by 2007, upper primary education by 2010, higher education by eleventh five year plan (2012) with retention of students up to 75% in upper primary school and a retention of 65% at high and higher secondary school combined.* As written in the MTEF, “It would be seen that the state has to go a long way for achievement of these goals within the stipulated frame of time.”<sup>63</sup>

A review of public school availability, which impacts the rural poor and is a focus of EU-SPP, shows that there are 33,931 primary schools (Classes I-V), 13,822 upper primary schools (Classes VI to VIII), 1,475 high schools (Classes IX-X) and 1,637 higher secondary schools (XI-XII).<sup>64</sup> Of these schools, 15,240 are run by DTW. This drastically shaped pyramidal structure of the public schools excludes the majority of poor children from accessing education beyond primary level.<sup>65</sup> This also denies them the opportunity to use education to help provide them more meaningful livelihoods, including in more skilled sectors of employment. People we spoke to reported their struggles in accessing secondary schools since they are fewer and located far from their habitations, often at bigger GPs and block headquarters. The Team did not have time to go in depth into physical accessibility issues, but it would be an important aspect to consider in terms of tribal, Dalit and other rural poor children. At a village in Kota Block, for example, the middle school is five kilometres away, but there is a big gulley (nallah) along the way that floods in the rainy season, thus preventing the children from reaching this school.

State expenditures on education from 2001 onwards show, positively, year on year increases ranging from 11% to 15%.<sup>66</sup> In addition, the State receives central funds for implementing Rajiv Gandhi Shiksha Mission (RGSM-SSA), funds under CSS for Dalit and tribal children, under SCP and TSP, plus additional funds for MDMS. All these budgetary provisions have undoubtedly led to increased availability of education infrastructure, and enrolment of children particularly at the primary levels has gone up. This also shows parents’ interest and concern for educating their children when facilities are placed closer by. The increased enrolment, however, still follows the “pyramidal” provision of schools: that is, 105.68% at primary, 73.2% at upper primary, 44.99% at high school and 26.03% at higher secondary levels of the eligible student population at these levels for all children in the state<sup>67</sup>.

<sup>63</sup> “School Education in Chhattisgarh, MTEF,” January 2011, p. 35.

<sup>64</sup> Annual Report of the Department of School Education, 2009-2010, quoted in *ibid.*

<sup>65</sup> There is a telling contrast in the pyramid structure when one looks at the State’s private schools (6,407 total): I-V = 2,741 schools, VI – VIII = 1,926 schools, IX – X = 733 schools and XI – XII = 1,007 schools.

<sup>66</sup> *Ibid.*, p. 37.

<sup>67</sup> *Ibid.* p. 5.

The drop-out rates obviously increase with each higher level, and are found to be even higher among Dalit and tribal students. For example, while the overall drop-out rate at upper primary level was 7.2%, it was 12.6% for Dalits and 13.0% for Adivasis in 2008-09 with a huge variation between girls and boys. The CAG (2010) reported a retention rate of SC and ST girls in schools run by the DTW to be 52% in primary and only 19% to 26% at middle levels (depending on the base year). This shows us the large proportion of children who enter the education system but leave it along the way, leading to potential disappointment and frustration for both themselves and their families. Certainly, their dreams of using their education for better and more secure livelihoods would be dashed in most cases.

The front line workers in education are obviously the teachers, the resource persons at the cluster and block levels and the education administrators at the district level. As in other departments and services, a large number of vacancies at different levels is a major concern. In schools run by DTW, the CAG (2010) reported teacher vacancies of 32% to 43% at all school levels. In order to meet the huge teacher deficits all States, including Chhattisgarh, have recruited large numbers of untrained teachers with minimum qualifications (must be Twelfth Standard pass) under the SSA called “shiksha karmis.” After going through a two month “crash course” they get posted in various types of schools throughout the State. Apparently, there are some 50,000 shiksha karmis who have been thus recruited.

In one of the schools the Team visited in Jagdalpur all four teachers in the elementary school were shiksha karmis. Our discussions with them reflected the inadequacy of their preparation and gaps in their knowledge, pedagogy skills and class room management. It would hardly be possible for them to properly manage Multi-Grade Multi-Level teaching. They receive little support or supervision from cluster and block resource persons. Overall, the system reveals a somewhat neglectful attitude towards the education needs of the poor and marginalised communities, including allowing a “de-professionalisation” of the rural teaching profession that results in many quality issues. It also calls for a serious review of the current training provided to the teachers and requires the institutionalisation of a mentoring system to ensure that the shiksha karmi teachers are able to provide quality and equitable education to the children in their care.

Despite the additional influx of shiksha karmi teachers into the schools, many districts continue to have unacceptable pupil - teacher ratios; at the primary levels in 12 out of 18 districts it is still more than 1:40. In addition, the distribution of teachers to the individual school is also problematic. It was found that the overall picture masks further understaffing and even overstaffing at individual schools. In one of the schools visited by the Team, there were four teachers for 15 children at the upper primary level! The Team also discovered cases where children’s names were kept on school enrolment records to justify the teacher maintaining his/her posting at that particular school. The CAG also reports such a case in Gariaband where three teachers were posted at two middle schools but without any students enrolled in their classes. The CAG Team reported opposite cases as well: 7 schools with students but no teachers at all, and 27 schools run by a single teacher (pupil numbers ranging from 54 to 227 each).

Visits to the schools also showed that the effective teaching hours by the teacher are also limited. Both CSOs and government officers have reported that it is as common

to find the teachers outside class rooms, as inside them.<sup>68</sup> There were schools in remote areas that did not function at all, particularly when they were upland and road inaccessible. Perhaps in an extreme case, one CSO reported that there are remote schools in Bodla Block that only open on a few days per year because the teachers cannot be bothered to reach them. Thus, teacher absenteeism is a serious problem in the State. Sub-contracting by teachers was also reported, whereby a teacher agrees with a local educated/semi-educated youth to teach the children, paying the person a small sum from his/her salary. Such irregularities should, of course, not be tolerated and are an indication of two things: no functioning grievance redressal mechanisms and no proper supervision.

Recognising that many children in the past dropped out because they could not pass the exams to go onto the next Class, provision has been made in the RTE to allow all children to continue schooling till class VIII without getting held back. The system of continuous and comprehensive evaluation (CCE) has been instituted, but adequate training or monitoring mechanisms have not been put in place to implement this, creating one more avenue for non-implementation/non accountability in the system. In one of the villages visited by the Team in Gariaband, villagers complained about the CCE, saying “Our children will just get passed through to Class VIII, but without them learning anything! How can education be a path to improved livelihoods for them?” In this type of environment, child learning motivation also becomes a problem, not to mention regular attendance.

In tribal areas, language acts as a barrier to children’s education in the early years. Given the fact that a large proportion of school going children in Chhattisgarh come from tribal communities, the inability of teachers posted in the tribal areas to understand and speak the language of the children, would almost certainly result in young children not comprehending the lessons at all. They then get labelled as ‘uneducable’ and fall out of the system sooner than non-tribal students. The ASER 2010 report on abilities of children in the “Three Rs” after eight years of schooling (see Table Three below) is indicative of this huge problem (without having disaggregated the data to show SC, ST and Others). The problems in educational attainment were also reflected in the Chhattisgarh educational achievement survey (2008-09), and reported in the Annual Report of the Education Department to EU-SPP in 2008-09: “at the primary level too, they lacked the skill of creative writing in Hindi and could not comprehend the passage properly. Overall performance of students in English was not up to the mark.”

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<sup>68</sup> This is not always because the teacher does not want to be in the classroom. Teachers also tend to get assigned extra tasks such as surveying for various censuses that keeps them away from their teaching duties.

Table Three: Reading Attainment Level by Class: Rural Chhattisgarh (In %)

Std	Nothing	Letter	Word	Std I Text	Std II text	Total
I	19.5	59.0	17.8	2.5	1.2	100
II	5.4	40.9	40.1	10.0	3.6	100
III	1.7	17.4	36.3	33.2	11.4	100
IV	0.8	7.3	18.2	39.8	33.9	100
V	0.9	2.5	8.4	26.6	61.6	100
VI	0.6	1.3	3.2	16.7	78.1	100
VII	0.3	1.8	2.6	10.3	85.0	100
VIII	0.1	0.7	1.4	5.0	92.8	100

**Table Note:** The table shows the maximum attainment of a particular cohort. That is, in Class V, there were 0.9% of children who were totally illiterate, 2.5% who could only make out individual letters but not more, 8.4% who could manage to read individual words but not more, and only 26.6% who could manage a Class I text.

Source: ASER 2010, Report chapter entitled *Chhattisgarh Rural*.

The SSA puts considerable emphasis on school infrastructure, teacher recruitment and learning material availability in schools. The RTE has consequently institutionalised these as norms. The ASER 2010 reports on RTE compliance on some of these basic norms in the elementary schools. It is clear that there are quite a number of problems in this regard (Box Three immediately below). Furthermore, the CAG 2010 Performance Audit (p. 31) also points out significant difficulties with some of the DTW-run schools, ashrams and hostels. In Jagdalpur, for example, it was noted that toilet facilities were not provided in 20/59 ashrams, 13/81 hostels, 878/1235 primary schools, 158/298 middle schools, 38/93 high schools and 38/51 higher secondary schools.

### Box Three:

#### Compliance with RTE Norms at Elementary Level in Chhattisgarh (% of Schools in Compliance)

- |   |       |
|---|-------|
| 1. Playground –   | 44.7% |
| 2. Boundary wall –  | 48.5% |
| 3. Drinking water availability –  | 77.6% |
| 4. Useable toilets –  | 32.7% |
| 5. Separate toilets available for girls -<br>(but only 22.2% were in useable condition) | 53.8% |
| 6. Midday meal served in school<br>on the day of visit -                                | 94.7% |
| 7. Library books available and<br>used by students -                                    | 36.5% |

Source: ASER 2010

Recognising the disadvantages of tribal and Dalit children, the Central and State governments have put a number of additional provisions in place for improving their access and quality in education. The TSP and the SCSP mandates that population proportionate budgets be allocated at every level of education to improve the educational attainment of ST and SC children to be on par with children from other communities. A large number of provisions are made for this purpose, including hostel facilities, ashram schools, model residential schools, eklavya schools, pre-matric scholarships, post-matric scholarships, free books, free uniforms, free

bicycles for SC/ST girls, special tuition fees, etc. There are, however, gaps in their implementation which has been pointed out in the CAG report in terms of non implementation, delayed implementation, wrong utilisation of funds and unaccounted for funds. The Team was disappointed to learn, for example, that the distribution of bicycles under the Saraswati Cycle Yojana has also been problematic. The CAG 2010 notes that in 2007 – 2008, for example only 2,850 bikes were distributed in Jagdalpur when the number should have been 7,461. In other years “inordinate delays” were reported in the distribution process. The CAG further noted delays in distribution of scholarships.

The problem in supporting improved education for SC and ST children starts with the budgetary allocations not being in keeping with the mandated population proportionate allocation under SCSP and TSP.<sup>69</sup> For details, please see Tables Four and Five immediately below.

Table Four: SCP and TSP Allocations on Elementary and Secondary Education  
(2001- 2009) (in %)

SCP/TSP	Highest Allocation %	Lowest Allocation %	Exceptionally High Allocation %
SCP –elementary education	5.19 (2006-07)	0.51 (2008-09)	14.20 (2003-04)
TSP –elementary	7.22 (2007-08)	0.65 (2003-04)	16.74 (2005-06)
SCP –Secondary education	0.17 (2001-02)	2.53 (2004-05)	--
TSP –secondary education	0.33 (2002-03)	5.41 (2005-06)	--

Source: MTEF - Education, Jan 2011, p. 26-27.

<sup>69</sup> Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) are mechanisms initiated during the Fifth and Sixth Five Year Plans, recognizing that these disadvantaged communities were not benefiting from the growth and development in the country. SCSP and TSP thus mandates that all ministries and departments at the union and state levels provide population proportionate budgetary allocations to these communities to promote their all round development and ensure they benefit from the growth in the country. Thus in Chhattisgarh Adivasis and Dalits are to receive 32% and 12% of all Plan budget allocations.

Table Five: Centre and State Allotments and Expenditures for Education of SCs and STs (2005-2010) (in Rs. crores)

Year	Total Allotment	Total Expenditure	Savings – Central (%)	Savings-state (%)	Total (%)
2005-06	783.08	622.54	7.10 (8%)	153.74 (22%)	160.84 (21%)
2006-07	846.46	751.48	0.57 (0.6%)	94.41 (12%)	94.98 (11%)
2007-08	1016.28	916.17	6.71 (6%)	93.40 (10%)	100.11 (10%)
2008-09	1280.68	1114.90	2.09 (1%)	163.69 (15%)	165.78 (13%)
2009-2010	1658.32	1569.32	4.14 (3%)	84.86 (6%)	89.00 (5%)
Total	5584.82	4974.11	20.61	590.10	610.71

Source: CAG Performance Audit Report 2010, p. 24.

In the final analysis, the School Education system in Chhattisgarh has a long way to go before it will adequately serve the needs of disadvantaged communities. The State has made huge efforts to increase both infrastructure in the form of numbers of schools and the number of “para-teachers” in the schools. The Team’s findings, confirmed by a number of sources, are that quality issues have been neglected in the push for coverage. Thus, the CAG Team’s observations are germane here when it noted that though the number of DTW primary and middle schools had increased during the years 2005 – 2010, but the “enrolment of SC and ST children in the schools run by the DTW did not increase proportionately.” The explanation provided for this was that some of the children had “migrated” to SSA-built schools nearby which also begs the question of additional school construction when one already exists.

From the side of the disadvantaged communities themselves, their interest in education has been awakened, as they understand the importance of it for new generations coming up as a means to escape poverty. The challenge is now for the system to respond adequately to their demands.

#### 4.1.3 Forest Department and CGMFPF

The section on livelihoods above has already detailed many of the forest products that forest fringe/forest dwellers are collecting. At issue here is the nexus between the predominantly tribal dwellers and the Forest Department. The Forest Department does have staff in village forest areas, generally forest guards who are posted under Forest Circles and Divisions. There is no devolution, decentralisation or delegation of functions, however, to gram sabhas as required under PESA and FRA. The relationship between forest guards and tribal villagers is sometimes an uneasy one. There is a tendency in many areas for guards to treat villagers as either paid or voluntary labour, rather than as traditional stewards and owners of forest land. The years of JFM—now implemented in over 11,000 villages in Chhattisgarh—have left the Forest Department as the main forest manager. There seems to be little recognition of villagers’ traditional forest use and conservation practices. In one area people told us of their worries that their access to forest for MFP collection could be curtailed because the area is now “protected,” obviously without consultation of the gram sabha despite it being a PESA/FRA area. In other areas

the Team heard of PTGs getting displaced because of the declaration of areas as Tiger Habitats.

This does not mean that the Forest Department has only a forest “policing” function. JFM, existing in the State since 2001 – 02, provides for benefit-sharing of timber felling proceeds between Department and JFMCs. The CGMFPP attached to the Forest Department is the apex body for government-established forest produce collector co-operatives. The CGMFPP has made a number of livelihood initiatives over the years starting prior to the bifurcation of Madhya Pradesh, and now with the assistance of EU-SPP. These initiatives aim to assist forest fringe dwellers increase or improve their marketing of MFP. At this stage, however, these initiatives are taking place in limited areas or are for niche products (a case in point are the herbs required for ayurvedic medicines) that cannot be collected in large amounts, and are more generally available in denser forest. Some products such as honey and lac may have much higher marketing potential than at present although a product like lac is not immune to “boom and bust” market cycles.

Despite the positive efforts of the CGMFPP and the existence of both JFM and FRA, the “employer – employee” relationship dominates the relationship between Forest Department and local tribal villages. This also extends to MFP, despite the villagers being in SHGs and/or in cooperatives. Thus, when the people collect tendu leaves and sell them, they get a piecework wage in the first instance and later on, after the tendu auctions are over, they get a bonus. It seems no bonuses are paid for other nationalised products. Both villagers and CSO representatives the Team spoke with mentioned that the tendu purchase window is fixed by the Forest Department so that collectors have only a limited time frame in which to collect and get the number of bundles recorded on special cards.<sup>70</sup> Villagers told us that the tendu collection period should generally be longer; the short time does not give them a chance to collect tendu from more distant areas where the forest is denser and the tendu more.

For some other forest products, the arrangement is different. We heard from a CSO based in Sarguja that in an area traditionally belonging to the tribal people in the village, the Forest Department has “provided” this area to the local people for lac propagation. According to the CSO representative, 200 people organised in 10 SHGs provide their labour for some five to six days per season to take care of the lac and trees and are paid daily wage rates by the Department (it seems the Department had provided planting/other materials in 2004). When it comes to sales, the people involved in the actual work don’t get any bonus; rather, it seems that 15% of the sales price is divided between a village development fund (for which the forest guard also has signatory rights) and the payments for labour. In this particular case, the 15% sales price was Rs. 200,000, meaning that if these 200 people had been owner – operators of the whole lac plantation they could have received on the order of Rs. 1.3 million rather than the Rs. 85,000 they got for their labour and the Rs. 115,000 for the village fund.

A Samarthan/GHK study done on PRI Institutions for the EU-SPP in 2010 also mentions similar arrangements, whereby JFM Committees are to get 15% of the proceeds when the Forest Department sells timber or bamboo from the area associated with that JFMC. It strikes the Team that 15% is too small a share for the people, while the process itself is too intransparent. Thus, people are in a weak position to claim an appropriate share of the proceeds. In around 2007, the Forest

<sup>70</sup> The Team heard, unfortunately, of many tendu-related complaints: from the cards being taken away from the collectors, and the collectors getting cheated in either counting or weighing bundles.

Department decided even to keep back 30% of the payments to JFMCs so that these kept back funds could be provided on a low interest (4%) basis to other JFMCs where no timber is getting cut. From a poverty perspective, it is obvious that the Forest Department should in the first instance drastically increase the 15% share (appears to be the lowest in India), and in the second instance, take a fixed percentage from the Department's share to provide no-interest loans to JFMCs where there are no timber sales.

Although the Team does not doubt the good intentions of the CGMFPF to help improve the livelihoods of forest dwelling and forest fringe people, it is also clear that the outreach is too limited, and the main point of contact between people and Forest Department remain the forest guards or the "phad munshis" who are not agreed and appointed by the different gram sabhas involved. As the job title "forest guard" suggests, they are not in place for a development or marketing purpose. Because the CGMFPF's outreach is so limited (its function is basically to oversee trade in minor forest products), it also has to rely on SHGs formed by others as its indirect contact point in the villages. As far the Team could understand, this tends to be SHGs formed by the WCD (i.e., those contracted to provide food for Anganwadis or for MDMS). How well the SHGs function on behalf of forest produce collectors is not known, as the Team did not meet any villagers where SHGs were involved in MFP collection and sales.

All in all, the Forest Department is primarily in place to regulate people's access and control of forest lands and secondarily to promote income generation of tribal people. The sharing arrangements, however, strongly favour the Forest Department and leave people with far lower earnings than they might otherwise gain if they were truly recognised as the owners of all minor forest produce as foreseen under PESA/FRA. The nationalised forest products earn money for the Forest Department, as do all other sharing arrangements as mentioned above, while the collectors are left with earnings that do not correspond to the minimum wage.

Thus, a major issue remains in the pricing of forest products. If bamboo is taken as an example we can see how important an appropriate price is, as it is a product that is heavily depended on by the poorest tribal groups such as the Kamars. The Minister of Environment and Forests (MoEF), Jairam Ramesh, has recently (March 2011) declared bamboo an MFP, and issued a directive letter to all Chief Ministers in this regard. The Ministry is also trying to push through minimum support prices (MSP) for it and tendu, for example. "An MSP would put an end to the widespread exploitation of tribals." Minister Ramesh is of the view that since these areas fall within the purview Schedule V of the Constitution, the Centre has the power to step in and introduce MSPs for minor forest produce. The Ministry is also calling for the strict implementation of PESA, which would ensure that rights over MFP are assigned to gram sabhas, thus reducing the role of middlemen, currently played by contractors, government departments, and corporations. (Coverage in *The Hindu* and *The Economic Times of India* April 2011).

All in all, the Forest Department and CGMFPF have a major role to play in supporting the livelihoods of many thousands of forest- and forest fringe dwelling villagers whose current livelihoods barely reach subsistence levels. For this to happen, however, requires a paradigm shift in the Department's relations with villagers. FRA and PESA provide the framework for this, and some steps have been taken, but the challenge of decentralised forest governance remains large.



Photos 11 and 12: Minor Forest Produce: Tendu Leaves and Bamboo Products

#### 4.1.4 PRIs at Grassroots Level

In this section, we focus mostly on the functioning of PRIs in respect of their involvement in improving responsiveness and decision-making to poorer, including socially excluded, sections of the community. The Team has made a point of emphasising the perspectives emerging from the villagers themselves (in effect, members of the gram sabha plus ward Panches), rather than the local “top leadership” such as Sarpanches and Deputy Sarpanches. Although the topic of PRI tends to be treated as yet another sectoral issue, in fact it cuts across all sectors as it is related to effective and responsive governance. Thus, while the role of the Department of Panchayats and Social Welfare in Chhattisgarh should certainly be to oversee the functioning of PRIs, all major departments would have to cooperate and coordinate their decentralisation efforts in order to result in real subsidiarity. As argued above, forest governance is also a crucial issue in Chhattisgarh.

As mentioned above, Chhattisgarh has a rather mixed record of decentralisation and devolution compared with other major states in India, and figures relatively low in this regard. Of course, many efforts are being made to improve the situation, but the functioning of PRIs at GP level continues to be quite poor in general. There are various training programmes under way, including those funded partly by UNDP (CDLG—Capacity Development for Local Governance) and also by the EU-SPP. While these programmes are undoubtedly useful to orient newly elected officials, they do tend to focus on the more formal aspects of PRIs in one off short term training courses of a couple of days. Thus, more crucial issues related to leadership, accountability and transparency are not adequately taken up, and very little mentoring goes on (except where some CSOs have included this in their support programmes).

According to the Memorandum from 2009 of the Department of Finance, Government of Chhattisgarh to the Thirteenth Finance Commission, there are ten departments that have delegated parts of their programmes and schemes to the Panchayats (all levels).<sup>71</sup> While this is making progress, the GPs should in fact be in charge of 29 subjects. The Team could observe in the field that the most important decisions are taken at higher level as to what programmes will be implemented in the area, what the funding level will be for its activities, and all procedural requirements.

<sup>71</sup> The Memorandum (para. 6.01.11) lists the Panchayat, Revenue, Social Welfare, Women and Child Development, School Education, Agriculture, Health and Family Welfare, Schedule Caste and Scheduled Tribe Welfare, Public Health Engineering, Rural Industries. It goes on to say that “Various activities of these Departments are transferred to Panchayats.”

In other words, most of the funds received at the GP are “tied.” Thus, the GP becomes in essence something of an “implementing arm” for the departments without having independent planning and decision-making (except for “last mile” details, but even then approvals need to be taken at higher level for the release of funds). An example of this lies in the implementation of the MGNREGS; the GP can decide what kind of construction – employment scheme it wants, but this has to be approved at Block level. Later on, payments to workers depend in part on technical approval of the scheme by the Block Engineer.<sup>72</sup>

Part of the problem here is that gram panchayats have very little fund-raising capacities at their own level. This is particularly true of the poorer and poorest tribal areas where a GP may have virtually no locally raised funds. The Department of Finance Memorandum, 2009, is instructive in this regard: “Revenue and financial position of PRIs are poor across the country. However, this is particularly bad in Chhattisgarh, where dependency on PRIs on devolution from higher tier[s] is of high order. The State Finance Commission has observed that on average internal resource mobilisation (IRM) in [the] case of a GP in Chhattisgarh is Rs. 20,106. . . . Significantly, at [the] other two tiers of PRI i.e., Janpad Panchayat and Zilla Panchayat, the IRM was virtually non-existent.” (Para. 6.01.14). It is also obvious that a remote, tribal GP will have an IRM very much below Rs. 20,000.<sup>73</sup>

#### PESA and the Gram Sabhas:

When it comes to PESA areas, the importance of the gram sabhas in local governance is crucial. In terms of legislation, the Governments of both Madhya Pradesh and Chhattisgarh are both more advanced in adapting legislation to secure the rights of the gram sabha. In actual practice, however, gram sabhas are not given enough space in which to become empowered, and the “mandatory” four meetings per year of the gram sabhas often do not reach a quorum of attendees.<sup>74</sup> This is a major drawback for effective poverty reduction because if women, the poor, SCs and STs do not have voice in the gram sabha where else shall they have it? Indeed, the people we spoke to had almost lost hope that their gram sabhas could have real voice in local affairs.

In one case we were told of a diligent District Collector who had prepared a 43-item agenda for the gram sabha to discuss! In another case we were told that no resolutions of the gram sabha had ever been paid attention to by the Sarpanch as he told them that he would only take orders from the Block CEO. The Team also heard that one of the four mandated gram sabha meetings tends to get used for the Chhattisgarh government’s “Gram Swaraj Abhiyan,” meaning again that one of the

<sup>72</sup> This in itself seems to contradict the Right to Work aspects of the MGNREGS—the very aspect that should have a poverty relief effect in the form of wages for BPL/job card holders is being delayed because the Engineer does not get around to approving project completion. It is a serious question as to why payments for unskilled labourers should be at all linked to the technical approval of a project. The workers have put in their time and must be duly paid for it.

<sup>73</sup> The Thirteenth Finance Commission decided that allocations to PRIs and Urban Local Bodies (ULBs) should be divided at a ratio of 70:30. Thus, the allocation from the Centre for Chhattisgarh would be (in crores) Rs. 1670.7 for PRIs and Rs. 417.2 for ULBs during the 12<sup>th</sup> Plan period with another Rs. 179.3 as Special Areas Grant. Thirteenth Finance Commission, 2010 – 2015, Volume I: Report.

<sup>74</sup> The quorum of one-third (33% present must be women), plus the number of meetings per year, was fixed by the Chhattisgarh Government under its—taken over from erstwhile Madhya Pradesh—Chhattisgarh Scheduled Areas Gram Sabha (Constitution, Procedure of Meeting and Conduct of Business) Rules, 1998. The earlier Act is: Panchayat Act of 1993 (amended 1994 and 1998).

four meetings will not be by villagers to discuss for their own purposes, but rather by senior government officials and politicians. There have also been reports of gram sabha members' signatures being gathered to show that a meeting has been held in order to get a certain resolution passed. Other reports suggest that the quorum is bypassed altogether when a replacement gram sabha meeting is held which then doesn't have a quorum requirement (obviously, the latter meeting can be manipulated by someone wanting a certain outcome from it).

The Team heard also of many practical difficulties in conducting gram sabha meetings. One issue was that the notice given for the gram sabha meeting is too short (often only one day's notice). Thus, many people may not be able to attend even if they would have wanted to. Another issue is that in the remoter, upland areas the villages and habitations making up one GP may themselves be quite scattered. In Kota Block, the habitation visited by the Team was some five kilometres away from the GP centre of the village. In areas where habitations are scattered, it obviously makes sense to hold gram sabha meetings at habitation or village level, rather than only holding one per GP. This would allow more people to attend, thus giving more voice to poorer people and especially women. Their concerns could then be brought to an overall meeting at the GP via a delegation selected at the habitation level. It is also within the rules and regulations of PESA to constitute and recognise gram sabhas that are smaller than at present—any GP that comprises multiple (revenue) villages, habitations and tribal plus other groups would end up with a gram sabha that may be weakened and factionalised.

In the final analysis the potential effectiveness of the gram sabha has been much diluted because of the way in which GPs have been constituted in the Schedule V areas without precedence given to communities and habitations, as was the intention of the Act. There is no need for the GP to be established in PESA areas in the same way as in lowland, non-tribal areas with the idea of one gram sabha per GP. Gram Sabhas under PESA would need to be defined by the people living there, not by State bodies, in order to make them effective. With that as a starting point, gram sabha members would need to be adequately informed of their far-reaching rights under PESA so that they may realise their entitlements.

*Domination of GPs by Sarpanch and Secretary:*

People complained to the PIA Team of the role of the Gram Panchayat Secretary (*sachiv*). Whether rightly or not, he is seen as a person who dominates both the Sarpanch and the GP as a whole, or as someone who acts corruptly in cooperation with the Sarpanch. The Team was told of various instances whereby it appeared that the GP Secretary had misappropriated funds, including part of the untied fund on health at one village.<sup>75</sup> In other cases, villagers said the GP Secretary and the Sarpanch cooperate to decide on schemes without consulting the gram sabha even if they don't always misappropriate funds! In still other cases we learned from others that frequent transfers of the GP Secretaries caused many problems in that it is the Secretary who tends to run or manage the Panchayat schemes and accounts, not necessarily in the interest of the people. The Team also heard of a case whereby the GP Secretary had been transferred, taking the GP accounts book with him.

In terms of poverty and social exclusion, the PRI system as it functions now is having too little positive effect in Chhattisgarh. Poorer sections of the villages, including

<sup>75</sup> The GP Secretary was previously the co-signatory with a mitanin on the untied village health fund of Rs. 10,000. Perhaps in recognition of such problems, this has been changed to be a Panch (preferably female) and a mitanin.

tribal habitations in mixed community panchayats, have little influence or say over decisions being taken. Villagers told us, for example, of having drinking water problems in their habitation but that despite repeated requests, the Sarpanch continued to ignore their pleas. When it comes to delayed MGNREGS payments, it also did not appear that the Sarpanch would intervene on the labourers' behalf. Villagers at several places remarked that when wage payments under the scheme used to be issued via the GP, they knew the Sarpanch and Secretary had been inflating muster rolls but they could usually get their payments on time. After the system changed to be direct payments into labourers' postal bank accounts, the Sarpanches, Secretaries and others could no longer get away with muster roll inflation, but now wage payments are almost always severely delayed. In still other cases, there is a shortage of sachivs meaning they should "take care" of several GPs, thus undermining the functioning of the GPs.

The Team has also found that the Ward Panches in the areas visited seem to have a fairly minor role both as "GP functionary" and as gram sabha member. The ones spoken to also expressed helplessness vis-à-vis the Sarpanch/Sachiv team. Ward Panches may also engage in cronyism with the Sarpanches against the interests of the gram sabhas. Nonetheless, the chances are better for the gram sabha to exert pressure on a Ward Panch and enrol his/her assistance to gain wider support for their resolutions.

**Box 4:**

**Women as Sarpanches**

The recognition that equity issues should be improved in India has taken the practical form of Sarpanch positions being reserved for women, STs and SCs. This is also the case in Chhattisgarh. The question here, however, is the actual role of the woman Sarpanch and whether she is empowered or not in that position. The evidence suggests a mixed picture with a minority of strong, independent women and a large majority who are being used by men. The Team met such a woman in Dharsiwa Block; obviously, the "real" Sarpanch was her husband and she neither has any power nor even any real knowledge of the workings of the GP. Such cases are not rare, and have been reported elsewhere.

This manipulation of women's positions extends also to the army of SHGs in the State. The Team heard of instances whereby the SHGs are awarded contracts in the SHG's name, but a man or group of men actually controls the work and fund flow (for a small payment to the SHG). Thus, on paper the empowerment of women—including strengthening of their economic position—looks very good, while practice indicates the challenges ahead.

### Committees:

When we look at the various committees that are supposed to be set up under the GPs, then we also see that there is only a small minority of them that are really working. As far as we could determine, in the tribal areas these committees have been functioning primarily in name only. We heard of many cases where people said they were a member of a committee but had never been called for a committee meeting. We also learned that there are any number of people who do not even realise they are a committee member since the committee was just set up on paper. Even in lowland areas people may not know what committee they are a member of (as the Team saw in Dharsiwa Block). In terms of assisting the poor, and giving them voice, these committees should be functional, especially when it comes to social welfare, other BPL-related schemes, but also in the areas of health, education and forest management.

The Team asked time and again about the functioning of the various committees and the answers received were always the same. “They don’t.” In focus group discussions, most people could not describe any functioning committee in their village, or benefits gained from it; it always came back to the issue of power being concentrated in the hands of the Sarpanch and Secretary. Perhaps if the Team had spent more time in less remote villages where OBCs and other communities live, the picture would have been more mixed and rather more positive.

Every gram panchayat should have five standing committees under it. There are, however, three or four additional committees in the villages. First is the VHSC that receives untied funds under NRHM (they started to be established as of 2007-08). Second is the SDMC<sup>76</sup> which also receives funding for the school. In the forest areas there is the JFMC, superseding the Forest Protection Committee, but in PESA/FRA areas there should now be Forest Rights Committees (tribal villagers didn’t necessarily know the difference and sometimes mentioned they had heard of one or the other committee). In the case of the School and Forest Committees, to the extent that they meet at all, they are largely dominated by the local officials such as the teacher or head teacher and the forest guard or ranger. This is particularly true in all cases requiring the handling of money and accounts, whereby the government officials tend to control these aspects. Regarding the forest committees, an independent JRM study on decentralisation pointed out that these committees “are severely undermined by vested interests in the line department which is the result of the ethos of absolute state ownership of forests.”<sup>77</sup>

We heard of regular occurrences of the SDMC not meeting at all, but the teacher simply making a decision on fund use and then gathering the signatures of the members afterwards. The Samarthan/GHK study reports that Sarpanches may also co-opt SDMC meetings and fund use. The Samarthan study team was able to study the minutes of 170 SDMC/VEC meetings and concluded that “In a *small* number of

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<sup>76</sup> Although the Team didn’t come across general Village Education Committees (VEC), it seems some blocks have these set up rather than SDMCs. In any case, the name is of little consequence since the committees barely function. See also the study done for EU-SPP last year: Samarthan and GHK (2010), “JRM Study on Effectiveness of Decentralised Service Delivery Mechanisms: PRIs and Village Committees in Chhattisgarh.” That study team reported that some VECs/SDMCs were at least partly functioning. The main problem found by that study team was the lack of responsiveness of the appropriate authorities on legitimate complaints.

<sup>77</sup> Samarthan and GHK (2010), p.4.

cases, issues relating to the improved functioning of the school (mid day meals, teacher's late arrival for classes, absenteeism of teachers, poor academic record of the school) are raised in VEC meetings, . . . usually brought up by members of the community." Thus, parents in general and poor parents in particular are seldom empowered to give inputs on school functioning. As shown above, schools in Chhattisgarh seldom meet the RTE norms except in terms of MDMS. At the same time, however, despite education being part of the GP mandate and many plans to decentralise school planning and development, it continues to be planned and administered centrally at the Union and State levels. There is very little planning or designing at the school, panchayat or block levels. These are simply implementation bodies. Given the poor functioning of the schools it is clear that the system needs real decentralisation and devolution to make it work properly.

Regarding the VHSC, the situation is not much better. The Team was surprised to learn this, as it has also observed that the mitanins are present in virtually every habitation, and the VHSCs themselves are set up according to Revenue Villages, although in this respect the relationship between VHSC and GP standing committee is unclear. One of the mitanins the Team met described a VHSC meeting: "There were huge arguments in the GP on the untied fund even though it is a small amount of money compared to what the GP gets for construction projects; the Sarpanch demanded and got Rs. 500 as "tea money." In other words, despite rules and guidelines on this fund, the "political people" of the GP try to gain a hold of it. Another problem that was raised in the Samarthan study (2010) is that the State Health Mission ordered (in a letter dated 3 April 2010) that 50% of all VHSC funds be used for malaria control. In fact, the State should have its own budget available for malaria control, such as funds for sprayers. The intent of the VHSC fund is *not* to be used as budget substitution for state or district budgets. The other point here is that the malaria problem is not of the same severity in all parts of Chhattisgarh, as described in the DHFW NRHM Programme Implementation Plan (PIP), 2010-2011.

It was also clear to the Team that strong suggestions had been made from the Blocks (BMOs) to use part of the VHSC funds for name/sign boards. In Litipara village (part of Badimar GP), some Rs. 2,500 of the VHSC fund released (Rs. 6,000 in this case) was used for a sign board. The Team finds that such expenditures imposed on the villagers from "above," undermine both the spirit and intent of the exercise. It may also be asked why villages need to have sign boards advertising the mitanin's services when everyone is well aware of them already. It would be of greater utility if the nearest HSC would take part of its own untied fund and post its opening hours clearly!

A point in common of all the GP- and village-based committees is that they are supposed to have a planning function—they should be making sector micro-plans which would then incorporate the needs and perspectives of the poorer/poorest sections of the community. In actual fact this seldom happens in a systematic way, and there have not been programmes available to facilitate these committees to have independent planning and fund use. The idea that gram sabhas should approve local development plans is far from being realised.

All in all, then, the PRIs at local level are neither functioning well in a general manner, nor are they functioning to serve the poor. In the PESA areas, while there are special regulations in place that would endow the gram sabhas with adequate decision-making powers, especially with regard to inalienability of land, these seem not to be well known among gram sabha members, GPs, or local officials. Therefore, the Team's conclusion is that precisely in the areas where good local

governance and attendant services are required most to reduce poverty effectively, they function the least.

## 4.2 Civil Society Organisations

This section is based foremost on the national government's policy, sponsored by the National Planning Commission, on how to engage constructively with civil society. It is entitled, "National Policy on the Voluntary Sector" and was passed by the Union Cabinet in 2007. As this Policy states (p. 6) *The voluntary sector can play an important role in the development process, particularly through community participation. Voluntary Organisations can offer alternative perspectives; committed expertise; an understanding of the local opportunities and constraints; and perhaps most importantly, the capacity to conduct a meaningful dialogue with communities, particularly those that are disadvantaged. It is therefore essential that the Government and the Voluntary Sector work together.* Each and every State of the Union should also have its own policy. As far as the Team is aware, however, the Government of Chhattisgarh has yet to pass policy in this regard.

The state of Chhattisgarh is also home to a large number of CSOs. According to one source, there are approximately 3,000 of them in Chhattisgarh covering all manner of activities in rural and urban areas. Of these 3,000 approximately 15% of them would have Foreign Contribution Regulation Act (FCRA) Registration with the central government, thus allowing them to receive direct funding from foreign sources. Some of the CSOs are larger, network based organisations while others are rather small organisations with only a director and a few field staff working in a limited number of villages. There are CSOs that cooperate closely with government, and some taking contracts from government, while others take a more distant approach and prefer not to receive government funds. Although there is no "census" of CSOs in Chhattisgarh, they must certainly be present in every tribal and development block of the State.

While the Team would not claim that CSOs provide a "silver bullet" to address all poverty-related issues in Chhattisgarh, they undoubtedly have a role to play. CSOs should not be seen as supplementary service providers, but rather as facilitators and linkage organisations that help to strengthen people's organisations, including grassroots PRIs. Some CSOs can have a training and capacity building role. Indeed, one like the Public Health Resource Network (PHRN) has also provided training and facilitation for government health services at district level. A major advantage of well-functioning grassroots-based CSOs is that they have quite trustful relations with local people, also in remote and hard-to-reach areas. Based on these trustful relations, CSOs often have a deeper understanding of poorer people's specific needs compared with government officers who are based in faraway district headquarters, for example. Thus, a block- or district-wise CSO forum could be used to provide valuable feedback on the progress and limitations in the implementation of the myriad of government schemes, and to provide ideas as to how to make them more pro-poor in outlook and implementation.

Another area where CSOs can play an important role is in conducting small, qualitative studies that also provide monitoring feedback on the status of various schemes, programmes and service provision. Such studies can be invaluable in providing inputs for improving service delivery, particularly in the remoter, tribal areas. A positive feature of a number of local CSOs in the LWE districts is that they have managed to maintain a credible neutrality between Maoist forces and

government officials, especially the police. This is particularly important in the absence of monitoring mechanisms for GO programmes and schemes, whether CSS or State-sponsored. An ongoing problem for CSOs in Chhattisgarh, however, is the LWE Districts. Although they do manage to continue to work there, they sometimes are faced with particularly mistrustful relations with government. That is, neither side fully trusts the other. In fact, both “sides” are generally working for the same purpose: to improve the living conditions of the tribal population. Thus, it is important for them to be able to trust each other and actively cooperate on some development issues.

The smaller CSOs in the state are also plagued with resource difficulties. That is, they may have inadequate and low-trained staff, and they may also have far too few financial resources. This is particularly true of one of the most important types of CSOs of all: those set up by and for tribal people, Dalits and women. With meagre financial resources, CSOs also have difficulties to hire and maintain staff. Moreover, if they receive a contract from a government source, there may be delayed payments. If the organisation is a large one, it will be able to cover such delays from other sources. If not, its whole operations may be brought to a grinding halt.

The EU-SPP does not exclude CSOs from its design, but there has not seemed to have been a concerted effort to include them either. Thus, the involvement and engagement with Chhattisgarh-based CSOs under the different programmes of the EU-SPP have been minimal to date, although a consultation did take place under the purview of the Mid-Term Review in 2010.

### **4.3 Reference Communities (Target Groups) and Their Capabilities**

A PIA Study includes an analysis of the reference communities (also called “beneficiaries” or “target groups”). Many issues related to especially poorer, tribal communities have already been raised in the sections above. Thus, this section mainly summarises the points from above while adding in a few new points. When the Team held focus group discussions with tribal women and men, it was always clear that local people still retain much knowledge of the forest areas and what kind of products are available for their consumption or for sales. Although the Team did not have adequate time to explore these issues in great detail, it was also clear that people still maintain at least part of their traditional understanding of forest conservation. For them, of course, a forest is a large, integrated eco-system that goes far beyond the trees in it.

Along with this knowledge of the forest and how to carry out upland cultivation, come survival capacities under extremely difficult conditions. This includes the ability to survive in the light of forest degradation, deforestation and forest closure. The tenacity and resilience of the people we met also includes their openness to seek out, and avail of, government social services when they are available. People are more interested now than in the past to send both girls and boys to school; they would be more interested to use appropriate government health services; they would be more than pleased to receive agriculture extension advice and inputs. Particularly with regard to health and education services, the Team heard both directly and indirectly (via CSOs) of numerous cases whereby people have made trips to the Block to demand services or to demand service improvement. They have spent their extremely limited resources (both time and money) to try to gain improvements. All too often these demands fall on deaf ears.

This shows that people, including poor tribal and Dalit populations, are not uninterested and passive about the services that are supposed to reach them. The problem is that their voices are not heard, and they eventually give up. Sometimes they receive bogus or unclear explanations regarding their complaints (especially on delayed payments under various programmes). Thus, people also begin to develop indifference. If they experience too many times that gram sabha resolutions are ignored, or that a government official takes decisions on behalf of a local committee they lose interest in participating in such forums and become apathetic. When the people see that a Sarpanch has become corrupt or co-opted, they also lose interest in trying to make the PRIs function in their favour. In the final analysis, the very bodies that should be increasing their voices end up stifling them.

An important point from our study is that the daily cash income for large numbers of tribal families comes to hardly Rs. 15 per day per person. It would not be higher for marginalised Dalit communities. This cash poverty imposes many constraints on people that are hard to recognise for those who do not have to survive on so little. Thus, there are times when people may wish to use certain services but they cannot because they either have no money, or they are busy with so many activities to earn their living. Of course, gender issues also play a role in the family, and women may be even more disadvantaged in that they have lesser decision-making over the use of limited family funds. People's very real constraints obviously need to be taken into account when designing programmes and services.

Tribal people have many capacities and potentials that may not be recognised when they are measured against an "urban" or "lowland" standard. Just because a person is illiterate or doesn't have a toilet does not mean that he or she has no leadership capacities. Just because a child does not speak Hindi when he or she starts school does not mean that he/she cannot learn well. Indeed, the Team has met a mitanin who is illiterate. She was, however, also a traditional healer and had no difficulties to recognise and understand how to prescribe the allopathic medicines in her kit. Thus, the point here is to recognise people's potentials and work with them, rather than dismissing them, thinking and deciding for them, and not trusting that they have their own wisdom to determine an appropriate development path.

## **5. Transmission Channels and Service Delivery Mechanisms: How to Optimise Poverty Impact**

For a Poverty Impact Assessment it is necessary to study the so-called "transmission channels" by which stakeholder interventions may have a positive impact on poverty. The transmission channels are "the pathways through which an intervention triggers results at different levels and time horizons." These transmission channels are defined broadly as follows: Prices (production, consumption, wages), Employment (formal and informal), Transfers and Taxes (private and public), Access to goods and services (people's access to both private and public goods and services), Authority (formal and informal political relations and structures), Assets (human, physical, social, financial, natural). Of course, the use of these pathways should increase local people's capabilities in different respects: economic (incoming earning and asset generation), human (this includes health, nutrition, sanitation, education), political (have increased voice and influence) and protective (increased ability to withstand economic shocks, reduced insecurity and vulnerability).<sup>78</sup>

<sup>78</sup> OECD PIA Guidelines (2007), p. 23.

Because of EU-SPP's design, the transmission channels/intervention pathways may be identified as follows:

1. Access to Good and Services: Improvements made to delivery of Health and Education Service;
2. Authority Decentralisation/Support for PRIs;
3. Price/Employment Support for MFP collection, with processing and marketing.

The “lion’s share” of the funds under EU-SPP goes to Health and Education service improvement. Therefore, the capabilities that should be aimed at relate especially to the human capabilities noted above. Other capabilities relate to the political (relates to governance as a crosscutting issue) and economic (MFP). The intention of the SPP planners was to ensure that all levels of government departments and PRIs would be enabled to “plan, implement and account for the delivery of critical social services.”

Given the information provided in the chapters above, there are a number of constraints involved that make it more difficult to optimise poverty impact from the interventions as envisioned in the main results of the Financing Agreement. Some of the constraints are systemic, some are conflict-related and some are related to what the project is not supporting (or cannot support). That is, if poverty alleviation had been the major focus from the beginning, then the project itself would have had to have been planned, implemented and monitored in a different way.

In general, although the focus of the SPP should be on “poor and marginalised sections,” and/or “underserved areas and groups,” the internalisation of poverty and equitable service delivery as the primary goal of the programme seems not to have fully taken place. This is evidenced by the general budgetary gap-filling or budget substitution approach. Nonetheless, the Team sees a number of potentials for SPP to optimise its contribution to poverty reduction in Chhattisgarh, particularly if it concentrates on those aspects of its multi-year PIPs that have the greatest relevance to improve poor people’s capabilities and implement them in a pro-poor way.

## **5.1 The Potential Contributions of EU–SPP to Poverty Reduction: PIPs and Beyond<sup>79</sup>**

The EU–SPP, as mentioned above, includes poverty reduction in the formulation of its overriding goal. Its four components all have potentially important contributions to make to India’s and Chhattisgarh’s achievement of the MDGs using the transmission channels mentioned above. Indeed, since poverty is a multi-dimensional phenomenon, improved health and educational opportunities for women, men and their children are considered among the cornerstones of any poverty reduction programme. The “human” capabilities of persons, as reflected in their level and use of education and in their overall health status, are extremely important aspects of their underlying ability to earn their livelihoods in a way that will not only keep them out of chronic poverty, but will also reduce their vulnerability.

Effective decentralisation of required education and health services to improve “last mile” delivery for poor and vulnerable populations is a must, and is part of the EU–SPP’s remit. The PIPs, however, do not provide a clear enough road map to show

<sup>79</sup> This chapter has been added on request of the EU-SPP nodal officer, Director DIF, on the day of the presentation. The PIA Team thanks him for this request.

how poorer populations will be more effectively reached. The service delivery areas are crucial but it cannot be assumed that this budgetary support will automatically have the desired poverty alleviating effects. In the first instance, there is too little *direct* targeting or focusing of programme resources with the situation of the poor in mind. This may be seen in the MTEFs that have been drafted for Education and Health. Indeed, the MTR of 2010 reminded all stakeholders of the needed focus on so-called “underserved” districts as mentioned in the Financial Agreement.<sup>80</sup> Despite the recommendations, however, the multi-year PIPs are so broad in both their area and subject coverage—including everything from office equipment in Raipur to sanitary napkins for tribal girls<sup>81</sup>—that it cannot be ascertained if and how resources would be allocated with reference to poverty reduction, MDG achievement or to underserved areas.

Thus, the PIPs give rather rudimentary indication of strategic, poverty focus that could be gained with the EU–SPP’s albeit limited funds.<sup>82</sup> Rather, EU funds are being used primarily for budgetary gap-filling and/or budget substitution. That is, the funds are mostly being used for what had already been planned in terms of service coverage and areas (such as micro-enterprises and the like under MFP promotion or hostel construction under Tribal Welfare<sup>83</sup>). It would be a step in the right direction to look closely at the priority needs of the poor, especially tribal and Dalit communities, and use those needs as the beginning point to provide planning focus in a few selected poor (TDB) blocks of a limited number of districts. For example, when we see the persistently high malnutrition levels of both tribal mothers and their small children in the state, and since child malnutrition is a major proxy indicator for general poverty, it should become an urgent priority to try to solve this problem. The PIPs do not include this issue and it would be difficult to see where it could be included besides Behaviour Communication Change (BCC) materials. Although not in the Health PIP, there would likely be additional support required for the Nutrition Resource Centres, so that mothers really are able to stay there with their critically malnourished children.

It is well-known in Chhattisgarh and elsewhere that the mitanins have been making a positive contribution to community health. The question then becomes how to strengthen the role of mitanins in poorer and least served areas and to provide additional resources and backstopping there. The PIP Health does include a couple

<sup>80</sup> The term “underserved district” is, however, a somewhat unfortunate one. A district like Raipur, surrounding the State capital, is not underserved but it has several remote Schedule V blocks that most certainly are. Moreover, most of CG’s districts are considered either “backward” (15/18 receive BRGF funds) or “underserved,” not to mention affected by LWE (apparently 7 districts). Thus, “underserved” in Chhattisgarh remains a broad term!

<sup>81</sup> Given the poor sanitary conditions (no toilets or bathrooms) in a number of the hostels meant for tribal girls, one would have thought that a higher priority would be to improve these facilities before providing sanitary napkins (see CAG Performance Audit, 2010).

<sup>82</sup> It is no exaggeration to say that the Government of Chhattisgarh is awash in funds. Its annual budget 2010 – 2011 is estimated at around Rs. 25,000 crores (EUR 4.2 billion) (see Department of Finance website), compared to EUR 72 million (Rs. 432 crores) allocated for a five year period under EU – SPP (not including TA). Ironically, perhaps, the EU funds come to less than the amount (611 crores) that was *NOT* spent from the Central and State allotment (5,584 crores) for tribal and Dalit education over the five years ending 2010.

<sup>83</sup> The CAG Performance Audit covering the years 2005 – 2010 pointed out that the construction of large numbers of hostels and ashrams had not been completed, with details as follows: “it was noticed that even lapse of five years, 56 hostel buildings were at various stages of completion. The department could only complete 26 hostel buildings . . . The situation of ashram buildings was much worse in that only 5 of 95 planned buildings were completed within two to four years. (See pages 30 – 31). This audit information raises the question as to what purpose additional construction funds under EU-SPP would serve.

of points on the mitanins, including providing all of them with drug kits (*dawa peti*). There are two points to note here: first, two NRHM PIPs (2010 – 2012) for Chhattisgarh already include the drug kits (270 lakhs for one year), making it unclear as to the “value added” of additional funding under SPP. Second, since regular replenishment was mentioned in several blocks as a problem, the point is not the number of drug kits, but rather appropriate logistics so that the last mile mitanins in the remotest corners of the districts actually get their kits replenished every two months. Another point, as mentioned, is that some 5,000 habitations are without mitanins. Considering that these must be in remote and/or LWE areas, then it should be a high priority to recruit and train them (at what is rather little cost).

Since it is known that well-functioning school committees make a positive difference to both teacher and school functioning and pupil attendance, then the programme could support inter-block and district exchange visits so that people from one area learn from “real life” examples as to how to make a committee work, rather than concentrating on one and two day training workshops that seldom result in more than a modicum of learning. There is no doubt that virtually all capacity building included under any of the PIPs should be changed from workshop to mentoring, “learning by doing” and peer learning modes to increase effectiveness. Under the PRI PIP a “Panchayat Road Map” is supposed to be developed. Such a Road Map exercise will provide the ideal opportunity to concentrate on PESA and show the way as to how to rejuvenate the gram sabhas in PESA/FRA areas in the way originally intended by lawmakers.

A challenge related to the EU–SPP is that the multi-year PIPs do not make provisions for any monitoring systems, let alone impact monitoring. Area-wise activity monitoring would need to be put in place, along with area-wise financial monitoring. The “quality” of targets achieved would also need to be addressed.<sup>84</sup> The MTR Report pointed out that information on how the EU–SPP moneys have actually been spent has not been clear enough.<sup>85</sup> Therefore, assuming positive poverty-related impacts to be had from the programme, it is impossible to measure them. It may be assumed, for example, that improved collection and marketing of MFP would also improve the income levels of forest-dependent collectors. In the absence of clear “before and after” monitoring studies, however, it is impossible to know if (and how many) poor, forest-dependent families have really been able to benefit from SPP measures. The lack of appropriate monitoring mechanisms is, of course, a major drawback in trying to understand the impact of such a programme on either the depth or breadth of poverty in the State.

It is unfortunate that a PIA had not been carried out much earlier in the life of the EU–SPP. At an earlier stage analyses and recommendations as to which aspects of health and education service delivery, for example, would potentially have the greatest impacts on poor, especially tribal and Dalit populations could have been more easily incorporated in steering the programme components. Needed innovation in effective pro-poor programming, budgeting and impact monitoring could have been piloted. As there are only two years left of the programme, it may be difficult to

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<sup>84</sup> That is x number of teachers or shiksha karmis may have been posted in y schools, but are they actually teaching in a way that children improve their learning and skills? The latest ASER Report suggests many challenges ahead.

<sup>85</sup> MTR Report Executive Summary. “None of the departments has adequately tracked the expenditure after disbursement of EC-SPP funds to their respective spending units.” According to the CAG Report on Chhattisgarh (2010), almost no utilisation certificates for any grants have been submitted to the Accountant General for the years 2007 – 08 and 2008 -09, i.e., 11,553 of 11,849 UCs were outstanding as of 31 March, 2010.

make any real changes at this stage. Nonetheless, this PIA Study could still be used in three ways: first, as an input to plan a possible second SPP; second, for serious strategising, including on budgetary convergence issues and on how to tackle poverty with the “last mile” placed so that it does not again end up with “trickle down” and sub-optimal services; third, as a modest input for devising the Twelfth Plan in Chhattisgarh. As the Approach Paper to the Twelfth National Plan says, “mechanisms need to be created at all levels to understand the needs of vulnerable sections of society and inform policy-makers. A PIA Study such as this one is a step in that direction.

A detailed list of recommendations is found under Chapter Six immediately below. Many of them are considered for the medium and long term, although thought could already be given now as to how to strategies and implement some of them!

## **6. Recommendations**

### **6.1 Overall**

1. Poverty reduction needs to be carefully strategised. “One size fits all” approaches need to be minimised through genuine decentralisation and devolution;
2. Regular impact monitoring is needed (starting at local level and with key indicators). This can be partly achieved by way of short, independent studies conducted by academic or CSO researchers;
3. The Tribal or Community Development Block needs to be seen as the operative planning unit rather than the district because of the need to reach “hidden” and vulnerable populations such as the Kamars in southern Raipur District;
4. When planning programmes the needs and capacities of the marginalised communities must be put at the forefront (the last mile should be made the first mile!).
5. Active involvement of grassroots CSOs needs to be incorporated in as many local level programmes as possible. They can play a facilitating role with local communities that cannot be undertaken by government;
6. Conflict-affected areas must also receive higher priority in terms of poverty reduction, focussing on effective development measures and including mediation efforts;
7. Simple mapping exercises with GIS tools could be used to highlight areas that need higher priority (ex. where there are more tribal or Dalit families, where there are fewer health service facilities and staff, where full immunisation coverage rates are lower, where there are fewer bitumen roads, fewer fully qualified teachers, etc.). Accurate maps provide a simple, transparent planning and monitoring tool.
8. All major sectors—whether health, education, forestry or PRIs—need adequate, responsive and independent grievance redressal mechanisms (such as already established for PDS);

9. All major sectors need to revamp their capacity building programmes so that they emphasise mentoring and peer learning. This means reducing short, workshop style training to a minimum (only for orientation, not for real capacity building).

## 6.2 Budgets and Financing

10. There needs to be a strategic synergising of different budget heads to reduce overlapping and/or fragmentation of efforts. The various irrationalities in the system—under- over- and double-funding—that may result in the wastage of resources meant for poverty reduction would be reduced in this way. This means of course a stronger coordinating role by general bodies like the Finance Department;
11. Related to the recommendation immediately above, there needs to be a coordinated convergence of both budgets and programmes. For example, if there is budget available to support women to be at the Nutrition Resource Centre, then other budgets should be brought into play to ensure that they receive transport costs and a cash allowance equal to minimum wage.
12. Budget gap-filling in the context of large, ongoing programmes and activities is a less effective way to tackle poverty. Rather the whole approach needs to be made pro-poor;
13. All major budget instruments need to show their poverty focus geographically and programmatically. This would include annual and multi-year PIPs and MTEFs. The focus would then allow for appropriate financial and budget variance monitoring.

## 6.3 Health Service Delivery

14. The major focus of health service delivery improvement needs to be on the “poor patient – health delivery nexus” and reduce out of pocket expenditures of poor, rural patients;
15. According to SHRC there are still 5,000 habitations without mitanins: this needs to be addressed with a focus on the hardest to reach and conflict-affected areas in the southern part of the State;
16. The HSCs need to be appropriately strengthened and equipped to bring them up to IPHS standards. They must become a reliable service provider, replacing the attractiveness of the *jhola chaap* in the rural areas by being 24/7 on call, have a rapid response service, and ensure adequate medicines are always available (for free). This also means the HSC, especially the one in a difficult or most difficult location, needs to have two ANMs posted there;
17. New ANMs should be recruited (and trained) from among tribal mitanins, and from among Dalit mitanins;
18. The HSC needs to be made accountable locally, optimally to the nearest GP(s). The nearest GP(s) would be in a position to monitor the services

provided by the HSC and the condition of the HSC itself with some simple indicators;

19. Training and support for SBAs/*dais* in remoter villages (start with mitanins who may be traditional or skilled birth attendants) is required in order to ensure safe deliveries for all women, no matter where they live;
20. Village health days must be held on a rotational basis to reach all habitations regularly. It is not enough just to go to the main GP village;
21. Broad-based cold chain monitoring must be urgently instituted in order to improve full immunisation coverage in ST areas where coverage stands at less than 50%;
22. Mitanins, VHSCs & patients need rapid-response help lines: all mitanins should have mobile phones! (This could be paid for by a VHSC, for example);
23. The VHSC funds should be made truly untied. While guidelines may be provided, the committees must be able to decide on their own on how to spend the money on appropriate health purposes (i.e., rather than ordering people what to spend the fund on, cross-visits should be arranged from one VHSC to another for peer learning and exchange);
24. The use of a simplified, VHSC/GP Swasth Panchayat Yojana monitoring system with self-defined indicators should be applied for VHSC/GP health planning;
25. Free transportation services should be properly organised so that they are really 24/7 and quick response, even for remoter villages. Nonetheless, villages that are road inaccessible probably need better outreach services (by motorbike);

#### **6.4 School Education**

26. School education needs to be recognised and approached as an important livelihood strategy, also for poor communities (i.e., children should be linked with vocational training opportunities as well);
27. The SDMCs require mentoring support and tools to plan and monitor for the school under their purview. The tools that the committees should use must incorporate issues of quality, equity and inclusion to enhance the access, retention and achievements of the poorest and most vulnerable children;
28. Opportunities for peer learning and enhancing the collective strength of the committees must be broadened. There should be forums, for example, of the SDMCs/PRI education committee members at cluster level that will promote their greater engagement in school education. The two day training sessions currently envisaged in Education PIP 2011 – 2013 would certainly be inadequate;
29. Shiksha karmis also need in-service training and opportunities to go up the career ladder;

30. Mechanisms to distribute teaching materials, including text books, on time must be developed and put into effect, especially in TDBs;
31. Special focus on SC, ST children needs to be made through better coordination with the DTW, and by way of incorporating/converging funds of the SCP/TSPs in the State. The use of the funds needs to be carefully tracked to ensure that SC and ST children are supported to continue their education without dropping out (i.e., funds for all the special provisions like hostels, residential schools, scholarships, book banks, bicycles, etc);
32. Considering the big gender gap in education, more focus needs to be made on encouraging especially girls to stay in school. Motivational programmes like the State's bicycles for Class IX tribal girls are a good step in the right direction, although implementation needs improvement. Other innovative programmes to attract girls (and convince their parents) to stay in school should be thought of.
33. Grievance redressal cells on the Right to Education variables for schools should be set up, so that people can have a responsive helpline.
34. There are some language training materials available in Chhattisgarhi and four major tribal languages. These should be more broadly put into use (in cooperation with DTW) by way of training teachers and shiksha karmis from these different language groups;

## **6.5 Minor Forest Produce**

35. Minimum Support Prices (MSPs) should be instituted for nationalised products in order to give people a minimum wage in relation to their collection times. Nationalised MFP need to have a "road map" to be turned over to gram sabhas throughout the State;
36. An MSP would be especially important for bamboo because of PTG dependence on it. Bamboo needs to be recognised as an MFP in Chhattisgarh so that its ownership can revert to gram sabhas;
37. Mentoring support for gram sabhas to be marketing agents of MFP is required. Relying on SHGs may be too limiting, not the least because they may not function well, or may not be present in particular tribal habitations/gram sabhas;
38. Some MFP may be domesticated (honey is a case in point, as is lac and the host trees). Therefore, there should be piloting of efforts to domesticate more promising MFP (here there could be convergence with MGNREGS so that villagers get paid for their labour inputs);
39. Gram sabhas need to be vested with more management functions for "community forests" by way of FRCs. They should also be consistently recognised as owners of MFP, whether for home consumption or for sale;
40. Focus mainly on MFP with higher market demand, rather than orienting towards products that may not have steady demand;

41. For some MFP, like tamarind, it may be possible to engage in low cost value added activities. These should concentrate on the simplest of technologies that villagers can manage themselves, so that they can sell their product with value added (CGMFPF has started some of these value addition activities already).

## **6.6 Local Governance/Decentralisation**

42. Follow the successful experiences of PDS to achieve real decentralisation according to subsidiarity principles;
43. Real responsibilities, including funds, need to be devolved to GPs and gram sabhas, such as in the Nagaland “communitisation model;”
44. Health/Education/Forest committees all need serious strengthening efforts by way of applying existing positive experiences with committees in the State;
45. The forthcoming “Panchayat Road Map” exercise requires a strong focus on PESA areas and how to strengthen the gram sabhas, including ward sabhas and Panches, especially women Panches.
46. Gram panchayats and gram sabhas must be facilitated to develop “performance indicators” for their monitoring and action, including ongoing planning. Gram panchayats should be put in charge of local facilities such as schools, ashrams and hostels, and HSCs. They should also have adequate funds devolved to ensure that these facilities are operating with the appropriate standards.

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## Annex 1: Terms of Reference



### Combined Concept Paper and Terms of Reference for a Poverty Impact Assessment Study

EC Reference: EuropeAid/122210/C/SV/IN  
 Technical Assistance for the EC-assisted State Partnership  
 Programme with Chhattisgarh

#### *Background and Rationale:*

The European Union State Partnership Programme (EU-SPP) is being implemented in the State of Chhattisgarh (CG) with a planned phase lasting from 2008 to 2013. The total budget is Euro (€) 80 million, of which € 72 million is for direct budget support in the fields of health, education, decentralisation and forest-based livelihoods, while € 8 million is for technical assistance (TA) for the entire programme. The leading TA organisation is GIZ International Services (GIZ-IS). The overall objective of the EU-SPP is to achieve: “*More equitable delivery of, and access to, quality health and education services as well as improved forest-based livelihoods through governance and institutional reform and capacity development on state and decentralised levels.*” This means, of course, that CG’s poor, including poorest, families must also be able to benefit from these improved services. Poverty is a multi-dimensional phenomenon; thus, improved health and educational opportunities for women, men and their children are considered among the cornerstones of any poverty reduction programme. Effective decentralisation is also an extremely important aspect of poverty reduction and improved delivery and access to services, as it potentially gives more voice to poorer households at local level. They may otherwise never be able to gain this voice if services remain centralised, and therefore decided upon, at higher levels.

Despite the best efforts of many institutional and civil society stakeholders, including the poor target groups themselves, rural poverty in Chhattisgarh remains deeply entrenched and widespread. CG figures near the bottom of India’s state list of Human Development Indices (HDI); one source puts it at 30 of 35 in 2006.<sup>86</sup> The Oxford University Poverty and Human Development Initiative (OPHI), which has developed a Multi-Dimensional Poverty Index (MPI), stated in a paper in July 2010 that eight Indian states, including Chhattisgarh, are home to 425 million poor. The paper also presents statistics that show 72% of the rural population in CG is poor according to the MPI.<sup>87</sup> Around half of CG’s districts, primarily those which are

<sup>86</sup> Ministry of Women and Child Development (2009) *Gendering Human Development Indices: Recasting the Gender Development Index and Gender Empowerment Measure for India*. Part Two: “HDI and GDI Estimates for India and the States/UTs: Results and Analysis.” (pp. 31-32; Table 4.5).

<sup>87</sup> Alkire, S. and Santos, M. E. (2010) “Acute Multidimensional Poverty: A New Index for Developing Countries.” *OPHI Working Paper No. 38*. Available from [www.ophi.org.uk](http://www.ophi.org.uk)

remoter and less well-served by communications infrastructure, have higher forest coverage and higher percentages of tribal populations, are considered “underserved.” Some of the underserved districts, such as Dantewada in the South, are victim to Naxalite activities, including terrorist attacks on state and civil society persons and institutions. The very extremity of poverty, combined with perceptions of exploitation, human rights violations and elite capture of benefits meant for poorer populations, in such areas contribute also to their security problems. Thus, any information and analysis that would help support a more focussed and effective approach to poverty reduction especially in remote areas is urgently required in a state like Chhattisgarh, and for a programme with the scale of the EU-SPP.

### **Poverty Impact Assessment (PIA): What is it? Why Conduct It?**

While it may be desirable to have in-depth statistical analyses of the overall poverty situation of the state, these types of quantitative analyses are extremely time-consuming, and take huge resources to conduct; from data collection through to data analyses and reporting, the whole process is generally a very long and expensive one. Therefore, it is suggested here to conduct a qualitative study on potential poverty impacts arising from programme interventions. A methodology, or set of modules, to do this has been developed, tested and approved by the Development Assistance Committee (DAC) of the Organisation for Economic Co-Operation and Development (OECD). It is called *ex ante* Poverty Impact Assessment (PIA). PIA was designed to help donors and partner countries, in a more harmonised way, to identify intended and unintended consequences of their interventions in terms of impact on poverty.<sup>88</sup> A major advantage of PIA is that it may be conducted as an iterative process, beginning with a preliminary assessment of a development intervention during its planning stages, but then repeating and refining it at later stages of the intervention. In this case, the suggested PIA study would not be *ex ante* in the sense that programme interventions have been implemented over the past three years. Nonetheless, since the programme’s current phase still runs until 2013, it is still opportune to conduct a PIA study at this mid-term stage of programme implementation. Because of the flexibility that may be brought into play in a PIA study, it is also possible to use part of the methodology to assess initial impacts after interventions have started to be implemented. At the same time, however, given the confluence in this case of a large and multi-sectoral programme with the requirements of conducting a PIA, it is a task of considerable complexity requiring careful preparation and coordination among many stakeholders.

Although the conclusions that may be drawn from a PIA are largely based on qualitative data, this does not mean that available (reliable) quantitative data are ignored or cast aside. On the contrary, a PIA study should incorporate whatever recent, relevant, poverty-related data are available. Thus, an important aspect of a PIA is to conduct a desk top study of available, poverty-related data. It is of equal importance to use qualitative data to come better to grips with the multi-dimensionality of poverty. The results arrived at via a PIA rely on the combination of both quantitative and qualitative data; of importance is that the analysis *always* gives due consideration to the multi-dimensionality of poverty, including gender and ethnicity aspects as relevant. The PIA should be able to point out trends that enable a programme to improve its strategic direction toward poverty reduction and more equitable delivery of services. In conducting a PIA, it is crucial to ensure that all

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<sup>88</sup> See OECD (2007) *Promoting Pro-Poor Growth: A Practical Guide to ex ante Poverty Impact Assessment*. Paris.

major stakeholders, whether from government or civil society, and including poorer target groups, have a chance to voice their observations and opinions. It is of particular importance that members of poorer target groups, especially including women, are able to describe how they experience poverty, and how they assess their potentials and hindrances in the dimensions of poverty that the programme is able to address.

As for the modules of a PIA study, they include:

- Updating the poverty situation and relevance to national strategies and plans;
- Updating stakeholder and institutional analysis (focussed on poverty alleviation plans and activities);
- Identification of transmission channels<sup>89</sup> and overall results by channel;
- Assessment of stakeholders, including target groups' capabilities;
- Assessment of results on Millennium Development Goals (MDGs) and other strategic goals.

### **Objectives of a Poverty Impact Assessment Study for the EU-SPP**

The main objective of the EU-SPP is given above. The objectives of a PIA study will, through the focus on poor and vulnerable groups directly serve the objective of the EU-SPP and ultimately the Governments of Chhattisgarh and of the Republic of India in their commitments to achieving the MDGs and reducing the number of poor people living in the country.

Thus, the main objectives of the PIA study are as follows:

- To provide an updated understanding of the relation of the intervention to national development or poverty reduction strategies;
- To provide an updated understanding of stakeholders (disaggregated into important groups by gender, ethnicity, livelihoods) and of institutions that influence and are influenced by an intervention;
- To provide an understanding of the importance and inter-relationship of individual transmission channels through which changes are transmitted to stakeholders;
- To provide an assessment of likely qualitative outcomes for stakeholders, with particular emphasis on the target population;
- To provide recommendations for decision makers on how the chosen interventions might increase pro-poor impact;
- To provide feedback for decision makers regarding interventions that are already on the right track with regard to pro-poor impact.

### **Beneficiary Institutions and Groups**

The beneficiaries of a PIA Study will be the planners and implementers of development interventions under the EU-SPP. Through the PIA Study they will gain more insights into increasing the pro-poor orientation of their interventions and thus contribute to the programme's goal being achieved. Indirect beneficiaries will be the poorer target groups who ultimately gain from having goods and services more responsive to their actual capabilities.

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<sup>89</sup> A "transmission channel" is the main pathway by which the development intervention is anticipated to trigger results at different levels (micro- to macro-) and time horizons (short, medium, long term).

### **Financing Authority**

European Commission, represented by the Delegation of the European Union to India

### **Contracting Partner**

Consortium of GIZ/OPTIONS/CRISP/BAIF

#### *Methodology, Time Frame and Tasks for Proposed PIA Study*

For the proposed PIA study in the context of the EU-SPP, there should be two full time consultants to carry it out. The lead expert (international) will be a person experienced with PIA, with gender and ethnicity issues, with the general socio-political and economic situation in India and has an understanding of governance issues. The second (local) expert will be a person experienced with poverty reduction programmes in general if not specifically with PIA, and a senior expert in the fields of education or health and livelihoods; it may be desirable to engage two local experts depending on the outcome of the preparatory work for the overall study. It should be noted that it would be desirable for one or two Chhattisgarh government officials from relevant partner institutions to accompany the team during part or all of its field visits and deliberations on data collected.

Because of the complexity involved in conducting a PIA study, it is urgently required that the international expert undertake the initial preparatory and coordination tasks in Raipur before the study proper can go forward.

The tentative time frame required for the entire study—from planning and coordination through until final delivery of report would be a total of up to 60 working days for the international (lead) expert (tentative breakdown of number of days on next page), including international and local travel, and up to 40 days for the local experts (up to 28 days if it is one local expert) broken down as shown in the table under “Specific Tasks” below.

The overall assignment should take place between 10 October 2010 to 30 January 2011, from preparatory work in both Germany and Chhattisgarh to delivery of the final report. The EU-SPP undertakes to provide necessary translation facilities for the lead expert as required.

### **Specific Tasks to be Undertaken**

The table on the next page provides an overview of the entire assignment. More specific tasks are as follows:

- Lead Expert is to conduct necessary preparatory and coordination work required for the study to go forward in Raipur;
- Lead Expert is to coordinate logistics of overall study with GIZ-IS TA TL. She will be responsible for coordinating work inputs of co-consultant(s);
- Conduct desk top study, especially internet research, on available and relevant poverty-related data regarding CG;
- Conduct interviews with different institutional stakeholders<sup>90</sup> who are of key importance to the planning and implementation of the EU-SPP;

<sup>90</sup> This will include of necessity, the Department of Institutional Finance, Directorates of Health and Education, the Directorate responsible for Panchayati Raj Institutions (PRIs) and

- Conduct interviews with representatives, including subject matter experts, of other, major donor-supported projects in CG, as also with larger civil society organisations.
- Conduct two one-day workshops in Raipur with relevant stakeholders: one near the beginning of the assignment (if possible) and the second near its end;
- Conduct field visits to two “underserved” districts (where quantitative data suggest that a larger number of poorer families are living), including to selected blocks and gram panchayats;
- Analyse data collected and present the results in the form of a written report in English (draft report to be submitted before departure from India and a finalised version to be submitted after comments from EU-SPP TA TL, partner institutions and EU Delegation).

Dr. Rita Gebert, Berlin,  
Revised 28 September 2010

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the CG Minor Forest Products Federation. The Directorate/Department(s) responsible for tribal welfare/development would also need to be contacted.

**Annex 2: Consultants' Schedule in Chhattisgarh: PIA, Part One**

Date	Main Activities November - December
14.11	Lead consultant travel Berlin – Delhi.
15.11	Lead Consultant onward travel to CG and document study;
16.11	Discussions with EU-SPP staff; document review
17.11	Interview with NGO Samarthan; internet research
18.11	Telephonic interview: Mr. Saxena, Meeting Mr. JP Mishra; internet research
19.11	Meeting with local CSO, CASA. Telephone interview: Samarthan Director; document study.
20 – 21.11	Document study and internet research.
22.11	Discussions with TA team, Telephonic interview MSF Director,
23.11	Telephonic interview World Bank, gathering statistical data.
24.11	Meeting with Dr. Antony, SHRC. Inception Report preparation.
25.11	Meetings with State Planning Commission Member Mr. Soti; Ms. Jyoti BAIF, Inception Report preparation.
26.11	Meeting Director MFP Federation, Meeting Nodal Officer DPRSW, discussions with TA team, research of statistical data bases.
27.11	Arrival 2 national consultants (AN/JK), all day work for orientation on PIA and its methodologies.
28.11	All day work with consultant team to clarify and prepare PIA.
29.11	Briefing from TA team; discussions with DIF Nodal Officer, Mr. Khandelwal. Team brainstorming on PIA and its further uses for EU-SPP.
30.11	Discussions with DHFW Nodal Officer, Dr. Madangopal. Team discussions on preparing field trip for 1 December; document study.
1.12	Whole day field trip to Raipur Zilla Panchayat and one rural block, Dharsiwa and one GP.
2.12	Initial analysis by team of field visits results. Meetings with MDG State Coordinator, Ms. Alice Lakra, and with SCERT Nodal Officer, Dr. Sudhish
3.12	Meeting with UNICEF Education Officer, Mr. Seshagiri. Debriefing with TA Team, Consultant team internal discussions to finalise first stay and next trip main tasks.
4.12	Return travel to Germany
<b>Main Activities: February</b>	
11 – 13.2	JK field visits to Bastar area. Meetings with villagers and local CSOs.
14. -15.2	AN/JK Field visits in two blocks of Bastar District (Jagdapur and Darbha). Meetings with block-level government officials.
16 -18.2	AN/JK Field visits in one block of Janjgir-Champa District. Meetings also with block-level officials.
19.2	AN/JK Wrap-up of February field visits.
<b>Main Activities: April - May</b>	
27.4	International travel to India
28.4	Meeting in Delhi with Mr. Michael Alexander, Attaché Development Cooperation, EU Delegation. Onward travel to Raipur
29.4	RG/JK review and planning field trips.
30.4 – 03.5	Field trips to Gariaband Block, Raipur District and to Kota Block, Bilaspur District. Meetings also with block level officials in Gariaband.
04 – 07.5	RG/JK/AN Brainstorming on findings plus whole day consultation meeting with local, grassroots CSOs.
08. –	Meetings with PHRN State Coordinator, and with SHRC Director and Staff. Further data analysis and consolidation, plus preparatory work for report.

16.5	
17 – 18.5	Presentation Preparation RG/AN
19.5	Presentation and consultation with counterparts on PIA findings.
20 - 21.5	Final debriefing, return travel to Germany
23 -31.5	Finalising draft report.

**Annex 3: Indian MDGs with Selection of Targets****Eradicate extreme poverty and hunger**

Halve, between 1990 and 2015, proportion of population below national poverty line  
 Halve, between 1990 and 2015, proportion of people who suffer from hunger

**Achieve universal primary education**

Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary education

**Promote gender equality and empower women**

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

**Reduce child mortality**

Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

**Improve maternal health**

Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

**Combat HIV/AIDS, malarial and other diseases**

Have halted by 2015 and begun to reverse the spread of HIV/AIDS  
 Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

**Ensure environmental sustainability**

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources  
 Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation  
 By 2020, to have achieved, a significant improvement in the lives of at least 100 million slum dwellers

**Global Partnership for Development**

In cooperation with the private sector, make available the benefits of new technologies, especially information and communication

**Annex 4:**  
**Tendulkar Committee Report Statewise Poverty Estimates, 2004 – 05**

Final Poverty Lines and Poverty Head Count Ratio for 2004-05

State	Poverty Line (Rs)		Poverty Headcount Ratio (%)		
	Rural	Urban	Rural	Urban	Total
Andhra Pradesh	433.43	563.16	32.3	23.4	29.9
Arunachal Pradesh	547.14	618.45	33.6	23.5	31.1
Assam	478.00	600.03	36.4	21.8	34.4
Bihar	433.43	526.18	55.7	43.7	54.4
Chhattisgarh	398.92	513.70	55.1	28.4	49.4
Delhi	541.39	642.47	15.6	12.9	13.1
Goa	608.76	671.15	28.1	22.2	25.0
Gujarat	501.58	659.18	39.1	20.1	31.8
Haryana	529.42	626.41	24.8	22.4	24.1
Himachal Pradesh	520.40	605.74	25.0	4.6	22.9
Jammu & Kashmir	522.30	602.89	14.1	10.4	13.2
Jharkhand	404.79	531.35	51.6	23.8	45.3
Karnataka	417.84	588.06	37.5	25.9	33.4
Kerala	537.31	584.70	20.2	18.4	19.7
Madhya Pradesh	408.41	532.26	53.6	35.1	48.6
Maharashtra	484.89	631.85	47.9	25.6	38.1
Manipur	578.11	641.13	39.3	34.5	38.0
Meghalaya	503.32	745.73	14.0	24.7	16.1
Mizoram	639.27	699.75	23.0	7.9	15.3
Nagaland	687.30	782.93	10.0	4.3	9.0
Orissa	407.78	497.31	60.8	37.6	57.2
Pondicherry	385.45	506.17	22.9	9.9	14.1
Punjab	543.51	642.51	22.1	18.7	20.9
Rajasthan	478.00	568.15	35.8	29.7	34.4
Sikkim	531.50	741.68	31.8	25.9	31.1
Tamilnadu	441.69	559.77	37.5	19.7	28.9
Tripura	450.49	555.79	44.5	22.5	40.6
Uttar Pradesh	435.14	532.12	42.7	34.1	40.9
Uttaranchal	486.24	602.39	35.1	26.2	32.7
West Bengal	445.38	572.51	38.2	24.4	34.3
All India	446.68	578.8	41.8	25.7	37.2

Of interest here is that the estimates for 1993 – 94 show that there had been very little improvement in Chhattisgarh from then until 2004 – 05 (i.e., rural poverty headcount in 1993 was 55.9, while for urban areas it was 28.1, giving an overall poverty headcount of 50.9).

## Annex 5:

Eleventh Plan Mid-Term Appraisal: Statewise PRI Devolution Index<sup>91</sup>

Table No. 3.1

Devolutions to Panchayati Raj Institutions by States

The Ministry of Panchayati Raj assigned a study to prepare a “devolution index” to the Indian Institute of Public Administration in 2009. The devolution index based on mandatory provisions in the Constitution and devolution of functions, finances and functionaries ranked the states as follows:

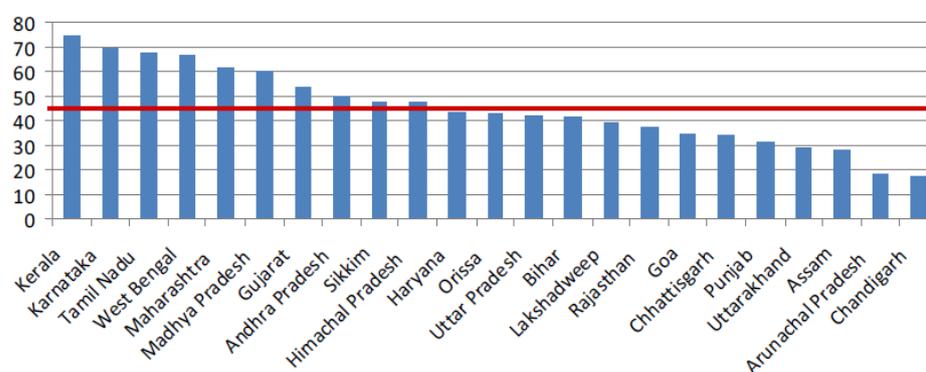
## Devolution Index (D) and Sub-indices

Rank	States/UTs	D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>	D
1	Kerala	92.59	80.76	69.62	61.25	74.73
2	Karnataka	90.74	77.95	56.11	64.08	69.45
3	Tamil Nadu	89.63	77.11	58.76	49.58	67.06
4	West Bengal	96.30	70.90	61.56	46.25	66.51
5	Maharashtra	73.52	65.52	62.78	44.17	61.49
6	Madhya Pradesh	74.44	63.52	53.50	54.17	59.78
7	Gujarat	54.44	59.78	51.56	44.58	53.07
8	Andhra Pradesh	70.74	45.01	53.77	35.83	50.10
9	Sikkim	87.04	59.11	24.59	40.17	47.43
10	Himachal Pradesh	88.15	53.89	25.30	43.83	47.01
11	Haryana	51.67	44.66	40.15	40.17	43.23
12	Orissa	67.04	56.76	27.17	31.67	42.93
13	Uttar Pradesh	80.00	42.47	35.31	23.17	41.73
14	Bihar	73.33	53.98	22.69	30.33	41.20
15	Lakshadweep	74.44	28.46	33.33	41.25	39.62
16	Rajasthan	70.37	30.72	34.83	28.00	37.56
17	Goa	64.81	29.78	25.81	34.17	34.52
18	Chhattisgarh	48.70	28.80	37.28	26.25	34.24
19	Punjab	62.41	34.25	11.07	40.17	31.54
20	Uttarakhand	41.67	28.75	22.52	30.83	28.92
21	Assam	63.70	23.08	26.56	12.67	28.31
22	Arunachal Pradesh	46.48	19.71	3.17	21.25	18.25
23	Chandigarh	33.33	23.44	5.46	16.25	17.19
	<b>National Average</b>	<b>69.37</b>	<b>47.76</b>	<b>36.65</b>	<b>37.40</b>	<b>45.04</b>

Note: The following dimensions construct the sub-indices D<sub>1</sub> = Mandatory Frames  
D<sub>2</sub> = Functions; D<sub>3</sub> = Finances; D<sub>4</sub> = Functionaries

The study shows that various states have moved with differential pace vis-à-vis one another. The study finds that no state has secured the same rank in all the dimensions. However, it also shows that high ranking states have shown a remarkable congruity in most of the indicators of devolution

## Overall Devolution Index



<sup>91</sup> The table and chart appear on pages 48 and 50 respectively.