

**DISPARITIES WITHIN INDIA'S POOREST REGIONS:
WHY DO THE SAME INSTITUTIONS WORK DIFFERENTLY IN DIFFERENT PLACES?**

9 December 2004

Arjan de Haan¹

Executive summary

Orissa, now India's poorest state, is marked by surprising high levels of disparities. Regional disparities in poverty levels are marked, with signs of *divergence* over the last two decades; human development indicators (health, education, knowledge and voice) are equally unequally distributed, though with some signs of convergence. Social group disparities are large too, on all indicators, and again few signs that such disparities are being reduced, with adivasis more than two times more likely to be in poverty than non-deprived groups (which underestimates disparities between extremes), usually suffering disproportionately from land alienation and displacement. Gender disparities are marked, with high MMR, gaps in education, worsening sex ratios, and cases of loss of livelihood opportunities. Significantly, the various forms of disparities overlap and mutually reinforce each other, with the tribal-upland vs. coastal-elite forming the extreme ends of a range of disparities, possibly creating poverty traps or 'log-jams of disadvantage'.

This 'overdetermination' of disparities has long historical and deep institutional roots. The late and in a sense still on-going colonisation from the coast into Orissa's hinterland, combined with the relatively recent formation of Orissa's elite form the background against which recent developments need to be understood. The disparities are closely linked to at least three sectoral or institutional developments: forest policies that have traditionally prioritised state revenue generation, and recent progressive reforms have been unable to break through vested interests that disadvantage poor people particularly women; land policies which have undergone dramatic transformation on paper but lacked the teeth to provide secure access for poor people; and finally development-induced displacement with a very patchy record of resettlement and rehabilitation.

These disparities do not exist because of a lack of effort to address them; on the contrary, both the regional and group disparities have featured significantly on the policy agenda, a large number of programmes have been in existence for long, and significant sums of money allocated for the purpose. Often, these programmes are the same across India, and a key question is why they work better in some places than in others. The hypothesis this paper tries to defend is that the lack of performance is related to a lack of accountability within the administrative system, and that the very disparities that the policies try to address permeate the system of delivery responsible for these. The paper thus concurs with the conclusion of the paper on Ghana – though situated within a very different context – that regional inequality is unlikely to be

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

addressed successfully unless a range of economic, political and socio-cultural conditions are met. Relevant conditions that are yet unmet include: a challenge of the political and socio-cultural dominance of the elite; mobilisation and creation of effective voice among marginalised groups, of middle and small peasants, dalits and adivasis; and progressive reform of the institutions that determine access to livelihood resources.

Implications for donor organisations, therefore, need to start of from premises that both markets and state intervention are to a large extent failing the poor, material-economic and social-cultural disparities reinforce each other, and patterns of political representation are insufficient to change the power balance that make the disparities particularly intractable. This calls for awareness in terms of modes of engagement with partner organisations, particularly in the context of reform programmes (power sector, adjustment lending) where the interest of the poor is addressed only indirectly and engagement remains restricted to elites. It calls for more explicit attention to difficult-to-handle factors that are crucial in determining the success of programmes, like land rights in livelihood programmes, but also in the day-to-day practices of official policy making. Finally, while social mobilisation in itself is out of bounds for donor agencies, and particularly sensitive in Orissa, lessons from successful policy reform elsewhere in India does suggest that this is possible and an essential precondition for sustained change *particularly* in hardest to reach areas.

Introduction

Inequalities exist at many levels, and have many different causes and manifestations. This paper looks at inequalities within Orissa, asking the question how in India's democratic structure such disparities have prevailed. During the 1990s, but with roots much before that, Orissa has gradually become India's poorest state, in terms of proportion of people living below the poverty line, and with much slower improvements in human development indicators than other parts of India (and even Bangladesh), and perennial reports of starvation deaths in southern and western parts of the state. But Orissa is not only poor, and stretched by fiscal crisis, it is also a very *unequal* state, with large disparities between regions, social groups and classes, and men and women. These disparities are multidimensional, and often – though not always – overlap and reinforce each other, with the regional and social group inter-nexus being particularly strong in this state in which Adivasis form 22% of the total population, concentrated in non-coastal areas.

While regional and social disparities, for historical reasons, overlap to a great extent, gender discrimination cross-cuts many of the other disparities. Tribal women in 'remote' areas are among the most deprived people in the sub-continent, and there are significant and sustained gender gaps in human development indicators in Orissa. But patterns of gender discriminations vary. Recent evidence shows that one of the most important indicators of gender discrimination, the decline in female-male (under 5) ratios, has begun to be witnessed in Orissa too, and primarily in the better-off areas. However, in poorer, tribal areas of Orissa, gender divisions of labour and responsibilities may be more equal among tribal groups than amongst others – though modern institutions of development have undermined this relative power.

The key question for this paper is why these disparities are so stark and have prevailed over time. The empirical description of well-being indicators shows how the disparities are 'over-determined', that regional disparities overlap with social disparities particularly related to social group identity and gender, and are closely connected to access to livelihoods or economic opportunities and how these are shaped by institutions with a legacy of the colonial period and mixed records of reforms since. The paper will provide a better understanding of the deep roots of existing disparities. Most importantly, it will address *the question why in the country's democratic structure and relatively well-developed formal institutions, policies – including those explicitly targeting inter-group and inter-regional disparities - have had limited impact in reducing the disparities*. Section 2 briefly summarises the well-documented data on these disparities (with two sets of data potentially needing further exploration: district-level SDP data and NFHS), but the real question for this paper is: why? In particular, what kinds of *institutions* have been responsible for what appears very sustained deprivation, or conversely which institutions need strengthening and which need weakening – for reducing those disparities?²

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

As in the paper on northern Ghana, this paper (Section 3) highlights the long and deep historical roots of many of the disparities identified above. In Orissa, these include the sequences and geographies of conquest, and the short history of the state's existence as administrative unit (since 1937), which has limited the political and administrative responses for equitable development. After Independence, three sets of 'sectoral' policies or institutions have played key roles: forest policies that have focused on revenue generation or environmental concerns, and the institutions that emerged around these past state policies still impact developments; 'development' has led to large scale displacement, disproportionately affected 'remote' regions and adivasis; and land policies have been relatively ineffective in broadening access to livelihoods of large parts of the population. For the description of the 'durable inequality' that affects adivasis in particular, we emphasise the interplay between the largely coastal, state officials and representatives and their administrative history in relation to the cultural and administrative history of the tribal societies they encounter. Such histories are by no means deterministic in terms of development outcomes, or even for development institutions, but the regional and social disparities do suggest the existence of very durable structures/institutions that continue to influence disparities in well-being.

These complex but significant and sustained disparities are remarkable in the context of well-designed government programmes to enhance development, and to reduce disparities between groups. Section 4 explores government programmes and forms of political representation that should have played a role in reducing disparities, and why the impact in Orissa have remained limited. These include the wide range of programmes for 'scheduled tribes',³ for women, the special area programme 'KBK', with some reference to evidence regarding performance of health and education programmes. The varied programme performance across India illustrates the conditions under which inequalities are likely to be reduced (to some extent, growth divergence appears conditioned by the same factors).

A key factor in the disparities and limited impact of progressive programmes within Orissa lies, it is hypothesised (concluding Section 5), in a lack of accountability and underlying social mobilisation or transformation that are key for successful programme implementation and institutional change. The contributing factors include: continued dominance of traditional elite, an extremely heterogeneous population, limited development of decentralisation, low levels of political awareness among poor people, and the role played by NGOs. Based on experience with budget support and sector programmes in Orissa, the paper will end with some speculative thought regarding ways in which outside agencies may contribute to more equitable development paths in the context of such 'over-determined' disparities.

1. Regional disparities: economics and history

This brief section looks at a small selection of the literature on regional disparities. The primary interest is descriptions of ‘lagging regions’, and explanations of causes. This concludes that such descriptions pay insufficient attention to historical factors that have shaped the destiny of such regions.

A short overview paper by Kanbur and Venables (K&V) on spatial inequality usefully distinguishes five questions related to the spatial dimension of inequality, which they see as having become increasingly important among recent development concerns, and of particular concern when spatial divisions align with political and ethnic tensions.⁴

Spatial disparities can be measured as real income disparities across regions within countries. This poses a range of questions regarding data comparability and regional price differences (which has shown to be very relevant in calculations of Indian poverty data, as discussed below). Spatial inequality in wage rates is another common measure. Disaggregation of household survey data can be problematic; in the India case accepted levels of disaggregation do show significant disparities in levels as well as trends. As the ‘dominant perspective on inequality in economics comes from considerations of interpersonal inequality’ (K&V, p.7), there is a strong tendency to focus on the spatial dimensions of interpersonal inequality and calculate the proportion of interpersonal inequality accounted for by spatial inequality (a similar argument seems to apply to inequalities between and within groups). This paper does not make such a calculation, adopts simple measures of in disparities in a range of well-being indicators, and treats such disparities as valid in their own right, without justifying this in relation to contributions to overall interpersonal inequalities.

A second key question relates to determinants of spatial inequality. Economic geography has looked at the determinants of spatial variation in household level well-being, though as K&V emphasise a finding that ‘geography’ itself does not influence well-being ‘pushes the question back one stage’ regarding effect of geography on e.g., uneven distribution of infrastructure or economic activity. Geographical or location externalities exist when locality level variables effect consumption (growth) over and above household level attributes.⁵ Agglomeration externalities arise because of concentration of firms. This paper approaches the determinant in a different way, through a narrative of the policies that historically have shaped spatial inequalities,⁶ and the limited impact of policies designed to address those.

Similar questions can be asked regarding the determinants of disparities between social groups, for example whether the disparities in income or poverty incidences can be attributed to differences in education, land ownership, location and other group characteristics (which equally just ‘pushes the question back’). Following a set of analyses elsewhere in India,⁷ and building specifically on work by Kunal Sen and

others,⁸ we found that social group status - particularly for Adivasis - affects poverty incidence independent of other variables analysed, and more so in Orissa than elsewhere.⁹

Trends in disparities form the third key question in the K&V overview. The literature on convergence focuses on whether spatial disparities persist – which has shown to be the case among Indian states with ‘twin-peak’ patterns (see below) – and convergence/divergence can be studied for age cohorts. The impact of growth and opening up of markets on poverty trends can be studied building in regional (including rural-urban) dimensions, showing for example the importance of remoteness and infrastructure for poverty incidence. The current paper shows trends in disparities in well-being indicators, with some indicators diverging, others converging at least a little, followed by a core question why policy interventions – in the context of India’s democratic context – have done so little to reduce these disparities, or reduce them more quickly (as has happened in other states).

The fourth and fifth questions in K&V’s list, are whether regional inequality matters and policy responses are appropriate, for example when it accounts for only one-third of total inequality. K&V’s response to the question is that one-third is still large, that one needs to look at instruments available for addressing regional disparities as compared to inter-personal disparities, and that the alignment with political, religious or ethnic tensions (as is the case in Orissa) make regional disparities particularly inequitable. This paper starts from the assumption that such disparities matter, that political representation brings these onto the agenda, their neglect may lead to efforts to make regions independent,¹⁰ and that policies for addressing such disparities – i.e. with a focus on lagging regions - anyway exist and the question of their effectiveness therefore is important.¹¹

Finally, while not on the K&V list (but discussed in the paper on Ghana), it seems crucial to link disparities in development outcomes to differential rates of growth and investment. In the case of Orissa, as we will discuss, the disparities in poverty are partly related to lack of economic growth in non-coastal areas (e.g. current lack of development of mineral resources, due to conflict), and partly to immiserising local growth (e.g. illustrated by land alienation). Policy implications following from the two phenomena are of course very different – and indeed a debate about regional imbalances that do not take into account growth issues may miss the key causes of the disparities.

2. Orissa’s regional, social group and gender disparities: the quantitative picture

Data are abundantly available to describe inequalities among the Indian population. Here we adopt a pragmatic attitude in the discussion regarding adequacy of well-being indicators, and draw on a variety of sources available: poverty data from NSS,

education data from the Census, and health indicators from NFHS and SRS. Level of analysis is NSS region, and district-levels – while acknowledging that significant disparities exist below these levels as well.¹²

Disparities in income poverty

Analysis of income poverty draws on NSSO data, particular its 5-yearly consumption survey. There has been much debate regarding the comparability of the 1999/2000 survey (the last year for which data are available, with estimates for poverty decline during the 1990s varying between the official 10 and Sen and Himanshu's 3 percentage points); this has been well-articulated by Deaton and others,¹³ and both uncorrected and corrected data (including by World Bank) are available and will be presented. It needs to be stressed that further investigation may change the regional comparisons, as was shown by the rural-urban comparison for AP in Deaton's analysis.

State level income poverty data reveal that in 1999/2000 Orissa has become India's poorest state, surpassing Bihar that was still the poorest in 1993/94 but showed a substantial decline in poverty during the late 1990s.¹⁴ Orissa's poverty headcount stagnated around 48-49% between 1993/94 and 1999/2000, while at all-India level the headcount declined markedly, in Andhra Pradesh poverty halved, and even MP showed a decline of 5 percentage points. The trend of falling behind the Indian average has a longer history, but is particularly marked during the 1990s.

The income poverty data allow for regional disaggregation, which gives us a rather different picture of poverty in the state.¹⁵ We use the level of NSS-regions, presented in Table 1.¹⁶ In Orissa, this divides the state in a coastal, southern and northern region. Uncorrected data show a remarkable picture. While rural poverty in Coastal Orissa was 32%, it was 50% in Northern Orissa (in itself very heterogeneous), and a staggering 87% in Southern Orissa.¹⁷ The picture of urban poverty shows a mixed picture, with relatively high urban poverty in coastal areas, in comparison to the rural area, and without significant differences across the three regions.¹⁸

Analysis by Deaton has shown that comparisons are sensitive to price indices (particularly in rural-urban comparisons). The picture regarding high levels of poverty in the South may be influenced by this. However, two sets of corrections do not change the picture of disparities substantially. Analysis by Panda using adjusted cereal price indicates that poverty in the Southern region would still be 2 two and a half times that in the Coastal region.¹⁹ And Kijima and Lanjouw, using adjustment to restore comparability between 50th and 55th rounds, show slightly lower levels of poverty in rural Orissa, and somewhat smaller disparities, but the divergence between the coast and south is still evident. Their estimates for urban poverty across Orissa show much lower figures than the uncorrected data.²⁰

For understanding the high levels of poverty in particular regions, its economic growth performance is key, as economic growth is one of the most important statistical determinants of rates of poverty reduction. India's economic growth has varied greatly across states and districts, and across sectors.²¹ Orissa's poverty trend appears closely associated with the lack of economic growth in the state, as annual per capita SDP grew by 2.3% between 1993/94 and 1999/200, higher than Assam and Bihar, but well below the Indian average of about 3.5% (Deaton and Drèze 2002).²² Agricultural growth was sluggish (less than 2 % per year; though industrial growth performance was even worse),²³ and the growth rate of agricultural wages hardly above zero.²⁴ It is likely, but no data are readily available, that regional growth within Orissa also has been diverse, and for example agricultural growth has been lower in the southern areas.²⁵ Disaggregation of growth trends, thus, may be part of the explanation of a low growth-poverty elasticity,²⁶ but it is equally important to highlight, as done in an in-depth study by Currie of Kalahandi,²⁷ that even the districts that witness hunger have continued to produce food surplus, i.e. showing classic cases of entitlement failures and processes of marginalisation at local level.²⁸

Human development disparities

Income poverty is only one of the elements determining ill- and well-being; deprived people suffer similarly from lack of access to education to health care, or personal security.²⁹ These aspects of well-being have both intrinsic and instrumental value, and determine equity in access to broader opportunities. The Census provides detailed information on literacy rates at district level and below. In 1991 49% of Orissa's population was literate, and this increased to 64% in 2001. But even in 2001, literacy levels in the southern districts still around 30-35%, and female literacy below 25%, while the levels in Khordah (where Orissa's capital Bhubaneswar is located), Cuttack and Puri rose to around 80%. Adult literacy in 2001 was 69% in Puri and 23% in Koraput. The trend over the 1990s showed a very small decrease in the regional disparities in literacy (calculated as relative to the average).

Health indicators are also available at district level, though not as reliable and easy to disaggregate as education data.³⁰ Both infant and maternal mortality in Orissa are well above the Indian average, though showing substantial decline during the last decade. IMR data, from the Sample Registration System, have been disaggregated below state level, but only to region, showing lower than expected regional differences. Data on the percentage of women receiving skilled attention during pregnancy, however, show very large regional inequalities, whereas the data on child immunisation show somewhat more moderate inequalities.

Do the various dimensions of inequalities overlap, and thus also make access to opportunities particularly inequitable? Simple comparisons (de Haan and Dubey 2003) suggest that income poverty correlates with illiteracy at the level of Orissa's old 13 districts, and female illiteracy with the percentage of women receiving skilled

attention during pregnancy for the current 30 districts. Regional data also show as expected that IMR levels are worse in poorer parts of Orissa, but such data have not been disaggregated, and the correlation between female illiteracy and child immunisation is less than with incidence of skilled birth attendance. Though this analysis can be taken much further, the data do show that inequality is multi-dimensional, and that people in the worst of districts suffer from multiple deprivations.³¹

Social exclusion: caste, ethnicity, gender

There are well-known substantial differences in well-being across social groups in India. Scheduled Castes (Dalits) and Scheduled Tribes (Adivasis) are particularly disadvantaged: Dalits through their position at the bottom of the caste hierarchy which is manifested in both cultural form of exclusion (pollution) and economic deprivation (concentrated in worst forms of manual labour); Adivasis similarly suffer great disadvantages but are placed outside the caste hierarchy and tend to live separate from 'mainstream' society, though as described later they have been included in the mainstream economy but on particularly disadvantageous terms. The paper by Ashwini Deshpande provides much more detail which need not repeating; it may be emphasised that both categories include a wide variety of groups (jati rather than caste being the relevant category; and 'tribes' in Orissa a) consist of a large number of separate groups and b) the category tribe in Orissa is very different from that in north-eastern states in particular, and comparisons between the main categories hugely under-estimates difference between extremes.

Average per capita income of SC/ST at all-India level is about one-third lower than that among other groups. Headcount poverty among other (non-deprived groups in 1999/2000 was 16%, 30% for minorities (Muslims), 36% for SC and 44% for ST. Over time, these disparities have shown very few signs of being reduced.³² Deprived groups also have much lower literacy than other groups: NFHS data for India in 1998/99 showed that 88% of ST women, 73% of SC women, and (a still very substantial) 44% of women from other groups are illiterate. NSS data show similar disparities, including for specific age group, which gives an indication of future continuation of disparities. Rankings on neonatal, post-neonatal, infant, child and under-5 mortality indicators for socially-excluded groups are similar to those of other indicators (e.g. IMR for SC and ST are about 84, and 62 for non-deprived groups).

Within Orissa these disparities are as large, and larger for some indicators, than in India on average (see Tables 2 and 3). As elsewhere in India, the poverty incidence of STs (72%) and SCs (55%) are well above that of other groups (33%). The differences between STs and others are larger in rural than urban areas, and slightly larger in Orissa than India's average. As poverty in particularly the southern part of Orissa is extremely high, and these are the areas where concentration of STs is high, the deprivation of STs may be caused mainly by their location. To a large extent this is

true, however even in southern Orissa the incidence of poverty among STs is higher (92%) than among others (a still very high 78%).³³ Since 1983 poverty incidence has declined more rapidly among other groups (23 % points) than among STs (a mere 14 % points), and SCs (20 % points) – this is unusually adverse compared to the all-India level and trends (further analysis may look at comparisons with neighbouring areas, Chattisgarh and Jharkhand in particular).

Health and education also show significant group differences. In education, differences between India and Orissa are small, but while 27% of the not-deprived groups in rural coastal areas are illiterate (and 17% in urban areas), 82% of the ST population in the southern areas are illiterate. According to NFHS-2 (2001: 38), 88% of the female tribal population, 73% of the scheduled caste women, 56% of other backward caste women and 34% of ‘other women’ were illiterate.³⁴ 37% of ST women receive no antenatal check-up, against 15% of women from non-deprived groups, and rates of full immunisation are about half that among children of non-deprived groups (Orissa HDR).

Patterns of landownership highlight disparities between groups (and arguably are at the root cause of other disparities). While average cultivable landholdings in Orissa are relatively small, particularly in coastal areas, Scheduled Castes are particularly badly off, with average landholdings just over half that of others. Scheduled Tribes on average have larger landholdings, but these are likely to be in marginal areas, and not irrigated.³⁵ According to World Bank analysis of NSS data, between 1993/94 and 1999/2000 the share of total employment working as cultivators declined from 45% to 30%, and small landowners were entering into casual wage labour;³⁶ though these data do not refer to social groups, it is likely (and evidence exists; discussed below) that marginalised groups have suffered most.

Thus, Dalits and Adivasis in Orissa do suffer from the same disadvantages as they do elsewhere, in some cases even more so, and the gaps do show little sign of being bridged. Poverty among deprived groups is higher because of lower levels of literacy and other forms of assets, hence primary education programmes (DPEP, SSA) will go some way in addressing the disparities, particularly in the long-run. But analysis also shows that ST and SC tend to be poorer even if they have the same levels of education, and that returns to assets are lower among deprived groups than among others, i.e. that they face discrimination. This is generally the case in India, but such ‘discrimination’, particularly for ST, appears higher in Orissa than in India on average.³⁷

MMR and health access data highlight the inequalities faced by women. Figures on poverty are not available separately for men and women, as income/consumption surveys like NSS take the household as unit of analysis. As elsewhere, evidence regarding whether female headed households are poorer than others is mixed. Analysis of NSS data (de Haan and Dubey 2003) shows no significant correlation in

Orissa between female headship of households and poverty. But primary data analysis by Panda suggests in rural Orissa female headship is closely linked to poverty and child disadvantage.³⁸ A micro-study in Kalahandi found that wages for women are well below that of men's.³⁹

As is already clear from the above, female education lags behind men, and varies across Orissa's regions and districts.⁴⁰ Female literacy increased from 35% to just over 50% between 1991 and 2001, but disparities between men and women in 2001 were still about 25 percentage points, and only marginally declined from 1991. Regional disparities also decreased marginally, and improvements in enrolment show some reduction in disparities, as did the trend in school attendance, between the two NFHS surveys. According to the 1998-99 NFHS, women received only 3 years schooling, against men 5 (Orissa Human Development Report). Against the considerable efforts towards universalising primary education over the 1990s, these gaps are very significant, and indicate the deep-rooted problems of under-development. Health indicators also highlight the considerable disadvantages women face. Maternal mortality is still extremely high in Orissa and well above the Indian average, though showing substantial decline during the last decade, and data on percentage of women receiving skilled attention during pregnancy again emphasise very large disparities across the state (e.g. 10% in Malkangiri versus more than 50% in some coastal districts). In poorer districts, age of marriage is substantially lower than in better-off areas (Orissa Human Development Report, p.209).

Though most of these data show cumulative disadvantages women face, one should be careful in generalisation. Recent Census data indicate that in Orissa sex ratios may be worsening, indicating discrimination against girls. However, disaggregation also shows that female disadvantage may vary across social groups: particularly worsening of sex ratio appears to occur first among *better-off* and in better-off areas, and not for example among many tribes though their human development indicators fall far behind the average.⁴¹ There is a common assumption that gender discrimination against women is common among tribes, and as prevalent as among other groups. However, gender division of labour and responsibilities are more equitable in tribal areas than in other areas in Orissa, as for example reflected in a tradition of bride price.⁴² Moreover, different tribes and sub-groups have different values and social relations.

Gender inequalities may be growing in these areas, however, or at least the character of inequality is changing – a subject that deserves much more attention. Movement of Adivasis to new areas often has led to registration of ownership in the name of male heads of households, impacting traditional land use. Assignment of individual use of land has resulted in discrimination against women, and women's traditional economic role and freedom may not always lead directly into participation in new forms of decision making. Also, a gender bias has evolved in the more traditional or mainstream education system, though residential schools are effectively combating

this. Dowry has been emerging among amongst ever-larger proportions of the population, indicating under-valuation of women's contribution and in turn being a cause of discrimination against the girl child.

Thus, the picture is complex, and the nuances are extremely important for policy purposes with respect to remote areas and deprived groups. Nevertheless, most of the standard indicators of well-being suggest that women do suffer multiple burdens, of being located in remote poor areas, belonging to deprived groups, receiving less education, and of the health indicators that affect women in particular. Moreover, as some of the discussion below will show, policy reform that have gender equality as important objectives – such as land and tenancy legislation - are largely ineffectual in implementation, and some of the worst expressions of gender discrimination – i.e. the worsening sex ratios – tend to be denied or neglected in most circles (cf. S Agnihotri, comment at NCDS workshop).

This overview thus highlights a number of overlapping disparities, which could be summarised by the differences in probability of being poor or illiterate of an adivasi woman in southern Orissa versus somebody from a non-deprived group in, say, Delhi (over 90 vs. 10). But it's important also, that disparities exist at a very local level, and these mirror the wider disparities, including between Oriya caste land-owners and adivasi 'forest dwellers'. These disparities are not cases of market failures, but the product of historical development, of internal colonisation, as described briefly in the next section.

3. The historical origins of underdevelopment: colonial and post-colonial institutions

Recent thinking about inequality, e.g. in de Ferranti et al. (2004) has been greatly influenced by work of Engerman and Acemoglu and others that have linked current inequalities to (initial) inequalities that emerged after colonisation, the institutions that were put in place, and how these were shaped by factor endowments.⁴³ The argument in this section is that this appears to be relevant in Orissa too (though we are unable to quantify this in the way done by above authors), but that these institutions were extremely diverse, the history need to take into account the indirect rule applied for a long time, and the movement of 'internal colonisation'. Moreover, some of the 'modern' institutions set-up, including relating to private ownership (claimed by colonial authorities as one of its most important contributions) and systems of revenue generation particularly in forests, have created a major and continued source of tension on the frontier between adivasis and others.

To understand the regional and social disparities, it is important to emphasise the relative recent existence of the state of Orissa. The extension of colonial power in the area now constituting Orissa was very limited, with twenty-six princely or Feudatory /

Tributary states (*garjat* area), and only a percentage of the area under direct colonial control (formerly under Mughal control, *Mughalbandhi*). The coastal area that was under direct British control was part of the much larger Bengal Presidency, and probably a relatively neglected or under-resources area (it developed neither the elite education nor the industry of current West Bengal). After a short period of administrative unity with Bihar, the state of Orissa came into existence in 1936/37. This short history, arguably, has an impact on the kinds of policies and institutions promoted by the elite, the fluent nature of an Oriya identity,⁴⁴ quest for uniting Oriya-speaking areas into a single territory and the role of the Jagannath cult,⁴⁵ lack of knowledge by Oriyas about their own province,⁴⁶ and a strong emphasis on insider-outsider distinction for example in the administrative system (discussed below).

Institutions determining land and CPR access

The current area of Orissa fell under the three main administrative colonial divisions with distinct forms of land registration, administration and taxation – which still influences and complicates land administration.⁴⁷ 80% of the area fell under (Bengal) Zamindari control, with its various layers of intermediaries exacting land revenue. Southern Orissa fell under the Madras presidency, with a peasant proprietor system, and a small part of cultivated area in Orissa was under the Mahalwari system.⁴⁸ Land regimes within the former princely states were varied, but often had badly documented land rights (with equity implications for subsequent survey and settlement, and adivasis often described as encroachers), repressive regimes generally, and brought in administrators from outside the area.⁴⁹ The entry of outsiders was described for a village in the Kondmals (only 100 miles east of Cuttack) by Bailey in 1957, noting that the area was incorporated within the political boundary only in the mid-19th century, with administrators entering from the south, and ‘Oriya colonists’ (themselves diverse, including divided by caste) that had come from the north, from another Tributary State, for a period that may have been as long as three centuries. In 1957, while the new political reality was starting to have an impact on the socio-economic structure:

‘the region still shows many of the characteristics of a settlers frontier. The newcomers have taken the best land. Their religion and language are different from those of the native inhabitants. They took concubines, but rarely wives ... live in separate villages ... claim superiority ... [and] the Oriyas shook off metropolitan control and retained only the loosest ties with the Hindu Rajas on the plains.’⁵⁰

The dynamism that the frontier economy brought led to considerable amounts of land transfers, stimulated by growing population pressure, and helped by, as Bailey emphasised (1957: 242), the title of landholder and his (sic) right to buy and sell. The institution of private rights thus played an important role in the process, and the colonial authority facilitated this. Bailey quotes W.W. Hunter from 1872: “It is by

what we have implanted in the living people rather than by what we have built upon the dead earth, that our name will survive. The permanent aspect of British Rule in India is the growth of Private Rights.”

Two of the key – and sometimes conflicting – institutions determining livelihoods of the rural population have been around land ownership and management of forests. During the colonial period, both were explicitly designed to enhance state revenue, though with different intensities in different places. After Independence, both have undergone enormous transformations, and have become clearly more equitable in design. However, the impacts of these changes (including liberalisation) have been extremely mixed, and in the case of Orissa many of the old exploitative structures have remained to a large extent unchallenged.

Land reforms

Indian land reforms have been described extensively, though Orissa is not as well studied as other parts of India.⁵¹ The reforms were justified on grounds of both social justice and economic efficiency, and promulgated by ruling elites.⁵² First, abolition of intermediaries, which was relatively easily achieved as it brought benefits to many, at relatively low political cost, while former elites moved into other activities. In the case of Orissa, this reform has done less than in other places to broaden the economic and political power structure (as discussed below). Second, land ceiling may have prevented concentration of land ownership and may have benefited the poor (in any case distribution of landownership has not changed greatly since Independence).

Third, tenancy reform has had varied impacts across India, though overall according to some analysts has led to substantial loss of access by the rural poor. Bans on tenancy as in Orissa have probably done little to protect security of access, while the registration and protection of informal tenancy has had beneficial impacts in West Bengal – significantly, the relative success there has been ascribed to the political change at state level and strength of local-level institutions. Equally, bans on sale of tribal land to non-tribals have been largely ineffective. Land alienation has continued to be a reality, and as shown elsewhere too, indebtedness and forced possessions of land form major causes of this.⁵³ In many places in ‘remote’ Orissa the organised settlement of refugees (from Bangladesh) has compounded the problem. The existing power balance in rural areas allow for rent-seeking by revenue inspectors from encroachers, making it difficult for the poor to convert *de facto* access into *de jure* ownership.⁵⁴

Finally, women’s position within the household and wider society is negatively affected by lack of access to land ownership, despite far-reaching legal rights to own land, and recent provisions for joint land titling (with delay introduced in Orissa too). While it is important not to portray traditional life as rosy, processes that have restricted access to CPR can lead to a vicious cycle of at least relative and possibly

also absolute deprivation, as women stand to lose more in terms of access to productive opportunities, which *can* lead to the devaluation of their contribution within the household, a move from systems of bride price to dowry, and not unlikely sex discrimination as highlighted by the decline of the 0-6 sex ratios discussed earlier.⁵⁵

Forests

According to N.C. Saxena, while the link between rural poverty and access to land has received considerable attention, changes in access to common property resources has not, even though about 100 million people in India derive livelihoods from forests,⁵⁶ an estimated 20 per cent of total land in Orissa exist of commons (wasteland, grazing lands, forest), and micro-research shows that adivasi families derive about half of their livelihoods from forests. While landownership has not shown great changes at the macro-level, access to forests or common property resources has changed enormously over the same period.⁵⁷ Orissa has lost more than a quarter of its forests in the last 25 years. This decline appears to have continued longer than elsewhere in India, and less (than elsewhere) has been done in forest rehabilitation.⁵⁸ Deforestation has a particularly negative impact on women, as collection of non-timber forest products (NTFP) has been their primary occupation, and access to resources outside these areas is not equally secured.⁵⁹

The institutions determining forest access are far from 'traditional'. Under colonial authorities, firm control over forests was established, with revenue generation a key objective that still influences formal instructions for officers (Saxena 2003: 9). The policy environment after Independence has continued to be determined by a belief that forests are state property. Many of the products that are relevant for the livelihoods of poor people have been subject to control (even when grown on private lands). Trade and processing used to be leased to a small numbers of traders, who paid donations to political parties. From the early 1970s, regulation and nationalisation was introduced, with stated objectives to protect the poor against exploitation by private traders and middlemen. By the mid-1980s, this was partially reversed, with the Orissa state encouraging private leases. This creation of monopolies were widely criticised – as often, by both central government and civil society – and from 2000 Gram Panchayats obtained the authority to regulate, purchase, procure and trade most NTFPs while kendu, bamboo and sal remain under government monopoly (the role of Gram Panchayats and the process of decentralisation is described in some more detail in the last section).

Box: Livelihoods and Institutions in Forest Areas (from NC Saxena, in preparation of 2nd IFAD project)

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

NTFPs provide substantial inputs to people's livelihoods, but the highly complex institutions that enable the extraction and marketing of these products are biased against primary producers.

- While NTFP management requires a careful approach - products are diverse, production uncertain and local markets highly imperfect, and context-specific management is key - no forest inventorying through NTFP yield studies and regeneration surveys exist.⁶⁰ The Forest Department lacks orientation, and has so far not been able to build the capacity for local management of forests.
- A host of government and non-government institutions are involved in the trade of NTFPs at the local level, which until March 2000 held monopoly leases: the Agency Marketing Cooperative Society, Orissa Rural Producer Association, Orissa Rural Development and Marketing Society, as well as corporations like the Tribal Development Cooperative Corporation, and Tribal Federation of the Government of India.⁶¹ But these corporations have never shared profits with the primary collectors, nor have they engaged in promotion of NTFP value addition. They are constrained by shortage of staff and capital, and have ended up in drawing the services of the local traders.
- The mobile local traders (*kuchia*) advance small loans to NTFP tree-owner/ primary collectors, usually without interest, to pre-book all the produce collected by the debtor. The trade practices of these *kuchia* are far from being fair, and include malpractice in measurement as well as purchase rates. It is estimated that half of the NTFP trade may be controlled by them.
- The monopoly over 68 NTFPs ended with a resolution in March 2000, which vested on the Gram Panchayats (GPs) the authority to regulate the purchase, procurement and trade so that the primary gatherers get a 'fair price for the NTFPs gathered by them'. To achieve its objective of empowering the GPs to regulate the NTFP trade, state level price fixation was abandoned, and price fixation at the district level has been introduced, with the District Collector empowered to fix a minimum procurement price. However, Dr Saxena's assessment in 2001 highlighted that the markets continued to be a buyers' market, as :
 - prices in the village haat continued to remain below minimum prices;
 - Forest Department continues to control storage, transit and processing, and harassing traders (who operate with high margin to cover risk and uncertainty);
 - unregistered traders were still operating in the market, and unethical practices in terms of advance trading/distress selling, and malpractices in weighing method continued;
 - a near monopoly situation prevailed and the village level multiple buyer system had failed to develop;
 - GPs and the community were ignorant about policy provisions, and panchayats had not succeeded in regulating the market in the absence of enabling mechanisms.

Source: NC Saxena,

The impact of policy changes related to key livelihood resources are complex, not well evaluated, and a proper assessment well beyond the scope of this paper.⁶² The following tentative conclusions however appear warranted. The well-being of people

in forest areas, though livelihood opportunities and access to markets, is greatly influenced by public policies and institutions, and how these have evolved over time. As with some aspects of land reform, the outcome of progressive policies depend on a wide range of factors. For example, commercial objectives and vested interests by the public sector corporations have continued to work against the interests of the poor, even though payments to kendu leave pluckers on paper have increased.⁶³ And the impact of far-reaching reforms devolving responsibilities to panchayats is dependent upon capacity at local level – which is generally recognised to be absent – and the creation of (as in the case of land rights) awareness and availability of information; we will come back to this in the concluding section. Finally, while in the case of land policies there is a clear sense that Orissa's changes have done less (than elsewhere) to promote the interest of marginalised population groups, the marginalisation of tribals is common across states in India. What appears remarkable in Orissa is that the large proportions of people that are dependent on policies relating to forest have done so little to impact policy making. We will return to this later.

Displacement

While the above-described policy changes relating to land and forests have - at least on paper - been informed by both consideration of efficiency and equity for the population groups directly concerned, a third major development has more openly and directly (though not inevitably) discriminated against the interest of the poor in 'remote' areas. In Orissa as elsewhere, development – for electricity generation, mineral extraction - has caused large-scale displacement, which has disproportionately affected tribals.⁶⁴ It is estimated that some 3 to 5 million people have been displaced since 1950 in Orissa on account of various development projects, of which more than 50 per cent are adivasis.⁶⁵ In some areas this has been complicated by settlement of Bangladeshi refugees. The expected displacement in the coming decades also is expected to affect tribals disproportionately. The record of resettlement policies has been extremely patchy.⁶⁶ The experience of displacement (and possibly the insider-outsider tensions) appears to continue to influence personal histories decades after its occurrence.⁶⁷

Orissa's elite: the mirror image of socio-economic disparities

The socio-economic disparities and the institutions that have impacted the life of the rural population are mirrored in Orissa's political and administrative power structures. In analysing this, and to elaborate on the question of different performance across Indian states, this paper builds on the typology developed by John Harriss.⁶⁸ This distinguishes four types of states: where upper caste/class dominance has persisted (MP, Orissa, Rajasthan), where this has been challenged and where Congress has collapsed (Bihar, UP), where this has been challenged but without collapse of Congress (AP, Maharashtra), and states with strong political representation of lower castes/class (Kerala, West Bengal). The first two categories exist entirely of low income states (and, three out of five states have seen bifurcation, which can be related to feelings of marginalisation – see footnote 10 above).

Regarding Orissa, the comparison builds strongly on the work of Manoranjan Mohanty.⁶⁹ While the former princely states appear to have been less successful (than e.g. in Rajasthan) in retaining political power, and right wing parties were influential during the first decades after Independence, a brahman-karan middle class has dominated society and politics in Orissa. Continued upper caste control over political parties has been made possible by failure of development of caste associations and politicisation of lower castes. Neither have adivasis emerged as an independent force, despite numerical presence, and leaders have been largely co-opted within existing power structures.

Perhaps the major change in terms of political mobilisation happened under Biju Patnaik, who in opposition to the Congress part did broaden the social and political base and stimulated some form of an agrarian middle class, mainly through mobilisation of middle-caste khandayats. But after Biju Patnaik, electoral politics have had or retained a very strong personalistic character, continued to compete from the same social base, and the current political divide between BJD/BJP (with Naveen Patnaik) and Congress – changing at almost every election – is widely regarded as indifferent for development outcomes and policy implementation. The fact that two of its Chief Ministers (Gamang, a tribal leader, and Naveen Patnaik) did not speak Oriya fluently seems of major symbolic importance.

According to James Manor,⁷⁰ emphatically confirming the analysis of a lack of roots of Orissa's elite and absence of a political rise of a middle peasantry, the rulers have had an exceptionally strong focus on industrialisation (both Biju Patnaik in the 1960s and JB Patnaik in the 1980s). This however has remained largely at the level of rhetoric, as displayed by both industrialisation plans and later power sector reform – and indeed decentralisation. This has contributed to a neglect of agriculture (perhaps reinforced by the continued decline of land revenue as part of state revenue) and the interest of the rural population. Moreover, at least JB Patnaik took a very relaxed attitude to corruption, of both bureaucrats and politicians. Naveen Patnaik's reputation

and electoral success has been based to a large extent based on being clean, but with little proactive efforts to reduce corruption.⁷¹

While the first phase of land reforms, and the integration of Princely States into the nation and state did occur in Orissa as elsewhere, the land-based middle peasants have not challenged the power structure that emerged after Independence, as happened in other states. Recent challenges to power by lower castes, as happened more recently in UP and Bihar, or indeed the land reforms as in West Bengal organised by the elite through well functioning local governance systems, did not occur in Orissa either. Finally, challenges to the power structures by the 'tribal' parts of the state, which has led to bifurcation in Bihar and MP, while existent have not been significant in Orissa, despite having a larger proportion of Adivasis than any major state in India.

Similar cross-state comparisons of the character of administrative elites appear absent. In Manor's opinion, with a view on power sector reforms, Orissa's administrative top lacks the technical sophistication and self-confidence of administration elsewhere in India. He also noted that they have little opportunity to contribute to policy making (though in our own experience relations with donors are far more administration-led in Orissa than for example in AP). Personal observations suggest a much greater insider-outsider distinction in Orissa than elsewhere which might confirm the point about lack of confidence. Moreover, in debates vis-à-vis the Centre, the administration appears to take on a position of victim, for example claiming special status in terms of conditions for central programme funding (which does exist for the special KBK programme, as we discuss later, but otherwise is only extended to Kashmir and the North-Eastern states).

While analysis of the nature of Orissa's elite leads to fairly pessimistic predictions regarding the potential for overall development of the state, there is even less reason to be optimistic about likelihood of development patterns being equitable regionally and across social groups. Above we highlighted pre-Independence practices of bringing outside administrators into the feudal states. By and large, this has continued, and apparently Orissa is quite exceptional in terms of absence of local cadres of administrators - possibly partly as a result of this, Orissa has in the words of Dr NC Saxena, a legendary problem of unfilled vacancies in remote areas. Local development projects thus still play out – in the words of Alan Rew (pers. comm.) who has followed local development trends in Keonjhar – in the context of the division between largely coastal and upper-caste officials and the tribal peoples of Garjat, and wariness, suspicion and resistance informed by the colonial/administrative history (even if the tribal groups have become a local political force).

The focus on the need for investment in mineral resources, including through foreign investment,⁷² highlights the unrepresentative nature of Orissa's power structure. To some extent, Orissa confirms the hypothesis regarding problems caused by rich mineral resources (and the argument by Michael Ross regarding the key role of

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

structured and continued consultation, which appears largely absent in Orissa) – with the unfortunate fact that these resources are mostly located in tribal areas. The opposition to such investments – on the grounds usually that this would lead to displacement, and a distrust of resettlement policies – have been branded as anti-developmental, and the rulers have shown very little compassion even when adivasis were killed by police fire during protests.

The lack of roots of the elite has been illustrated starkly, too, in the government's reaction to news reports regarding starvation deaths (as well as large-scale distress-migration and bonded labour) in the western parts of the country: this is often a reaction to reports produced outside the state (frequently urges of the National Human Rights Commission, the Supreme Court, or following Study teams from the central government), which are met with a sceptic reaction from government officials, regular politicisation of the issue including through the 'familiar federal handle', a denial of the fact of starvation death, etc; kinds of reactions that are probably unthinkable in the case of Chief Ministers of states like Bihar.

Box: Orissa's emergency responses to destitution⁷³

Assembly questions related to destitution in southern Orissa, as Jayal describes with respect to stories about sale of a baby in Kalahandi in 1985, tend to elicit delayed and weak response. It is common that the administration denies the existence of starvation, arguing that increased death rates were due to old age, dysentery, meningitis, eating of mango kernels, etc. However, the denial of starvation does not preclude the government from claiming increased amounts of Central assistance, and the official emphasis on 'droughts' (which also emphasises attribution to will or whimsy nature) helps the government in this plea. According to Jayal (1999: 63), the first time a state Minister admitted in the Assembly that people had died because of 'lack of adequate food' was in October 1987, a month after Rajiv Gandhi's second visit to Kalahandi. Even in 2002, much of the debate, as in 1991, was around whether increased death rates were 'starvation deaths' or not.

The fact that questions are raised in democratic for a should not lead one to conclude that there is widespread interest. According to Jayal, a mere fourteen questions were raised in the Lok Sabha about Kalahandi during 1985-88, and most of them not related to starvation issue. Any of the official responses appear of very poor quality, and extremely defensive. A clear exception was the 1991 Mishra Commission Report, which charged the administration with laxity in enforcement of Land Reform and Money Lenders' acts, mismanagement of resources for development, corruption and collusion with moneylender and ex-gountias.

This, and other investigations, highlight the structural nature of deprivation and emphasise reforms related to land alienation and awareness of rights and entitlements, while the official response has largely focused on charity and relief expenditure in reaction to events beyond the government's control. Significantly, whatever response emerged was largely not the result of pressure by people directly affected (even NGOs were slow to respond to calls for evidence), for whom the calamities that are highlighted in the press probably are part of their usual existence (Jayal 1999: 95).

Thus, without known exception, studies emphasise the continued dominance of an extremely narrow elite with little base in society, of ‘procedural’ rather than ‘substantive participatory democracy’ (Jayal 1999: 100), and that major changes in political structures of other Indian states have bypassed Orissa – though why local and group political representatives have not made a bigger impact on the policy agenda still remains to be explained. This not to deny that large numbers of *individuals* have shown great commitment to the welfare of deprived groups. But there seems a clear association between the composition of the ruling elite and the ‘over-determination’ of disparities. A very small, geographically limited, and nationally marginalised elite has not – as elsewhere in India – either diversified its interest (opening up space for progressive changes) or seen its power base challenged (forcing progressive if messy policy change) and this has made many of the potentially-progressive institutions ineffective at best and exploitative at worst. Orissa’s historical path of political-economic development does provide clear clues regarding why disparities have not been reduced in any significant measure; as we argue below, the relative lack of success of implementation of various programmes results at least partly from this same power structure.

4. Policies for reducing disadvantages of historically deprived groups – what evidence of impact? When do ‘programmes’ become ‘institutions’?

Orissa is not a ‘failed state’, in the sense of a collapse of political and administrative structures. Political differences have been contained within the democratic structure, and bifurcation of a Kosal state appears only a remote possibility (unlike in Bihar for example). The administrative structure is operational, and administrative data⁷⁴ and auditor’s reports are generally available. Reform-minded individuals have been able to make a difference, *because* the infrastructure for this exists (even in the case of recent initiatives for Self Help Groups). Orissa does not do as badly as is often reported (and as Bihar and UP) in leveraging and utilising central funding. The large majority of people own ration cards,⁷⁵ and more recently appear to be enumerated for the Below the Poverty Line (BPL) census, which forms a precondition for access to a range of targeted programmes.⁷⁶

As the health and education progress described earlier suggests, administrative and front-line services are not absent even in the remotest area (even though posts are hard to fill). Primary health care and education workers have been exempted from the recruitment freeze,⁷⁷ and ‘social sector spending’ has remained protected (though this may be mostly due to the fact that spending is mostly on salaries, rather than public pressure for social sector spending) and is not notably low compared to other parts of India.⁷⁸ But a key message is how mixed the quality of implementation of programmes is. For example, access to medical facilities are well below the national average (particularly in remote areas, as is highlighted by the Census and NFHS data

on medical care during pregnancy).⁷⁹ The Integrated Child Development Scheme, which provides nutrition, health, immunisation and referral services for young children,⁸⁰ has not had uniformly bad reviews in Orissa: national data suggest it is not performing poorly compared to elsewhere in India, and a participatory study by PRAXIS indicated performance regarding immunisation was fairly good; however the same study suggested worse performance in terms of food supplies and care to pregnant mothers;⁸¹ and a CYSD study found very low access by poor people.⁸²

Similarly, programmes for primary education including the new initiative for cooked school meals evidently exist throughout the state,⁸³ and much construction has happened – and enthusiastic communities mobilised – under recent primary education initiatives. But at the same time, alternative schooling, through local management and locally-appointed teachers and village education committees, in Orissa are constrained by the lack of implementation capacity, and politicians at district level and below are using even these new structures for political patronage (which in other states appear to have been averted; A Sinha, pers. comm.).

A key conclusion regarding many of these policies is how mixed the impact has been, across sectors and programmes, and frequently across districts. In the rest of this section we explore this for two programmes that were designed to address two of the most important disparities, around social group and particularly adivasis, and regional.

Deprived groups

India has possibly the world's most elaborate system of programmes with explicit objective to reduce disparities between historically deprived groups and the rest of the population.⁸⁴ These consist of sets of policies in the area of affirmative action (discussed in the paper by Ashwini Deshpande), economic empowerment, and protection against violence and discrimination, and includes a wide range of public bodies and commissions, and rules regarding disaggregation of spending for deprived groups, women Dalits and Adivasis.⁸⁵

Significantly, the core of these policies were designed to be in place for only a brief period after Independence, but have continued to exist and their numbers have mushroomed. This may have been because of the – unexpected – limited success in reducing disparities, but more likely mainly because the policies have shaped vested interests among (elites among) the deprived groups and have become the terrain of significant political struggle and mobilisation.⁸⁶ For example, there are frequent demands from groups to be included in SC/ST categories to obtain state benefits, and recently there have been demands to extend job reservation to the private sector.

There is a lack of knowledge about how the range of programmes have changed disparities between social groups in Orissa (and absence of information in itself

suggestive of a lack of accountability, as the usual very critical and sensitive reaction by officials towards research by NGOs also highlights). The observation above that disparities have not been reduced significantly of course does not prove that these programmes have not worked. However, assessments that are fairly widely shared by researchers include the following. First, while on the one hand a great deal of emancipation has been achieved across the country, the caste structure has remained much more strongly present than progressive thinkers and policy makers after Independence expected. As authors like Kaviraj⁸⁷ and Alam⁸⁸ have emphasised, emancipation has been mainly on the political front, and not focused on achievement of social equality (economic disparities have continued to exist, and caste has remained centrally present in language and day-to-day interaction).

Box: Neglect in Special Programmes

A visit by two DFID representatives to Ganjam and Koraput district in December 2003 highlighted many good governmental and non-governmental initiatives in addressing poverty, in a context of a state capacity crippled by debt burden, but also some insights (based on very short visits) into discrimination against and inadequate care of Adivasi children in residential schools.

A government hostel for 40 tribal girls that was visited had 4 teachers for 240 children, with amalgamated classes, metal beds and a small trunk, mosquito net and one blanket for each child. The government stipend to cover food clothing, and healthcare was considered inadequate, and boys came out to the visitors to tell they did not have enough food. The problem was seriously compounded by the fact that during the previous 8 months stipend had been received for only 2 months, and expectation was that the remaining funds would be received at the end of the financial year (having used them to help address the State's ways and means position during the year) – even though the stipend ought to be covered out of the donor-supported primary education programme DPEP. As a result, schools were obtaining food on credit, unlikely to be high quality or sufficient.

In another village, the NGO Gram Vikas constructed residential schools mainly for ST children. Applications for formal recognition of these schools have been rejected by the Government of Orissa, on technical grounds despite good academic results. One month before the visit two Adivasi girls from one of the Gram Vikas schools had entered a Sanskrit recitation competition, winning first and second place. Their prizes were replaced by 'special awards' once the judges became aware of the girls' origin, and first and second place were re-awarded to others.

The policy of reservation has been subject to a fair amount of analysis, and conclusions have inevitably been mixed. First, it is important to highlight how much the language and policies around caste have changed the political dynamics, as indicated before, by providing access to the political arena, and new claims to such access, but also reinforcing those very group identities. Second, analysis of reservation in education⁸⁹ has shown that a) even though it does create a 'creamy layer' among the deprived groups, this elite' continues to suffer from disadvantages,

b) the impact of such policies have been limited, seats often do not get filled (research shows this is more for adivasis than for dalits; Xaxa 2001), and students from deprived backgrounds tend to chose arts rather than more prestigious engineering and medicine, but c) there is evidence of better performance of students of lower social-economic status and of upward mobility through these policies.⁹⁰

It is crucial to distinguish clearly policies for dalits from those for adivasis – though many of the policy instruments and policy language tends to conflate the two.⁹¹ Perhaps most importantly, in the programmes for adivasis the question of assimilation/integration versus autonomous development has played a key role in the debates from the late-colonial period onwards, and strongly so in the thinking of Nehru. Often, this debate has neglected – though recognised by the Planning Commission – the key fact that adivasis have been integrated into the wider economy and society, but on very disadvantageous terms.

Over time, a range of special features of the policies for adivasis have been developed. Areas with high concentrations of adivasis were characterised administratively as Scheduled Areas (almost half of the 300 block in Orissa), with recently special and potentially radical provisions for local government in the provisions for Panchayat Extension to Scheduled Areas (PESA) which brings far-reaching power to grams sabha and pali sabha in tribal areas; however in Orissa capacity for effective local governance has remained limited, with few if any efforts to strengthen these, and research shows that even awareness of PESA is very limited.⁹²

An important policy instrument has been the Tribal Sub Plan (through Special Central Assistance),⁹³ which has been adopted from the Fifth Five-Year Plan onwards, following observations of very low outlays for programmes for adivasis, and focus on the blocks with majority tribal population (118 blocks in Orissa). Integrated Tribal Development Agencies implement a range of income generation activities and infrastructure development.⁹⁴ Spending for adivasis is intended to be proportional to their proportion in the population.⁹⁵ This approach has suffered from two key problems (Mander 2004: 114 ff). First, spending targets do not guarantee development outcomes, and can of course – particularly in the absence of users accountability - become goals rather than means to an end. Second, there is much evidence of creative accounting within SCP, with indivisible outlays (e.g. infrastructure) booked to the category of spending for adivasis.

Any review of the programmes for deprived groups has to be struck by the wide range of existing programmes, partly state-driven, partly centrally sponsored, with many overlapping areas and objectives, and very little in-depth and systematic review. In the case of Orissa at least, the push for these programmes are largely top-down, and as far as our knowledge goes very few if any of the programmes have arisen out bottom-

up pressure – though there are many examples of innovative bottom-up projects at local level. Finally, the underutilisation of funding in plan schemes as highlighted in the Orissa Budget 2003-2004 equally suggests that there is little that pushed improvements in performance (even though the problem is partly caused by inability to provide state share for the programmes).⁹⁶

There is also too little knowledge about the day-to-day operation of the administration. But there is little to suggest that the assessment by Xaxa (2003) is far off the mark for the Orissa situation: “The constitution of course promises to integrate and provide them space for participation and share in state institutions. However, the state administrative machinery, is manned mainly by personnel from the dominant communities, is indifferent, discriminatory and even hostile to the entry of the tribal people in these modern institutions. They are not only kept excluded but also discriminated through various kinds administrative recruitment procedures and practices.” Alan Rew observes how ‘governance’ in Keonjhar shares many of the characteristics described by Bailey in the 1950s, in which the government is an adversary, “there as an entity, solid, substantial and personlike”, insensitive to local context.⁹⁷ In any case, there is little to suggest that the existing programmes help to redress existing differences in power, and arguably reinforce them as long as implementation remains top-down.

Special area programme: KBK

As in the case of the centrally sponsored programmes for scheduled castes and tribes, centre-state relations are important in the second major policy intervention,⁹⁸ designed specifically to address the under-development of the south-western area of Orissa, the KBK region. The region has had a great deal of attention of political leaders (across the political spectrum, partly depending on the centre-state political alliances), famously through Indira Gandhi’s visit in to Kalahandi in 1966 (and Rajiv Gandhi’s in 1985). In 1988 the area-specific programme ADAPT was initiated, revived after intervention by PM Narashima Rao and the Minister for Agriculture in 1991, and redesigned into RLTA in 1995. This is one of three central schemes, under what is (was in 2003) called Rashtriya Sam Vikas Yojana, the other two being the Special Plan for Bihar and the Backward Districts Initiative. It is a multi-sectoral and long-term plan, with an allocation of 6,000 crore over 9 years (2002 figures). Allocation to Orissa has increased substantially over the last two years, and it is now 100% centrally-funded. Connectivity and literacy are among the most important objectives.

Existing reviews of the programme do not show an optimistic picture. In a way, the programme adds to the complexity of ‘mushroomed’ programmes with many overlapping objectives, overstretching the bureaucracy. Start of implementation has been extremely slow, and spending in the first years very low – the ‘redesign’ of the programme to a large extent was reaction to the failure of earlier designs to come off

the ground in the first place. The most important source of information regarding performance is probably the Planning Commission sponsored study in 2003.⁹⁹ This found that (even) the programme headquarters was understaffed (significantly, as empty vacancies across the region is a main cause of lack of performance, in this as in other programmes). Utilisation of funds during the previous years had been 75-80%, but utilisation varied greatly across the multi-sectoral programme. Much of the agriculture-related schemes appeared unsuccessful, and had little impact. A programme of mobile health units was hampered by lack of road access – many would argue very unsurprisingly. Programmes which were seen to be relatively successful included emergency feeding (but targeting as unsatisfactory), drinking water, and some of the poverty alleviation schemes, education, and the National Benefit Scheme.

The main point for the discussion here is not, of course, an in-depth review of the programme – though this is worth further investigation. The key issues to highlight are how remarkable it is that so little has happened even though the problem has been in the political debate for such a long period, and that where things have moved performance has been very mixed (with good performance mostly in areas of residual social policy, where vested interests are smallest). Most importantly, however, are two observations. First, the lack of performance (and even activity) is not a natural phenomenon but due to a lack of sustained pressure within the system or among beneficiaries to make things work. Second, the programme does not address the underlying problems of unequal power relations; neither could one reasonably – with knowledge of Orissa's history of political economy – expect this to be the case. Hence, the programmes may do some good, but cannot be expected to be addressing the stark disparities.

5. Conclusions: social mobilisation as precondition for breaking unequal structures?

Thinking about the question of the causes of inequality in Orissa means a constant shifting of the why question. The income inequality across the state (or rather, disparities in poverty incidence) appears closely interrelated with disparities in health and education, to consist of regional as well as social group disparities, and mirrored in political relations, and to a great extent these forms of disadvantage overlap and are over-determined. These disparities by themselves are not random, but the outcomes of historical developments, which in principle are contingent, but in Orissa – in comparisons with other Indian states – have not involved a significant transformation of the social structure.

The key institutions that have determined the livelihoods of the poor in Orissa, primarily related to access to land and forest, have historically been characterised by exploitative relations (and not 'isolation'). They have been only very partly

transformed over the last five decades, as peasants have remained largely unconnected to political power (and vice versa), adivasis even more remote from political influence as access to their primary livelihoods is still insecure, and local administration often absent or colluding with local powerholders illustrated for example in cases of land alienation highlighted by reports on starvation deaths.

It is against this context that, this paper argues, the potential success of pro-poor policies and programmes need to be assessed (for example in comparison with other Indian states with different recent socio-political histories): the impact of programmes on people whose basic *access* to livelihood opportunities are not assured and continue to be threatened, and the ways of working of the *institutions* responsible for such programmes where such institutions are shaped by the same historical inequities that they would have to address.

Therefore, it is proposed, and we believe partly demonstrated in this paper, that the lack of success in addressing disparities despite the existence of formal institutions and programmes for the purpose, is caused by a lack of accountability which in turn is caused by a 'lack' of social mobilisation and rooted-ness of policy making and elite in a broad social base – in a way that Orissa shows unique features within India. This conundrum revolves around six institutional features.

A traditional and unchallenged elite

An understanding of the disparities in Orissa, and assessment of potential to reduce these, need to depart from the fact of a continued dominance of coastal based elite, of perhaps 200 families. This elite operates in the context of a young state, with a fluent identity, where the social structure has not seen the churning as occurred in southern India early in the 20th century, and much more recently in Bihar and Uttar Pradesh, and the economic base not seen the rural transformation as in practically any other Indian state. The state does not have a law and order problem as in many of the surrounding states (neither of caste nor Naxalite nature, though events early in 2004 suggest an intensification of activities of the latter whose presence has often been thought to be a refuge from neighbouring states), but this appears a case of unchallenged unaccountable and unresponsive policies. Significantly, many of the challenges have come from outside Orissa, with positive impact of actions by for example the Supreme Court, but in the decentralised Indian structure this will have little sustained impact without a string lead at state level.

Apart from the political and economic elite, the administrative elite plays an important role in these dynamics. The administration is dominated by an equally small group, and their interaction with subaltern groups needs to be seen in the context of a cultural history of entry of outsiders as part of usually very repressive regimes. A key and unresolved question is how and why the representation of representatives of deprived groups at state and national level politics has made so

little difference to exploitative structures (particularly in forests), whether representative democracy by itself is not sufficient, and the extent and conditions under which such representatives become part of such exploitative structures.

Heterogeneous population – but this is no explanation

Orissa's population is heterogeneous, with high representation of adivasis in the stet population, and adivasis of course consisting of many different and dispersed groups. However, other states in India have equally heterogeneous populations, and constitutional provisions for reservation in political and educational structures ought to have guaranteed a better representation of subaltern interests. The conclusion ought to be that Orissa has been marked by a particularly strong lack of 'substantive democracy', extremely limited realisation of rights of deprive groups, and a very limited drive by the elite to incorporate wider section of the population into a vision of development (to the extent that advocates of rights of adivasis have become characterised as anti-developmental – see below).

Decentralisation

With regard to a wide range of the root causes of the disparities in well-being – forest access, land rights, programme implementation – the wide ranging-powers of local government have the potential to provide substantial progress. However, in India as elsewhere, decentralisation has had a very mixed record in terms of poverty reduction and social justice. As highlighted by Biju Rao, these differences can be caused by different national policies and contexts in which decentralisation is situated, and within India in the different efforts state governments (and political parties) have put behind the implementation of national legislation (with West Bengal, Kerala and Karnataka as relatively positive examples). While a full analysis of progress in decentralisation within Orissa is beyond the scope of the paper, evidence clearly shows that Orissa has done very little to strengthen local capacity for democracy, partly fuelled by a self-fulfilling prophecy that it wouldn't work anyway, but probably also by vested interests that stop handing over power and access to rent-seeking opportunities.

In principle, and fairly recently, functions and powers of the Panchayati Raj Institutions (PRI) have become extensive. In the case of tribal areas, decisions regarding transfers of land as well as management of access to forest, strategies for expansion of primary education prescribe important roles for elected functionaries at district levels and below, and for example a recent decision to hand over the responsibility of PDS-outlets to the Panchayat secretary. Orissa is proud to have introduced a fourth level of decentralisation, of pali sabha below the panchayat (given geographical dispersion of population, in principle an important step). There is mandatory (half-yearly) consultation with the Gram Sabha, i.e. the entire village, on proposed development programmes. Moreover, the power of elected functionaries at

district-level are significant, in principle taking over many of the functions and responsibilities of the District Collector.

However, and perhaps the most important indication of its development challenges, development of decentralisation in Orissa has been very limited, being a consequence as well as cause of the lack of success in reducing disparities. Within the civil service there has been – and probably is – much distrust, scepticism and resistance regarding the role of decentralised structures (even though sector-specific notification for example in watershed and education prescribe key roles to village and district-level democratic institutions), and capacity building has been all but absent. A participatory study highlighted that the Panchayat was for many people the most important local institution, as it coordinates and sanctions development schemes, but was also perceived to be the most corrupt institution, and distance to offices is often very large.¹⁰⁰ As indicated above, the impact of the role of PRI in managing forest access remains largely unknown, but assessments are not optimistic and an ISED study showed very low awareness of the existence of the PESA act that prescribes the role of PRIs.¹⁰¹

Political awareness

Political awareness in Orissa is low, and very little has been done to change this. A CDS survey¹⁰² showed that the poor do take a great interest in the political system, as indicated by high voter turnouts, but their knowledge is very limited. Though many people could name the sarpanch, only 22% of the ‘very poor’ could name the country’s Prime Minister (against 78% of the upper class), and 39% their MLA. Exposure to media is extremely limited: only 6% of the very poor read newspapers, and only 17% listen to radio. This is confirmed by NFHS data showing that 84% of Scheduled Tribes is not regularly exposed to any media.

However, and as with decentralisation, this lack of awareness is both a cause and consequence of the political power imbalance. There is strong evidence that illiterate women and men do have an interest in politics – as even election turnouts indicate – and can become capable local leaders, but that the power imbalances hinders any serious mobilisation of these potentials. The observation in the 1991 Mishra Commission Report discussing starvation deaths in Kalahandi that had charged the administration with laxity, corruption and collusion with the locally powerful seems pertinent (Jayal 1999: 73-74): the people of Kalahandi (unlike peasants in Dhenkanal did not mobilise to protest against acute hunger and were unaware of constitutional rights and entitlements.

NGOs, civil society, social mobilisation

The number of NGOs in Orissa in itself would contradict an assessment of lack of political awareness, and provide a more positive assessment of the potentials for

development. There have indeed been many cases of strong advocacy, e.g. related to the Chilka Lake, around land rights by Gram Vikas, the long standing advocacy and development efforts by Agargamee, and state-level efforts by CYSD and others.

However, it is generally recognised that civil society is weak in Orissa. There a few cases of strong (joint) advocacy, and where such advocacy has occurred policy debates have become polarised and a common perceptions regarding NGOs being anti-development has developed (though this may be wrong, the perception still hinders the debate, and therefore effective articulation of voice). Probably, most of the many organisations lack social base, and commercial interests play an important role (a situation made worse if not created by the availability of funding after the super cyclone). The adversarial attitudes by officials is partly justified, but the lack of space provided partly also responsible for this situation.

A ‘thickening’ of civil society, thus, has by and large not happened, and none of the pathways of effective social organisation as identified by Fox in his research on Mexico have emerged.¹⁰³ First, reformist officials are present in government circles, but there are very few of them, and often they fight defensive battles as highlighted with the blacklisting of Agargamee (which was reversed by a few reformist individuals). Second, there are very few cases of collaboration between external and local civil society actors. In fact, many of the significant players did come from outside the state, often during calamities, and subsequently set up local organisations. But again, the number of such cases is limited, and their impact very restricted as their efforts do not fall in favourable environments (non-recognition of school being a small example, as are negative reactions to proposals to involve NGOs in donor-supported programmes).

The third pathway distinguished by Fox is bottom-up mobilisation. Analysis of policy responses for example of starvation deaths highlights that in the most extreme situation this appears least likely to happen, as the extent of deprivation does not appear uncommon to the people who suffer from this, government responses have a strong charity character and promises by political leaders are still – somehow, despite decades of non-delivery – playing a role, and local deeply-ingrained power relations greatly reduce any potential for effective social mobilisation (and too few organisation are around – on a sustainable basis – to facilitate change).¹⁰⁴

Reforms, and donor support

The fiscal crisis and adjustment as they have evolved over the last decade have given the situation of disparities a new dimension, including the enhanced role of actors outside the state – foreign donors but particularly the central government.¹⁰⁵ In the context of this paper it is not possible to assess whether the reforms will reduce the disparities as described in this paper: in any case within the fiscal reforms there are as

many risks as possibilities, and much will depend on the content – and sequencing – of the concomitant governance reforms.

However, as starting point for considering the possible effects of reforms, it is worth highlighting that the content of recent fiscal reforms are largely determined by elite interests and resistance. The power reforms – the only one where external support was accepted in the early 1990s – were implemented partly because of a lack of a significant rural lobby (and dissociation of peasants from non-performing Congress and other governments). While this may be a good thing for efficiency, it also indicates the lack of social base (and as Manor has argued, the earlier performance against equally bold industrialisation plans should bring caution regarding chances of delivery).

Current reforms of public sector enterprises and opposition against these are largely indifferent to the disparities this paper has focused on (except for the need to free up money for investment, but lack of money – one would argue on the basis of this paper – is not the most important constraint). Delays in proposed reforms, and for example the sequencing of particular reforms (i.e. forest corporation not in the immediate future), arguably reflect the interest of parts of the system that works against the poor. Resistance against the reforms has been strong, but this resistance arises from a very small proportion of the population, and political disputes over reforms are no reflection of interests of marginalised sections of the population.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 1

Poverty in Orissa's NSS regions 1983-1999/2000: uncorrected and adjusted data

Years	Official Poverty Line				International (\$1 a day) Poverty Line			
	Coastal (191) Rural	Southern (192)	Northern (193)	Orissa	Coastal (191)	Southern (192)	Northern (193)	Orissa
1983	57.97	80.76	75.22	68.43	47.57	75.93	68.64	60.46
1987/88	48.37	82.98	61.01	58.62	55.33	85.61	65.49	63.98
1993/94	45.33	68.84	45.82	49.80	66.71	83.85	62.51	68.40
corr.data	38.97	63.23	39.26	43.47				
1999/00	29.30	86.16	50.98	48.13	47.85	92.70	66.98	63.44
corr. data	34.68	67.79	36.42	41.27				
	Urban							
1983	46.15	45.48	54.35	49.66	24.84	27.84	33.55	28.84
1987/88	42.11	52.93	39.90	42.58	22.64	29.71	25.59	24.74
1993/94	47.24	41.94	32.54	40.68	29.44	35.84	16.08	25.09
corr data	15.13	26.72	11.06	15.19				
1999/00	41.65	43.97	45.81	43.51	25.26	30.01	24.65	25.64
corr data	18.83	24.45	14.28	17.94				
	Total							
1983	56.49	79.08	72.28	66.24	44.74	73.65	63.70	56.77
1987/88	47.67	80.29	58.16	56.75	51.67	80.62	60.10	59.42
1993/94	45.57	66.07	43.92	48.64	62.06	78.91	55.86	62.88
1999/00	31.51	81.28	50.10	47.37	43.81	85.46	59.81	57.24

Districts (1991 classification): Coastal = Baleswar, Cuttack, Puri, Ganjam; Southern = Phulbani, Koraput, Kalahandi; Northern = Balangir, Sambalpur, Dhenkanal, Sundargarh, Kendujhar, Mayurbhanj.

Calculations by Amaresh Dubey, corrected data 50th and 55th round Kijima and Lanjouw 2003.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 2 Poverty Ratios by Social Group, Orissa and India, 1983 to 1999/00

Social Group	Rural				Urban				Total			
	1983	1987/88	1993/94	1999/00	1983	1987/88	1993/94	1999/00	1983	1987/88	1993/94	1999/00
Orissa												
ST	87.08	83.82	71.31	73.08	73.73	61.37	62.81	59.38	86.22	82.34	70.76	72.08
SC	75.99	65.75	49.79	52.30	69.53	59.52	45.46	72.03	75.38	65.35	49.39	55.08
Other	58.52	47.31	40.18	33.29	41.86	37.87	36.32	34.18	56.16	45.92	39.55	33.48
All	68.43	58.62	49.79	48.04	49.66	42.58	40.68	43.59	66.24	56.75	48.63	47.31
All India												
ST	63.89	56.31	47.05	44.35	55.30	52.26	35.67	37.42	63.27	55.93	46.29	43.67
SC	58.96	50.79	48.27	35.44	56.12	54.65	49.08	39.13	58.50	51.38	48.42	36.14
Other	40.90	33.80	31.20	21.14	39.94	36.44	28.67	20.78	40.66	34.48	30.46	21.04
All	46.51	39.36	37.28	26.50	42.32	39.16	31.70	23.98	45.57	39.31	35.95	25.87

Source: official NSS data, as calculated by Amaresh Dubey; for details see A de Haan and A Dubey, paper for Manchester Conference on Chronic Poverty, April 2003. 23 per cent of Orissa population is classified as ST, and 16 per cent as SC (around the all-India average)

Table 3 Head Count Index in Regions of Orissa by Social Group
(Calculated using Official Poverty Line)

Region	Rural				Urban			
	ST	SC	Other	All	ST	SC	Other	All
1999/00								
Coastal	66.63	42.18	24.32	31.74	63.47	75.74	34.26	41.84
Southern	92.42	88.90	77.65	87.05	72.28	85.02	24.59	43.85
Northern	61.69	57.22	34.67	49.81	54.44	63.11	37.77	46.06
Orissa	73.08	52.30	33.29	48.04	59.38	72.03	34.18	43.59

Source: official NSS data, as calculated by Amaresh Dubey

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

¹ This paper is the product of intermittent analysis while working as social development adviser in the DFID India (Orissa) programme, and I owe a lot to my colleagues for encouraging me to continue research even though not formally part of my work-programme. I owe much to Amaresh Dubey, and his urge to continue to work together on data analysis; he provided the quantitative analysis of poverty data, and is to be credited to pursue data disaggregation (data are reported more extensively in our joint paper *Extreme Deprivation in Remote Areas in India: Social Exclusion as Explanatory Concept*, paper for Chronic Poverty and Development Policy Conference, Univ. of Manchester, 2003). In the DFID India office, Aruna Bagchee has been a great source of encouragement as well as information. Balaji Pandey has been another source of inspiration. I owe much to Biswamoy Pati, who encouraged me to delve into deeper structures of elite politics of Orissa, and his various books that I probably draw more on than the footnotes acknowledge. Many people have given detailed comments on various drafts, and I would like to thank in particular Tony Bebbington, Anis Danis, James Manor, NC Saxena, Saurabh Sinha, and in the DFID office Sarojini Thakur, Elizabeth Burgess, Geeta Unnikrishnan and Dennis Pain.

² Institutions are defined, broadly, as rules and structures that determine (enable/limit) human interaction in economic, social and political spheres, and emphasise that an understanding of institutions need to take into account their formal structures, the informal rules of the game, and how these complexities become constituted through social interactions and mobilisation. The key question highlighted above could this be rephrased around the issue of programmes and formal institutional change not being translated into *real* change addressing informal rules of the game.

³ Throughout the paper, we will use both the more appropriate terms adivasis and dalits, and the equivalent administrative terms scheduled tribes and scheduled castes. It should be emphasised that these groups are also very heterogeneous, and that for example differences between (minority) STs in Orissa and in STs in the north-east where they form the majority are enormous. Moreover, the administrative categories as created during colonial rules themselves have shaped a large part of the political and perhaps social group dynamics in India.

⁴ R Kanbur and A.J. Venables, *Spatial Inequality and Development*, introduction to edited volume of conference papers, <http://people.cornell.edu/pages/sk145/papers.htm>.

⁵ It was shown by Jalan and Ravallion for rural China for example that households with identical characteristics had different changes in poverty in different regions; see also S Dercon, 2003, *The Microeconomics of Poverty and Inequality. The Equity-Efficiency Trade-Off Revisited*, Mimeo.

⁶ This is consistent with Dercon's comment regarding the infrastructure-disparities link: while provision of infrastructure may be key to unlock potentials, 'historically much road building in developing countries has been *in response* to local economic growth' (Dercon 2003: 9; italics in original).

⁷ V. Kozel and B. Parker (2003), 'A Profile and Diagnostic of Poverty in Uttar Pradesh', *Economic and Political Weekly*, Vol.38, No.4, pp.385-403; P. Lanjouw and S. Zaidi, 2002, 'Andhra Pradesh Poverty Note: A Preliminary Profile and Emerging Issues', unpublished paper, World Bank.

⁸ Gang, I.N., K. Sen, M-S Yun (2002), 'Caste, Ethnicity and Poverty in Rural India', manuscript; Sen, Kunal (2003), paper at NCDS workshop on monitoring poverty.

⁹ De Haan and Dubey, *Extreme Deprivation in Remote Areas in India: Social Exclusion as Explanatory Concept*, paper for Chronic Poverty and Development Policy Conference, Univ. of Manchester, 2003, Annex 15.

¹⁰ While the future possibility of a separate state (Kosal) - while occasionally mentioned - is not explicitly considered, it might be useful to reflect on the recent bifurcation of three Indian states, and the creation of: Jharkhand, perhaps a similar case to non-coastal Orissa, which was the result of perceived neglect, in the context of strong insider-outsider (dikku) differences, and had great support from particularly adivasis; Uttranchal which did not have great socio-cultural differences with the rest of UP; and Chattisgarh that also has large concentrations of adivasis but bifurcation seemed more closely related to the fact that MP was an exceptionally large state (S. Kumar, 'Creation of New States.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Rationale and Implication', *Economic and Political Weekly*, September 07, 2002). It's important not to assume that radical political formations in central/eastern India have a large social base, or that separate statehood necessarily leads to redressal of social inequalities (Jayal 1999: 95).

¹¹ A separate policy question relates to migration, and the suggestion that encouraging migration may be an effective policy to address regional disparities (Dercon 2003: 9). Dercon however is not optimistic about the possibilities of success in areas of resettlement, which is confirmed by much migration literature. Also, in the migration literature there is not much evidence that migration does much to help reduce regional disparities. This paper does not focus explicitly on migration, though it ought to be noted that a) the history of lagging 'tribal' areas in India has been greatly shaped by histories of partly-forced migration, and b) that there is evidence that poor migrants from the poorest areas are least able to migrate, and/or the migration of most vulnerable may not lead to positive impact. See for example research by Mosse et al. in western India (in de Haan and Rogaly 2002); reviews of literature can be found in de Haan, 'Livelihoods and Poverty: the Role of Migration. A Critical Review of the Migration', *Journal of Development Studies*, Vol.36, No.2, December 1999, pp.1-47; and de Haan and B Rogaly, eds, eds, *Labour Mobility and Rural Society*, Frank Cass, London, 2002.

¹² Elbers et al show in other contexts the potential importance of within-community inequalities and heterogeneity in inequality across communities (C Elbers et al., 'Are Neighbours Equal? Estimating Local Inequality in Three Developing Countries', WIDER Discussion Paper, 2003/52, July 2003); this paper does not describe such levels of inequalities, but within-community inequalities are manifest, for example, in processes of land alienation and in differences across social groups.

¹³ A. Deaton, 'Adjusted Indian Poverty Estimates for 1999-2000', *Economic and Political Weekly*, 25 January 2003, and 'Prices and Poverty in India: 1987-2000', *Economic and Political Weekly*, 7 September 2003; A. Sen and Himanshu, 'Poverty and Inequality in India', *Economic and Political Weekly*, 18 and 25 September 2004.

¹⁴ See also the overview by K. Sundaram and S.K. Tendulkar, 'Poverty in India in the 1990s. An Analysis of Changes in 15 Major States', *Economic and Political Weekly*, April 5, 2003, pp.1385-93. At the end of the 1990s, Orissa agricultural wages also were lower than in any other state. A. Deaton and J. Dreze, 'Poverty and Inequality in India. A Re-examination', *Economic and Political Weekly*, September 7, 2002, pp.3729-48. Adjusted figures by Sen and Himanshu (2004:4362) provide a somewhat optimistic relative picture of Orissa performance in poverty reduction, but confirm falling behind between 1993-94 and 1999-00 and south Orissa as one of the NSS regions with increasing poverty between 43rd and 55th round (p.43734).

¹⁵ Sen and Himanshu (2004) stress slow decline in poverty during the 1990s, increasing disparities particularly between rural and urban areas, and the fact that within state inequality is the overwhelming component of total inequality in India (p.4369)

¹⁶ Surprisingly few studies have used this. An early exception was J. Dreze, and P.V. Srinivasan, 1996, *Poverty in India: Regional Estimates, 1987-8*, London School of Economics, DEP No.70. A recent World Bank paper discusses the implications of problems of comparability between the 1993/94 and 1999/2000 round of NSS surveys, showing – as Deaton did – substantial changes in estimates in some regions (the picture for Orissa changes only slightly); Yoko Kijima and Peter Lanjouw, 'Poverty in India during the 1990s. A Regional Perspective', World Bank Policy Research Working Paper 3141, October 2003.

¹⁷ These figures focus entirely on proportions of people in poverty. As the population density is much higher in Coastal areas, the numbers of poor people there remain very substantial despite lower headcounts; in fact, all three regions have about 5 million poor people each.

¹⁸ It is possible to further disaggregate the NSS data, to the level of the 13 districts as they existed in 1991 (these were subsequently divided into 30 districts), though for some of the districts the sample may be rather low for reliable estimates. This shows further remarkable differences, emphasising also the heterogeneous character within the regions as described above (eg Bolangir). But it shows the extremes even further apart: the estimated poverty headcount in Puri is 22%, while in Koraput it is almost 4 times as high (80%). Even at the levels analysed we need to take account of differences within regions, and continue to emphasise that inequalities are likely to be significant at micro-level.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

¹⁹ M. Panda, 'Poverty in Orissa. A Disaggregated Analysis', paper for the NCCDS workshop on poverty monitoring, Bhubhaneswar, February 2002. Panda also shows that the super-cyclone did *not* have a big impact on the poverty headcount (possibly, because the influx of assistance keeps consumption levels relatively high and recorded poverty therefore low).

²⁰ Calculations of calorie deficient households show lower levels of poverty in Orissa compared to other states, smaller differences across regions, and a decline in all the NSS regions; hence the value of food consumption (prices) may not be adequately recorded, possibly due to dependence on PDS.

²¹ Gaurav Datt and Martin Ravallion, May 2002, 'Is India's Economic Growth Leaving the Poor Behind', World Bank, Policy Research Working Paper. This shows the large variation in growth-poverty elasticity, and the importance of initial inequalities, such as credit market imperfections, inequality of assets such as land, low basic education attainments and health conditions. Each percentage point of non-agricultural economic growth in Kerala reduces poverty much more than it does in Bihar, and this is mostly explained by the much higher literacy in Kerala, particularly women's.

²² Bandyopadhyay highlights polarisation ('twin-peaks') in state per capita income across Indian states over the last three decades (but with reference to different findings), and the importance of infrastructure, fiscal deficits, and capital expenditure in these patterns; S. Bandyopadhyay, 'Convergence Club Empirics. Some Dynamics and Explanations of Unequal Growth Across Indian States', WIDER Discussion Paper, 2003/77, November 2003. See also F. Noorbakhsh, 'Spatial Inequality and Polarisation in India', CREDIT Research Paper 03/6, University of Nottingham, Sept.2003, showing divergence in production and consumption across India.

²³ Government of Orissa, Draft Tenth Five Year Plan 2002-2007, Bhubaneswar August 2002, p.1/17. Low coverage and inefficiency in irrigation (coupled with decline in traditional irrigation systems) are seen as major causes for this poor performance.

²⁴ NSS data between 1993/94 and 2000; in Deaton and Dreze, *op cit.*, pp.3739.

²⁵ In the 1990s, District Domestic Product varied between Rs.3727 per capita in Kalahandi to Rs.7763 in Sundargarh; data from Directorate of Economics and Statistics, Bhubaneswar, quoted in Nabakrishna Choudhury Centre for Development Studies, *Orissa Human Development Report*, draft, sponsored by UNDP and Planning Commission, Bhubaneswar, 2004, Table 8.1.

²⁶ Datt and Ravallion (2002), have tried to show why economic growth in some areas or sectors reduced poverty faster than elsewhere. Positive impacts of growth in the non-agricultural sector can be reduced by various initial inequalities, such as credit market imperfections, inequality of assets such as land, low basic education attainments and health conditions. Thus, each percentage point of non-agricultural economic growth in Kerala reduces poverty much more than it does in Bihar, and this is mostly explained by the much higher literacy in Kerala, particularly women's.

²⁷ Bob Currie shows that Kalahandi has remained a net exporter of paddy throughout the 1980s and 1990s, and that lack of command over food – caused by unequal access to land, credit and productive assets – has been responsible for deprivation. Bob Currie, *The Politics of Hunger in India. A Study of Democracy, Governance and Kalahandi's Poverty*, MacMillan, Chennai, 2000, pp.85 ff. See also Jagadish Pradhan who also emphasised that drought since the mid-1980s was not responsible for the deprivation in Kalahandi; J. Pradhan, 'Drought in Kalahandi. The Real Story', *Economic and Political Weekly*, May 29, 1993, pp.1084-88, and *ibid.*, 'The Distorted Kalahandi and a Strategy for its' Development', *Social Action*, July-September 1993, pp.295-311.

²⁸ A study in Koraput – in a village where three-quarters of the population consume less than 2000kcal, ie well below the poverty line - show how access to even a little low irrigated paddy land make substantial difference for households' food security; Sharadini Rath, 'Productivity and Food Security. A Marginal Situation Case Study', Centre for Budget and Policy Studies, November 2003.

²⁹ In many cases, aspect of deprivation are inter-related, as, for example, poor people cannot 'buy' the health care if this is primarily provided on the 'free' market (as is the case throughout Orissa), and wage labourers who fall sick loose their daily income and potentially fall into a debt trap and poverty. But different aspects of deprivation are not always correlated, as the relatively high levels of human

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

development of Sri Lanka and Kerala, and the huge demand for education among poor communities mobilised by NGOs like Lok Jumbish in Rajasthan have illustrate.

³⁰ The NFHS sample has about 4-5000 households, and may allow for disaggregation to the level of the old 13 districts, similar to NSS data.

³¹ This is relevant for policy purposes, as Datt and Ravallion (2002: 15-16) conclude: “The key message emerging from recent research is that achieving a policy environment conducive to growth interacts *multiplicatively* with human resource development”

³² Calculations by Dubey, and Sundaram and Tendulkar, CDE, Delhi School of Economics, 2003.

³³ See also S Kumar, ‘Adivasis of South Orissa. Enduring Poverty’, *Economic and Political Weekly*, October 27, 2001.

³⁴ In 2000, according to official data the drop-out rate at primary level was 42% for all children (similar for boys and girls), 52% for SC (substantially higher for girls), and 63% for ST (quoted in Orissa Human Development Report: Table 4.19).

³⁵ NSS data 1999/2000, calculated by Amaresh Dubey. It needs to be noted that these NSS data may not be the most reliable regarding landownership patterns, and special surveys exist.

³⁶ World Bank, ‘Orissa Policy Notes. Poverty in Orissa: Diagnosis and Approach’, Mimeo, World Bank, May 2000, p.18.

³⁷ See de Haan and Dubey, Annex 15. Relative to other castes, and holding other factors constant, a household is more like to be poor if it belongs to one of the deprived groups. The marginal increase in the probability is highest for STs, and this increase is larger in Orissa (39%) than in India on average (30%).

³⁸ P.K. Panda, ‘Female Headship, Poverty and Childwelfare: A Study of Rural Orissa, India’, Centre for Development Studies, Thiruvananthapuram, August 1997.

³⁹

⁴⁰ Chapter four of the (draft) Orissa Human Development Report gives a detailed analysis of disparities on a range of indicators, a decline in the gender disparity index, but emphasis that regional disparities in female literacy are larger than men’s.

⁴¹ Presentation by Satish Agnihotri, at poverty monitoring workshop, NCDS, Bhubaneswar, February 2003.

⁴² IFAD, Second Orissa Tribal development Programme Formulation report, Annex 1, Lessons Learned from Other IFAD Assisted Tribal development Projects, Mimeo, undated, Annex on Gender Issues.

⁴³ D De Ferranti, Perry, G.E. Ferreira, and Walton, ‘Inequality in Latin America and the Caribbean. Breaking with History?’, World Bank, 2003.

⁴⁴ This is of course an extremely complex – but important – subject, and involved on the one hand the ‘co-existence of Hinduisation/peasantisation/Kshatriyasation/Oriyaisation’ during colonisation of Orissa, with on-going transformation including religious since Independence (Biswamoy Pati, *Identity, Hegemony, Resistance: Towards a Social History of Conversions in Orissa, 1800-2000*, Three Essay Collective, 2003, the quote is from p.16), while on the other had an Oriya elite and identity was formed out of administrative and linguistic dominance of Bengali in the North, Hindi in the west, and Telugu in the south. According to Kanungo, emphasising the Sengupta 2001 emphasises Orissa’s history of limited Oriya unity (and the elite’s perception of marginality even in the late-colonial period), and the fact that the appeal for Oriya nationalism did not percolate to the lower levels of society; Sengupta, J., State, Market, and Democracy in the 1990s: Liberalization and the Politics of Oriya Identity’, in: N. Gopal and S. Pai, eds., *Democratic Governance in India: Challenges of Poverty, Development, and Identity*, New Delhi: Sage, 2001.

⁴⁵ See also Pralay Kanungo, ‘Hindutva’s Entry into a “Hindu Province”. Early Years of RSS in Orissa’, *Economic and Political Weekly*, 2 August 2003, emphasising that “[t]he RSS considers the Jagannath-Oriya-Hindu-Indian interconnection an ideal framework for the spread of Hindutva”.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

⁴⁶ Biswamoy Pati, *Resisting Domination. Peasants, Tribals and National Movement in Orissa 1920-50*, Manohar, New Delhi, 1993, pp.1-2; disputed or neglected issues include the Oriya language and the origin of the Jagannatha cult, which may have originated as a tribal deity but became key element of legitimisation and social control based in the coastal area. This study by Pati focuses on the peasant and tribal interaction with Indian nationalism, suggesting that a conceptualisation of tribals as isolated and not having intercalated with mainstream politics and development is not correct.

⁴⁷ Mearns and Sinha 1998

⁴⁸ R. Mearns, *Access to Land in Rural India. Policy Options*, World Bank Policy Research Working Paper 2123, 1999, p. 9. Though Mearns suggests that former zamindari areas would have lower rates of present (1970-94) agricultural growth than other, growth rates in West Bengal (4.4) and surprisingly Orissa (2.6) do not confirm this.

⁴⁹ “the people of the hills think they have been exploited and misgoverned by people from the coast”, and tensions were highlighted during the Independence movement too; F.G. Bailey, *Politics and Social Change. Orissa in 1959*, University of California Press, Berkeley and Los Angeles, 1963, p.176-77.

⁵⁰ F.G. Bailey, *Caste and the Economic Frontier. A Village in highland Orissa*, Manchester University Press, 1957. The *mutha* in which the village is located had a population composition as follow: Adivasi 66% (populating more remote areas with less potential for cultivation), Scheduled Castes 17%, and Oriyas 17%.

⁵¹ The following is to a large extent based on Mearns and Sinha 1998.

⁵² Mearns 1999: 10 ff. He quotes analysis by Besley and Burgess that abolition of intermediaries and tenancy reforms (in some states) have contributed to poverty reduction.

⁵³ Extensive land alienation and its major causes is described extensively for tribal areas elsewhere in India in a report at the Planning commission website: ‘Land Alienation and Indebtedness Among Tribals in Tamil Nadu, Kerala and Karnataka States’ (<http://planningcommission.nic.in/reports/sereports>). For Kalahandi, processes of land alienation are described in the 1991 Mishra Commission, as highlighted in Jayal 1999 and discussed below.

⁵⁴ The story about vested interests in rural areas is of course much more complex. A key example of unequal power relations – which appears exceptional in the Indian context – is for paddy procurement in Orissa to be from the millers, rather than from the producers as is common elsewhere, which creates additional opportunities for exploitation, and the practice itself is the result of a lack of power of less privileged to influence the relevant policies and institutions. See also S Pathy, ‘Destitution, Deprivation and Tribal “Development”’, *Economic and Political Weekly*, Jul 5, 2003, with emphasis on lack of customary land rights in the Orissa land reforms act.

⁵⁵ B Agarwal on the CPR-gender link (see below); Monica Das Gupta et al on gender discrimination across Asia which they attribute to commonalities in kinship systems but which does not seem to take account of the spread of declining sex ratios across India; M Das Gupta et al. *Journal of Development Studies*.

⁵⁶ N.C. Saxena, *Livelihood Diversification and Non-Timber Forest Products in Orissa: Wider lessons on the Scope for Policy Change?*, ODI Working Paper 223, 2003.

⁵⁷ Mearns 1999: 28 ff; he quotes Jodha’s work showing a decline of 30-50% between 1950 and 1980s in surveyed villages in seven states.

⁵⁸ A study for IFAD in Kandhamal and Gajapati districts showed that collection of NTFP, which previously accounted for a substantial part of household income, now provides only 10% of income, and another study on the impact of deforestation has shown a decline during the last two decades of 42% in the number of days (188 to 109) of intake of fruits, tubers and roots which can be obtained from the forests. RCDC, ‘Social and Institutional Analysis and Livelihood Systems Study of Tribal Communities in Selected Villages in Kandhamal and Gajapati Districts’, March 2000; and Development Innovators, ‘Impact of deforestation on Socio-Economic Conditions of Tribal Communities in Orissa, Bhubaneswar, July 1999; both quoted in IFAD, *Second Orissa Tribal*

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

development Programme Formulation report, Annex 1, Lessons Learned from Other IFAD Assisted Tribal development Projects, Mimeo, undated.

⁵⁹ Bina Agarwal has describes the gender significance of changes in communal resources (of environmental degradation, statisation, and privatisation; with important regional variations within India), through pre-existing gender divisions of labour, the anti-female bias in intra-household distribution of resources, inequalities in access to resources and assets (particularly limited rights in private property), and gender gap in access to decision making; B Agarwal, 'Gender, Environment and Poverty Interlinks in Rural India. Regional Variations and Temporal Shifts, 1971-1991', UNRISD DP62, 1995.

⁶⁰ There seems to be a comparison with a problem highlighted during droughts in Kalahandi during the 1980s, where non-paddy crops were not covered in crop-cutting experiments; see the discussion in starvation deaths below.

⁶¹ It may be significant that reform of the Forest Corporation was not a priority in the Government of Orissa's reform plans (see A Khare's report on the corporation).

⁶² See analysis by Mander with focus on Madhya Pradesh, which compared to Orissa has had a much more progressive policy environment; Harsh Mander, *The Ripped Chest. Public Policy and the Poor in India*, Books for Change, Bangalore, 2004, Chapter 3.

⁶³ Saxena 2003: 8. The Orissa Forest Development Corporation is recognised to be very inefficient (Khare, in Saxena 2003: 11) but do not appear to be among the GoO priorities for reorganisation.

⁶⁴ An overview of displacement in Orissa is provided in Balaji Pandey, *Depriving the Underprivileged for Development*, Bhubaneswar, 1998.

⁶⁵ N. C. Saxena, Empowerment of Tribals Through Sustainable Natural Resource Management in Western Orissa, report for IFAD/DFID, December 2001.

⁶⁶ Planning Commission, for India, quoted in V Xaxa, 'Protective Discrimination: Why Scheduled Tribes Lag Behind Scheduled Castes', *Economic and Political Weekly*, July 21, 2001.

⁶⁷ This is for example described by Mander, 2004.

⁶⁸ J. Harriss, 'Comparing Political Regimes across Indian States. A Preliminary Essay', *Economic and Political Weekly*, November 27, 1999, which builds on the earlier work by F Frankel and MSA Rao, suggesting a correlation between regimes (particularly "stable, relatively well-institutionalised parties [that] compete for ... votes"), and performance in poverty reduction as shown in the cross-state analysis by Ravallion.

⁶⁹ M Mohanty, , in F Frankel and MSA Rao, *Dominance and State Power in Modern India: decline of a Social Order*, OUP Delhi, 1989/1990.

⁷⁰ J Manor, 'Orissa', Unpublished Manuscript, 1998, part of a series of paper written for the World Bank, in the context of electricity reform.

⁷¹ Manor, op cit; he emphasises that in terms of corruption bureaucrats tend to dominate in non-coastal areas, while politicians are more important in the more developed coastal areas. Two (pilot) exercises in public hearings I attended confirmed the omni-presence of corruption at lower administrative levels.

⁷² During the early 1990s, according to Saroj Jha, UNDP, Orissa was among the states with the largest amount of potential foreign investment – most of which did not materialise.

⁷³ N.G. Jayal. *Democracy and the State. Welfare, Secularism and Development in Contemporary India*, OUP, Delhi, 1999, pp.54 ff.

⁷⁴ Recent initiatives by the Panchayat Raj secretary to make disaggregated administrative data available on the GoO website is a case in point.

⁷⁵ S Kumar, 2001, 'Study of political systems and voting behaviour of the poor in Orissa', DFID-Delhi, with a bias towards better-off households. The ration card system predates the targeting of the

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

programme). NSS data on PDS show much higher access than earlier NCAER figures (over 70% compared to 33%, and to me based on own observations seem more realistic)

⁷⁶ See K Sundaram for discussion of origin and methodology of this Census, and a critique; 'On Identification of Household below Poverty Line in BPL Census 2002. Some Comments on the Proposed Methodology', *Economic and Political Weekly*, March 1, 2003. In Orissa, the 2002 Census outcomes were challenged in court and 1997 continued to be used.

⁷⁷ Data on teacher absenteeism do not show worse performance in Orissa than for example Andhra Pradesh; data presented at the GDN Conference in New Delhi, January 2004; quoted in *Economic and Political Weekly*, February 28, 2004.

⁷⁸ Orissa's per capita spending on social sectors is below India's average, but as percentage of the State Domestic Product it is well above the Indian average (9% vs 6%) S.M Dev and J. Mooij, 2002, 'Social Sector Expenditures and Budgeting. An Analysis of Patterns and the Budget making Process in India in the 1990s', CESS Hyderabad, Working Paper 43. A recent article discusses the relative high share of spending on secondary education in India compared to other countries, and differences among India's states, with Orissa is spending relatively much on primary education (partly for demographic reasons); S Mehrotra, 'Reforming Public Spending on Education and Mobilising Resources. Lessons from International Experience', *Economic and Political Weekly*, February 28, 2004, pp. 987-997.

⁷⁹ NFHS data show 87% of tribal and 83% of illiterate women deliver at home. Data on access does not however seem to square with numbers of health centres per capita, where Orissa ranks average among Indian states, but the wide geographical spread of population enhances Orissa's challenges; data in Orissa Human Development Report Table 5.19.

⁸⁰ ICDS centres have probably the widest outreach in remote regions and for the poorest groups, but report only in 6 lakh out of the 14 lakh habitation in which they should be operating (NC Saxena, *Hindustan Times*, 04-02-2004)

⁸¹ PRAXIS (2002), 'The Accountable State', report prepared for Government of Orissa.

⁸² CYSD, 2002, 'Time Spent by People below Poverty Line in Accessing Public Service', draft report.

⁸³ Data from EPW Orissa is spending relatively much on primary education (partly for demographic reasons); S Mehrotra, 'Reforming Public Spending on Education and Mobilising Resources. Lessons from International Experience', *Economic and Political Weekly*, February 28, 2004, pp. 987-997.

⁸⁴ See for example the summary by Xaxa for provisions for adivasis; V Xaxa, Adivasis in India, paper for the DFID India CAP preparation, 2003.

⁸⁵ R. Betancourt and S. Gleason, 1999, 'The Allocation of Publicly-Provided Goods to Rural Households in India: On Some Consequences of Caste, Religion and Democracy', Maryland/Harvard, show statistical discrimination against districts with higher concentrations of Muslims and Scheduled Castes.

⁸⁶ Balagopal, K., 'A Tangled Web. Subdivision of SC Reservation in AP', *Economic and Political Weekly*, March 25, 2000, pp.1075-81.

⁸⁷ S. Kaviraj, 'Democracy and Social Inequality', in F.R. Frankel, ed., *Transforming India. Social and Political Dynamics of Democracy*, New Delhi: Oxford University Press, 2000.

⁸⁸ J. Alam, 'Is Caste Appeal Casteism? Oppressed Castes in Politics', *Economic and Political Weekly*, March 27, 1999; and 'What is Happening Inside Indian Democracy?', *Economic and Political Weekly*, September 11, 1999.

⁸⁹ T.E. Weisskopf, 'Impact of Reservation on Admissions to Higher Education in India', *Economic and Political Weekly*, September 25, 2004.

⁹⁰ Affirmative action through reservation is believed to have changed political structures, with respect to SC/ST (see Ashwini Deshpande, who also comments favourable on impacts of reservation in the education system), and with respect to women in lower echelons of the political system (for Orissa, see the discussion by Evelin Hurst, 'Political Representation and Empowerment: Women in the Institutions

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

of Local Government in Orissa after the 73rd Amendment to the Indian Constitution', Heidelberg Papers in South Asian and Comparative Politics, WP No.6, August 2002.

⁹¹ The Orissa Annual Plan– which list 43 State Plan Schemes in operation during 2002-2003 – for example does not show differentiation in approaches; Gov. Of Orissa, P&CD, Annual Plan 2003-2004 Orissa, Chapter 28.

⁹² ISED (Institute for Socio-Economic Development, 2002), Poor and Marginalised People in Orissa. Progress Report, Bhubaneswar.

⁹³ A small number of interesting studies of such programmes appear on the Planning Commissions website, often very critical in terms of achievements; for example Institute of Social Sciences, Report on the Tribal Sub-Plan Implementation in Improving the Socio-Economic Condition of the Tribal People with Special Focus on Reduction of Poverty Level covering the States of Assam and Tamil Nadu, December 2003, which inter alia highlights the absence of meaningful monitoring.

⁹⁴ In Orissa, 21 ITDAs were scheduled to receive Rs. 6173 lakh during 2003-04 out of SCA.

⁹⁵ It has been suggested that the large proportion of tribals, and hence the relatively large allocations, in Orissa, may lead to greater likelihood of rent seeking (S Thakur, pers. comm.).

⁹⁶ Gov of Orissa, Orissa Budget 2003-2004 at a Glance, Finance Department, Bhubaneswar, March 2003.

⁹⁷ Alan Rew, 'Why has it Ended Up Here? Development (and Other) Messages and Social Connectivity in Northern Orissa', *Journal of International Development*, Vol.15, 2003, pp.925-38.

⁹⁸ Centre-state relations in the programmes are crucial for a number of reasons. First, they are financially an important part of what the state spends on these programmes, and this importance has tended to increase with the fiscal crisis of the state (REF). Second, this highlights that the main driving force and monitoring come from outside the state, and requires the capacity and will at state level to make things work.

⁹⁹ Institute of Applied Manpower Research, April 2003, Evaluation Study of RLTA in the KBK Region in Orissa, Study sponsored by the Planning Commission, Delhi.

¹⁰⁰ PRAXIS (2002), 'The Accountable State', report prepared for Government of Orissa, supported by DFID. The existence of corruption including at the level of Panchayat also has been brought out by public hearings held in Orissa.

¹⁰¹ ISED, op. cit., see also NC Saxena, report for IFAD project.

¹⁰² S Kumar, 2001, 'Study of political systems and voting behaviour of the poor in Orissa', DFID-Delhi.

¹⁰³ Quoted in A Bebbington et al., Local Capacity, Village Governance, and the Political Economy of Rural Development in Indonesia', forthcoming in World Development

¹⁰⁴ Recent very interesting experiments with public hearings, following the Rajasthan experience, facilitated by national organisations and individuals are worth highlighting. The one mentioned earlier had beneficial immediate results, but in the somewhat longer run – and without continued presence of the initiator (as is the case in the Rajasthan example) – this appears to have largely fizzled out, the supporting District Collector was transferred, and the institution of public hearing obtained a very bad name.

¹⁰⁵ It is not clear that the Central Government is a stronger ally for the interest of the poor. While some of the accountability in system of delivery do indeed come from the Centre, the relationship is primarily fiscal, and implementation and monitoring largely left to the state government.