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**Development through Community Participation
in Pindiprolu during 1981-2006:
A Study under Sustainable Livelihoods Approach**

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ABSTRACT

The case of Pindiprolu offers a positive lesson of local participatory development over a long period of a quarter century, during 1981-2006. The speciality of Pindiprolu model is that it adopted on its own a participatory development approach. The changes in Pindiprolu over the period 1993-2006 have been examined through the prism of sustainable livelihoods approach (SLA). On the eve of winning panchayat elections in Pindiprolu, in 1981, by the CPI (ML-ND), in the village there were *the covariant risks* due to lack of irrigation, electricity connection for motors, and drinking water. The lack of educational and health facilities formed the basis of the *idiosyncratic risks*. The participatory approach has been followed by the CPI (ML-ND), by achieving (i) synergy between the panchayat and village development council, on the one hand, and (ii) empowerment of the people through participation, including women, in the village, on the other.

The *social capital* reinforced by the political ideology of CPI (ML-ND) and other political parties, it has been possible to achieve the synergy between the VDC and the panchayat, leading to *coproduction* and other development activities. The formation of community assets, as a part of *physical capital*, is the most important achievement, over the period 1981-2006. For all construction and associated activities under *coproduction*, the finances were mobilized by the VDC particularly during 1981-93. Thus, the role of VDC helped development of *human capital*, provided facilities for *financial capital* (by cooperative movement), and led to strengthen the productivity of land, the *natural capital*. Cropping pattern has tilted in favour of the commercial crops and non-agricultural avenues also have opened up. The people's incomes and consumption have risen over the period.

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The consciousness of the villagers about the CBOs and SHGs in the village is high; and their participation levels are also remarkable, particularly in the women SHGs, political parties and caste associations.

The present paper is divided into eight sections. The first section depicts a brief introduction and objective of the study. The second section delineates the methodology of sustainable livelihoods approach (SLA). The third section gives an account of village profile of Pindiprolu. The fourth section examines the vulnerability context and the transforming structures in Pindiprolu, while the fifth section describes the position of livelihood assets. Then sixth and seventh sections deal with the livelihood strategies and livelihood outcomes in Pindiprolu respectively; and the eighth section presents the future agenda for achievement. Then, the last section portrays conclusions of the study.

ACRONYMS

AYM	= Arunodaya Yuvaka Mandli
BC	= Backward Caste
CBO	= Community Based Organisation
CPI	= Communist Party of India (prior to 1964)
CPI (M)	= Communist Party of India (Marxist)
CPI (ML-ND)	= Communist Party of India (Marxist-Leninist- New Democracy)
DWCRA	= Development of Women and Children in the Rural Areas
JRY	= Jawahar Rojgar Yojana
LF	= Large Farmer
LG	= Local Government
LH	= Labour Household
LTO	= Long Term Operation (loan)
MF	= Medium Farmer
PACS	= Primary Agricultural Credit Society
PDSU	= Progressive Democratic Student Organisation
SC	= Scheduled Caste
SF	= Small Farmer
SHG	= Self Help Group
SLA	= Sustainable Livelihoods Approach
ST	= Scheduled Tribe
STO	= Short Term Operation (loan)
MTO	= Medium Term Operation (loan)
VDC	= Village Development Council
VEC	= Village Education Committee
VP	= Village Panchayat

I. Introduction and Objective

The top-down approaches in the rural development programmes, that were common before the 1980s, yielded disappointing results. As a result, *bottom-up* approaches in such projects have gained substantial support from the international community over the past quarter century (since the early 1980s) through adoption of *participatory approaches* to development. Thus, the appeal of participation, especially participation by communities, has grown apace (Kumar, 2003). Such success stories of Samaul Undong of South Korea on a national scale during 1970s were known and they depended on the principles of *self-help*, *diligence* and *cooperation* [Choe (2003, 2005), Han 1997), Han (2004), Lee and Lee (2002)].

The *participatory approach to local self-development* is the most favoured off-spring of the bottom-up strategy. Involving the communities would make such programmes more responsive to their needs and would incorporate local knowledge. The growing interest in decentralization drew its logic and appeal from the fact that it made governments responsive to local needs. The essence of decentralisation is local self-government. As regards the *scale of local area*, from a local development framework, the scales can be at (i) community, local or regional levels (Helling et al., 2005) or (ii) group, community (or village) and locality (a set of villages or communities) levels (Uphoff, 2001).

It is community involvement with popular participation that ensures enhancing market mechanisms and administrative effectiveness (Yogo, 1986). Then, the problem arises as to what is the local area, where the development initiative for people's participation is feasible and advisable. However, from the point of view of content, pattern and direction of development, *community or village* level is the most preferred choice. In India also, the lowest unit of local area, the grass root level local community, is "village." The other units like Block, Taluq, District and State (prefecture) are relatively very bigger than the village in India.

Thus, the initiative for local development should start at the grass-root level local community, i.e., village level. Some may argue that the village is only a part of the

totality of a state and if the state develops, the part-the village-automatically develops and so the local development initiative at village-level is unnecessary. This is tantamount to the view of encapsulation, which rejects the dialectical unity between the village and the state. While stressing the dialectical unity between state and village, Harris (1982: 17) has justified *the study of process of change at the village level*:

The effect is to abstract both village and state from reality, which is that villages are part of the formation of the state, and not simply encapsulated by it. The possibility of that changes within villages could also bring about changes in the formation of the state - that village and state are joined in a dialectical unity is ignored in the notion of encapsulation. I have attempted rather to study processes in the village in terms of this dialectical unity.

1.1 Objective

It is from this point of view that we undertook the study of Pindiprolu village, in District Khammam of the Indian state of Andhra Pradesh, for its participatory model. Interestingly, when the local government (LG) and the voluntary agency (VA) sectors (including cooperatives) were adjudged, around the closing years of the 1970s, not to be performing well, Pindiprolu was copiously engaged in building synergy between the LG and community based organizations (CBO).

In Pindiprolu, the village development council (VDC), a community based organization, has made efforts in forming community assets, over the period of the past two and half decades (25 years), during 1981-2006. This has been possible due to synergy between the VDC and the village panchayat (VP), while utilising the decentralised administration in their favour. The *coproduction strategy*, an outcome of this synergy, has led to the community asset formation. For this achievement, the CPI (ML-ND) has played a very prominent role in achieving the partnership between the VDC and the Panchayat, because it has never chosen to go unilaterally though it has continuously been in power of the panchayat since 1981. It has maintained unity among the villagers through building social capital, from the platform of the VDC. Over the period of 25 years, the community development that took place also has brought in several changes in the village.

The speciality of Pindiprolu model is that it was not dependent on any donor or funding agency and it adopted on its own a participatory development approach. It sounds anachronistic that the theoretical outpourings that came forth after mid-1980s in the literature on participatory development and decentralized administration, hugely influenced the leadership in Pindiprolu. However, in reality, the leadership in Pindiprolu did get heavily influenced with the success stories of the Russia's Soviets and Chinese

Communes. No wonder, therefore, in *ex post* terms, the story of Pindiprolu's development can be looked through the prism of those developments, most ostensibly, because its leadership applied participatory development through the synergy between the village panchayat (the LG) and the village development council (a CBO), while using the decentralized administrative apparatus that had evolved in Andhra Pradesh, by the early 1980s, to their full advantage.

The case of Pindiprolu thus promises to unfold the vicissitudes of local participatory development over a long period of a quarter century, during 1981-2006. Perhaps, it should educate the academic community and the policy makers in the developing world about how people's institutions get evolved, gain strength, muster social capital and catapult local development for the local community as a whole.

Therefore, the objective of the study is to analyse and understand the process of participatory development in Pindiprolu, while looking at the changes through the prism of sustainable livelihoods approach (SLA).

2. Methodology and Field Survey

In this section, first we deal with the methodology of sustainable livelihoods approach and then we briefly give an account of the field survey and the data collected.

2.1 Methodology of Sustainable Livelihoods Framework

The Sustainable livelihoods Approach (SLA) has five major components in its framework, as set in Figure-1: (i) vulnerability context (ii) livelihood assets, (iii) transforming structures and processes, (iv) livelihood strategies, (v) livelihood outcomes.

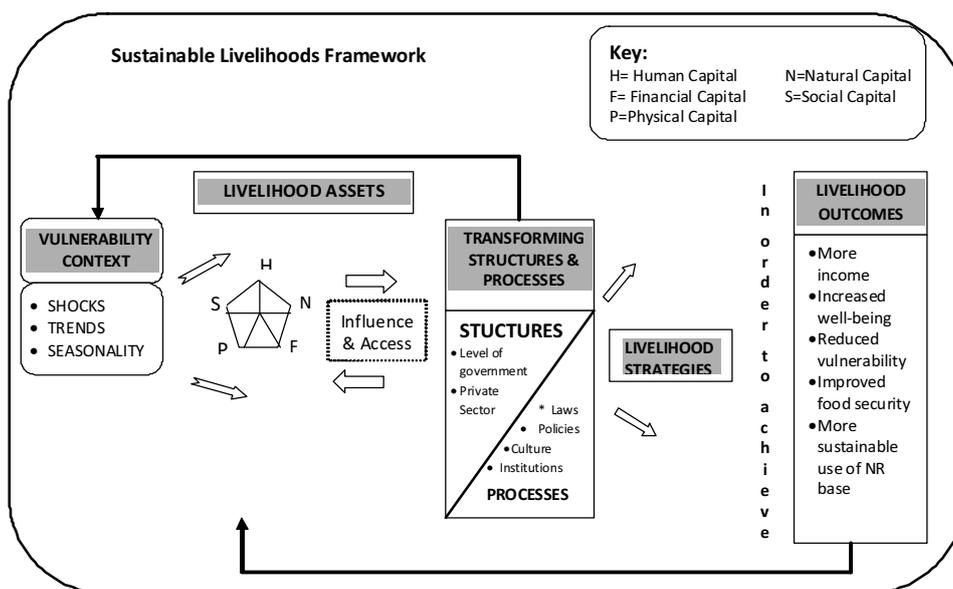
Before going to understand these components, it is necessary to clarify "*What is a livelihood?*" As far back as 1987, the report of the World Conference on Environment and Development (WCED) put forward the *sustainable livelihood* concept, as quoted in Chambers and Conway (1999), as follows:

Livelihood is defined as adequate stocks and flows of food and cash to meet basic needs. Security refers to secure ownership of, or access to, resources and income-earning activities, including reserves and assets to off-set risk, ease shocks and meet contingencies. Sustainable refers to the maintenance or enhancement of resource productivity on a long-term basis. A household may be enabled to gain sustainable livelihood security in many ways - through ownership of land, livestock or trees; rights to grazing, fishing, hunting or gathering; through stable employment with adequate remuneration; or through varied repertoires of activities.

Further, there is a difference between *livelihoods* and *jobs*, as per the UNDP Project Document (1999):

The distinction between *jobs* and *livelihoods* is an important one, especially in the context of poverty eradication and SHD (sustainable human development). *A job* connotes one particular activity or trade that is performed in exchange for payment. It is also a formal agreement, as manifested by a contract, between an employer and employee. *A livelihood*, on the other hand, is engagement in a number of activities which, at times, neither require a formal agreement nor are limited to a particular trade. *Livelihoods* may or may not involve money. *Jobs* invariably do. *Livelihoods* are self-directing. *Jobs* are usually subject to the supervision of someone else. A job can, however, comprise part of an *overall livelihood*, but does so only to complement other aspects of a *livelihood portfolio*. *Livelihoods* are based on income derived from 'jobs', but also on income derived from assets and entitlements.

Figure 1: Sustainable Livelihoods Framework



Source: DFID (1999): livelihoods@difd.gov.uk

It is clear that the livelihood is more than a job, as it includes income earned from assets and entitlements. More effective definition of livelihood has been furnished by the theorists of SLA. Among such definitions, the definition of livelihood by Chambers and Conway (1991) is an important one:

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes to net benefits to other livelihoods at the local and global levels and in the short and long term.

Now, the five components of sustainable livelihoods approach are briefly described for the purpose of understanding the process of their functioning.

(i) Vulnerability Context: The Vulnerability Context identifies the trends, shocks and aspects of seasonality that are of particular importance to livelihoods. Effort can then be concentrated on understanding the impact of these factors and how negative aspects can be minimised. This requires a prior understanding of the nature of local livelihoods - what types of livelihood strategies are employed by local people and what factors constrain them from achieving their objectives. Social analysis is used to see the relationship between the social groups and the factors of vulnerability context.

(ii) Livelihood Assets: For assets are important for the income generation mostly with or without their use in (economic) activities. The assets are five types (pentagon), viz: human capital, natural capital, physical capital, financial capital and social capital (DFID,1999; Ellis, 2000; Scoones,1998)¹. The human capital is achieved through education, health and ability to labour. The natural capital is in the form of land, water, trees and livestock. The physical capital is man-produced capital as infrastructure, tools and technology; whereas the financial capital is in the form of wages, savings, credit/debt, and remittances. Social capital has been added into the list of capital assets since the early 1990s, due to Putnum (1995).

(iii) Transforming Structures and Processes in Changing Vulnerability Context: The Vulnerability Context is the part of the framework that lies furthest outside people's control. Most externally-driven change in the Vulnerability Context is a product of activity at the level of Transforming Structures and Processes (e.g. changes in policy). Another way of managing the Vulnerability Context is to help people to become more resilient and better able to capitalise on its positive aspects. This is a core aim of the sustainable livelihoods approach. It can be achieved through supporting poor people to build up their assets. One approach is increasing people's access to appropriate financial services - including insurance - as one way of reducing vulnerability. Another approach is to help ensure that critical institutions and organisations are responsive to the needs of the poor.

(iv) *Livelihood Strategies*: The ability to pursue different livelihood strategies is dependent on the livelihood assets, and people must combine different capitals, over which they have access and control, in order to create livelihoods. Livelihood strategies are the people's activities which mainly involve in agricultural intensification/ extensification, diversification into non-farm activities and migration.

(v) *Livelihood Outcomes*: Livelihood outcomes are the achievements of livelihood strategies in terms of (i) more income through more employment, (ii) increased well-being (in non-material goods, like self-esteem, health status, access to services, sense of inclusion), (iii) reduced vulnerability (better resilience through increase in asset status), (iv) improved food security (increase in financial capital in order to purchase food) and (v) a more sustainable use of natural resource base (appropriate property rights with environmental sustainability).

2.2 *Field Survey and Data*

The process of developmental activities in Pindiprolu has started since 1981, when the village panchayat was taken over by the CPI-ML (ND). We took up first field survey in 1993 to assess the developmental activities over the decade of 1990s. Again in 2006, we repeated the village survey to reassess the development. Both the surveys were conducted in terms of (i) oral history, (ii) focus group discussions, (iii) transect walks, (iv) semi-structured questionnaires and (v) a stratified random sample survey of 50 households spreading over three farm-size groups - landless households and farming households among small, medium and large farms.

The total households were listed into four categories, depending on the operational land, as follows:

1. Large Farmers	(LF)	:	>10.00	Acres
2. Medium Farmers	(MF)	:	5.00 - 10.00	Acres
3. Small Farmers	(SF)	:	1.00 - 5.00	Acres
4. Labour Households	(LH)	:	0.00 - 1.00	Acres

Depending on the proportion of the households in each category in the total households of the village, 50 households under survey were chosen. In 2006, the proportions of the households among the four categories farm-size groups were nearly equal to that of 1993. Depending on the proportion of the households in each category in the total households, 50 households were chosen in 1993. The households chosen among LF, MF, SF and LH were 3,5,20 and 22 respectively. In 2006, the households were 3, 7, 20

and 21 in those four categories. The questionnaire was prepared with a view to get data on demographic features, asset position, land-use, employment, income and consumption patterns for the agricultural years 1992-93 and 2005-06 for the surveys of 1993 and 2006 respectively. *The values in Rupees of 1993 were converted into 2006 prices by the suitable factor (1.891242457) to make comparison with values in Rupees of 2006.* Now we deal with these aspects in detail. The results of economic aspects of survey of 2006 are to be considered with two caveats: (a) cropping pattern shifted to Bt. cotton and (b) due to good monsoon the year 2006 was a very prosperous year, as the 2006 reflected better economic conditions.

3. Pindiprolu's Profile and its pre-1981 Background

Pindiprolu is a village in District Khammam of Telangana Region in Andhra Pradesh, India. It is a roadside village, situated at a distance of 18 kms. from Khammam town. Pindiprolu (V) or Pindiprolu represents the single village. Revenue village Pindiprolu (R) consists, in addition to itself, two additional habitations (villages) as hamlets, viz: Keshavapuram and Papaigudem. It is the headquarters of village panchayat Pindiprolu (P), revenue village Pindiprolu (R) and primary agricultural credit society Pindiprolu (S)².

By relative Indian standards, Pindiprolu is a big village. According to the 2001 Population Census, the total population of Pindiprolu (V) was 3,597 of which 51.9 per cent were males. Around 27.0 per cent of the village population consisted of Scheduled Castes (SCs) while Scheduled Tribes constituted a mere 1.40 per cent. The working population was as high as 66.0 per cent (56 per cent main and 10.0 percent marginal workers). Finally, literacy rate (6+ years) was 67.0 percent for the male population, 44.0 per cent for the female, and 56.0 percent for the village population as a whole.

Assuming that the growth of population in Pindiprolu (V) and Pindiprolu (R) has been the same, it is found that the population growth in Pindiprolu (V) was 0.99 percent per annum during 1961-71. During 1971-81 its growth rate was at the peak level with 1.53 percent per annum. Thereafter the growth rate slowed down and it was 1.36 percent per annum during 1981-91. Further it reached lowest growth rate of 1.08 percent per annum during the decade 1991-01.

People of specific castes do live in specific wards but social segregation does not exist as a general rule. Each ward has a compact group of houses so that people's interaction among themselves, most surely within a ward, is not only possible but is also encouraged by local leadership. In terms of land status, the households can be notionally divided into four categories. In terms of the 2006 listing of households, 48.0 per cent of them

are working as agricultural or non-agricultural labour, 35.0 per cent are small farmers (operating nearly the same proportion of cultivated land), followed by medium and large farmers, together constituting 17.0 per cent of households.

Disparity in land distribution and economic heterogeneity, typical to an Indian village, is very much discernible in Pindiprolu also, but with two striking differences. First, the weaker sections (agricultural labour and small farming households) constitute a preponderant majority and hence social cohesion of a sort is built into the very economic fibre of the village. In other words, commonality of economic interests bind people together which could be the most persuasive explanation for the communist ideology to have taken roots early in the history of this village, and its widespread continuance till this day. Second, the so-called upper echelons of the village economy, in any case constituting an extremely small proportion of households, are in no way so much ahead of the so-called down-trodden; differences in land ownership are not unacceptably high.

Pindiprolu is essentially an agricultural village. In the village, self-cultivation was the general practice and leasing-in or leasing-out of land was practically non-existent in 1993. But by 2006, the situation completely changed in this respect and now the leasing-in and leasing-out of land are quite common in the village. Thus, prevailing tenancy has brought down inequalities in the household operational holdings.

Since 1981, the face of the village society has remarkably changed. The 1981 panchayat elections proved a historic landmark for the people of Pindiprolu (P) who, with a new team of members belonging to the Community Party of India (Marxist-Leninist/New Democracy), hereafter CPI (ML-ND), saw new opportunities for self-expression and self-governance. The pace of developmental activities got accelerated and in just a few years, the village economy became an envy of the surrounding habitats. The chain of achievements is rather long. Objectively, the long chain of Pindiprolu achievements in recent years cannot be explained without going back to some of the pre-1981 events that marked people's struggle against feudal exploitation and agrarian infirmities. The spade work for injecting a high degree of political and economic awakening among the local struggling people was accomplished much before the country gained its political independence. In a broad sense, Pindiprolu inherited a special political background and a somewhat different feudal agrarian structure which brought the local people together on a common political platform, unlike most other villages in the surrounding areas, or elsewhere in the country. In concrete terms, when the panchayat elections arrived in 1981, Pindiprolu was already a highly awakened society and its socio-economic transformation in subsequent years was natural to follow.

3.1 Socio-Political Conditions in Pindiprolu: 1945-70

In Pindiprolu, under the leadership of Rayala Venkatanarayana (RVN), the people in the village fought against village landlord and won legal victory, during 1945-46. After the first struggle against village Dora (landlord), the youth under the leadership of RVN wanted to keep in touch with such movements especially those against vetti (unpaid labour service), elsewhere in the Telangana region. A constant contact with the outside world was considered highly essential. For this purpose, they started Library Movement through getting some Daily Newspapers.

In Pindiprolu, the party committee of the Communist Party of India (CPI) was established not expressly for attacking the Dora and his oppression. Inspired by communist ideology, the youth and villagers registered themselves as party members in the larger interest of transforming the local society against the temporary local interest of fighting against the Dora that prevailed elsewhere in the region. Here, in Pindiprolu, the real fight was against the organized hoodlums of the Nizam (locally called Razakars) as also the tyrannical rule of the police. In sum, the Armed Struggle in Pindiprolu, during 1946-51, as a part of the one in the Telangana Region as a whole, had made tremendous impact on every walk of life in Pindiprolu. A few important features may be recapitulated.

After the Police Action of Indian government (1948) the communists continued their struggle. In that process, out of the 16 activists in the CPI, five were killed by the military, and one was murdered by the goondas. The other party cadres and sympathizers had to maintain underground and were compelled to go into the forests. Some were arrested. After the Police Action, in Pindiprolu, a Police Camp was installed as it was a big centre of communists. The villagers were subjected to unbearable mental and physical tortures, as the people were suspected and they had to go to police camp at any time, without any question, on being called by the police.

On the eve of Independence of India (1947), Pindiprolu was still in the midst of peasant struggle. Later, when the Telangana peasants' struggle was being brutally suppressed by the newly independent Indian government, most of the CPI members were arrested and the three main leaders went underground. In 1951, the CPI decided to discontinue the struggle and the underground leaders were asked to come into the open. Also, most of those who went to jails came back. A new wave of enthusiasm pervaded over the village. Most efforts were nevertheless invested in strengthening the political base of the party. This paid off, especially after the Panchayati Raj system was introduced in 1959.

Thus, it is important to emphasize that the army of young and awakened party workers proliferated in due course and by the time they reached their middle age in the 1970s and later, the socio-economic consciousness had overtaken nearly the whole village whose seeds were sown way back in the late 1940s.

When local self-government system, Panchayat Raj System was introduced in rural area in 1959, in Pindiprolu, there were two political parties, the major party was CPI and the other one was Congress party. Both unanimously elected 11 member Village Panchayat (VP). In the second and third panchayat elections of 1962 and 1965, communists got a clear majority in the village. This outcome ensured a sort of working unity among various sections of the village community.

The leadership and the enlightened people of the village always kept education of younger generation on the top of their agenda. Around this time, there was only a primary school in the village. During second panchayat tenure (1962-65), Upper Primary school (up to 7th class) and during third panchayat tenure (1965-70), High school were got sanctioned from the district panchayat - Zilla Parishad (ZP). The village education committee used to get some finance for education development from village level liquor contractor.

3.2 Socio-political Conditions: 1970-81 and Organisation of CPI (ML-ND)

Understandably, due to a continuing chain of internal divisions and subdivisions in the party, the Communists could not do much for many years so much so that their inaction led to their defeat against the Congress party in the 1970 panchayat elections. Unfortunately, the congress party which stayed in power till 1981 (since no panchayat election was held between 1970 and 1981) had no concrete development agenda. The height of congress inaction and ineffectiveness is revealed from the fact that not a single meeting of the elected panchayat was convened for the full period of 12 years. The rented panchayat building remained locked all the time. The major reason was that the village youth under the communist influence were in favour of revolutionary spirit and they could not do much as a police crackdown on their revolutionary cadres stood in the way. The problem got exasperated in June 1975 when nationwide internal emergency was declared and mass arrests were resorted to by the government. The emergency ended in 1977 and with that the Pindiprolu communists inhaled fresh enthusiasm to work openly for local development. A party committee of CPI (ML-ND) was formed in Pindiprolu in the middle of 1977 and people from all walks of life were mobilized. Their defeat at the hands of the congress in 1970 panchayat elections was still fresh in their memory. The CPI (ML-ND), therefore, worked hard and won back their solid

local support among farmers, the village youth, students, agricultural labourers, and above all among womenfolk. The party could convince all sections of local population that they alone could solve the problems of the village. The 1970-81 regime of the congress inaction lent sufficient support to their acceptability by the Pindiprolu public. In fact, there seemed no other choice. So, the 1980s ushered in a new era.

The new era nevertheless owed much to the awakening process that was unmistakably going on underneath each political development and each struggle launched by the people first against Nizam's tyrannical rule and then against the exploitative tendencies of the local landlord. *People's own helplessness and economic subjugation, posited against the powerful Library Movement launched by local communist leaders as far back as late forties, triggered the initial blaze. Subsequently, in the post-Independence era, the continuing stress on education did the rest in solidifying the awakening process.* It is not a trivial fact that the very first people's institution in Pindiprolu was a village education committee. In brief, till mid-seventies and thereabout, the Pindiprolu people were still poor but highly awakened.

4. Vulnerability Context, Transforming Structures and Processes after 1981

The factors that make up the *Vulnerability Context* are important because they have a direct impact upon people's asset status and the options that are open to them in pursuit of beneficial livelihood outcomes: (i) Shocks can destroy assets directly (in the case of floods, storms, civil conflict, etc.). (ii) Trends may (or may not) be more benign, though they are more predictable and they have a particularly important influence on rates of return (economic or otherwise) to chosen livelihood strategies. (iii) Seasonal shifts in prices, employment opportunities and food availability are one of the greatest and most enduring sources of hardship for poor people in developing countries. Not all the trends listed above are negative or cause vulnerability.

The factors of *Vulnerability Context* are directly or indirectly responsible for many of the hardships faced by the poorest people in the world. The inherent fragility of poor people's livelihoods makes them unable to cope with stresses, whether predictable or not. It also makes them less able to manipulate or influence their environment to reduce those stresses; as a result they become increasingly vulnerable. Even when trends move in the right direction, the poorest are often unable to benefit because they lack assets and strong institutions working in their favour.

In this section, we first give brief account of vulnerability situation on the eve of early 1980s, and then take up the issues related to transforming structures and processes.

4.1 Vulnerability Context

On the eve of winning panchayat elections in Pindiprolu, in 1981, the agricultural conditions were not good due to lack of water facility (irrigation). For crop-diversification or increased intensified agriculture, the dug wells required electricity connection, with more electric transformers. Provision of drinking water facility was also on the top priority. Further, providing health facilities for the humans and animals were also on the agenda.

In addition to these common issues of vulnerability, drought conditions leading to low yield levels, price failures, lack of marketing facilities and remunerative prices, adulterated supply of seeds, pesticides and fertilizers, increased credit supply from cooperative sectors were *the covariant risks* of the farmers. The issues of housing and health problems for the humans and animals were the *main idiosyncratic risks*. Due to lack of support for higher education in 10+2 level, the children after completion of 10th class could not go for higher education but used to remain in the village joining the ranks of village workforce in agriculture for self-cultivation or agricultural wage. This is another *idiosyncratic risk*. Thus, as usual, education development in the form of bringing Intermediate education to the village was also on the agenda, as it was required in the village.

There had been drought situation by early 1990s in the village. In the field trip of October 5-6, 1993, the drought conditions were explained. Up to 1989-90, the weather conditions were favourable in Pindiprolu. Though the average size of the most of the cultivators was small, by providing waterings in the crop-season, they used to get manageable yield levels. But in the three consecutive years during 1990-93, the rainfall was substantially lower. As such, during 1992-93, the cultivators suffered losses from several interdependent reasons:

- (i) Due to no rains, that too consecutively for 2 years, water level was bad and watering the crops became impossible.
- (ii) The major cash crop, *chilli*, which was grown, expecting higher prices, was eaten away by virus on most of the farms.
- (iii) The chilli price fell from Rs.4,000 per quintal to Rs.1,000. This was abnormally low.
- (iv) But the cost towards HYV seeds, chemical fertilizers, pesticides and labour charges was put on chilli growing, with a view that the price of chilli would not fall below Rs. 3,000.
- (v) As a result, almost all the farmers, who grew chilli, had to suffer abnormal losses, or could minimize losses. Only in a few cases, where the farmers incurred low cost

for chemical fertilizers and pesticides, by applying lower quantities of those inputs, there were some gains.

- (vi) During 1993-94 also the rains were meager and the water level was at substantially deeper level. Seeing this, nearly half of the farmers, who grew chilli the previous year, shifted to crops which required small amounts of chemical fertilizers and labour. As a result, the labourers also had to face the lowering of employment in the agricultural year.

4.2 Transforming Structures and Processes

In this part, we give an account of how the various changes in the structures ensured development path in the village: (i) CPI ML-ND winning panchayat elections in 1981, formation of VDC in 1981, CPI ML-ND winning for 5 times consecutively, and PACS functioning; (ii) Govt's decentralization policies; (iii) Women SHGs; and (iv) several other CBOs

4.2.1 Changes after CPI ML-ND winning Panchayat Elections in 1981

During 1970-81, there were no panchayat elections in Pindiprolu, as they were not conducted in entire AP. In that period, the CPI (ML-ND) prepared the people of Pindiprolu for taking over the panchayat in the next elections. As a result, in 1981 panchayat elections, the CPI (ML-ND) could win 8 out of 11 seats of the ward members. The people in the village Pindiprolu were ensured that if the CPI (ML-ND) could win elections in the panchayat, it would tackle some of the issues so that village development would take place.

In 1981, after winning panchayat elections, the CPI (ML-ND) wanted to tackle some of the covariant risks, stresses and shocks. It was understood that some developmental infrastructure was necessary in the village. For all these developmental activities, the finance was the main problem as the coffers of the VP were limited from taxes and government aid. For the purpose of mobilization of funds, and for carrying on developmental activities in the village, *Village Development Council* (VDC) was formed in 1981, immediately after the panchayat elections of 1981. Thus, VDC, the most powerful community based organization (CBO) was formed in Pindiprolu to join hands with the Panchayat, an LG.

After the CPI(ML-ND) had managed the panchayat affairs for 8 years (1981-88), the people felt happy with their performance. Having seen and observed such a clean picture of CPI (ML), the Congress Party and CPI (M) did not muster enough political courage to contest the 1988 elections. Thus, in 1988, all the eleven CPI (ML) candidates got

elected unanimously. The post of the President was reserved for a backward caste male person in 1995, for a Scheduled Caste male in 2001 and for a backward caste female in 2006. Also, in all these three elections, the CPI (ML-ND) won the Presidentship and got a majority of seats in individual wards. Thus, the Pindiprolu people had reposed their full faith in CPI (ML-ND), in all elections since 1981.

Finally the performance of the PACS is noteworthy. The impact of Panchayat election also fell on the PACS elections in 1981 and all the presidents elected have belonged to the CPI (ML-ND), since 1981. Majority members of the managing committee (MC) also have been of the same party. In the PACS, the pro-farmer and pro-people approach has been adopted.

4.2.2 Using Decentralised Policies of Higher Governments Effectively

It is necessary to recognize the two important structural changes occurred, in the governmental administration during the tenure of chief ministership of Sri N.T.Rama Rao, in early 1980s. These policy measures have brought about favourable changes in Pindiprolu, viz.: (i) administrative decentralization and (ii) single window system in cooperative sector.

(i) Decentralisation in Administration: Till 1984, Pindiprolu experienced great difficulty in attending to various day-to-day revenue matters since the Taluq Revenue Officer (called Tahsildar) was situated in Khammam, the District headquarters, nearly 20 kms away from the village. Fortunately, in 1983, decentralisation of administration including revenue administration, became possible under the changed political regime at the state level. Although the benefits of administrative decentralization, both at *revenue and developmental levels*, could be reaped by all areas of the State, yet it has had an added advantage to the leadership and people in Pindiprolu.

(ii) Single Window System: In the history of Pindiprolu, 1987 became a landmark year because it was during this very year that the central government introduced a people-oriented credit policy viz. "*Single Window System*." Under the "*Single Window System*", agricultural credit was provided through PACS, both short-term credit under STO, and LTO and MTO. The PACS could fulfill the requisite formalities without much difficulty and got LTO and MTO loans sanctioned for the farmers.

4.2.3 Self-Help Groups of Women as Development-Oriented CBOs

Since 1980, Government of India has been encouraging the formation of women Self Help Groups (SHGs), most notably under the Scheme titled DWCRA (Development of Women and Children in the Rural Areas). In Andhra Pradesh also, the SHG movement

has been fairly successful, largely because the central government has been helping these groups, directly, with Revolving Fund and, indirectly, through promoting their linkages with the banking sector. More importantly, since 2002, the state government, with aid from the World Bank, has taken steps, on its own, to develop SHGs under APRPRP (Andhra Pradesh Rural Poverty Reduction Project). As a part of the project, as many as 42 SHGs (including two SHGs of the physically handicapped) came up in Pindiprolu village alone. In each SHG, there are nearly 10 members. They save and extend credit among themselves. These SHGs have bank linkages also, and get loans. Since 2004-05, SHGs have begun to get loans at a highly subsidized interest rate of 4.0 percent per annum. The APRPRP also helps them by giving loans for income generating activities on the basis of their necessity and repaying capacity, as also for social purposes and infrastructure development projects in the form of free aid or concessional loans. These 42 SHGs have been federated into two village-level organizations (called *Village Organisations*). They are functioning well in the village.

4.2.4 Other CBOs Functioning in Pindiprolu

Other CBOs functioning in the village are: Political Parties, Rythu Coolie Sanghams, Village Education Committees, Youth Associations, Student Organisations and Women's Organization.

There are *four* main political parties in the village. The dominant party is the CPI (ML-ND) followed by the CPI (M), Congress Party and the Telugu Desam Party, in that order. There are two peasant-labourer organisations affiliated to the two left parties: the CPI (ML-ND) and the CPI (M). The Village Education Committee has had a happy existence for a fairly long time; its functions expanded during the 1980s, as a junior college was to be established. However, in recent years, the situation has witnessed a considerable change. In 1997, largely on the insistence of some international funding agencies, the government encouraged the people to elect separate VECs for primary and secondary schools.

The Arunodaya Yuvaka Mandli (AYM) has been the first CBO in the village that had ignited the lamp, and stimulated the spirit of self-development through mobilization of people well before the 1970s. Its dynamism resulted in the political mobilization for the CPI (ML-ND). After some time, one more youth association supported by the CPI (M) also came into existence. Upto the early 1970s, the students of Pindiprolu, studying in school (inside) and college (Khammam), were mainly associated with the student organization, called *Student Federation*, affiliated to the *undivided* Communist Party. Later they became members of Progressive Students Front, which was renamed as Progressive Democratic Students Union (PDSU), supporting the ideology of Naxalism.

Even today PDSU is dominant in Pindiprolu. However, another student organization, Student Federation of India, affiliated to the CPI (M), is also there.

5. Livelihood Assets in Pindiprolu

As already portrayed in methodology, there are five (pentagon) livelihood assets, viz: human capital, social capital, natural capital, physical capital and financial capital. As social capital is a new phenomenon in the recent development literature, it needs some elaboration.

For the sustainable livelihoods approach, the social capital theory is essential as it forms one of the assets of pentagon. *Social capital* is different from *human capital*, in the sense that the former resides in relationships and the latter resides in individuals. Nevertheless, they are complementary in making the people to better organize and evaluate conflicting information and express their views in constructive ways (Woolcock, 2001). Social capital is based on groups and networks, representing its *structural form* and on the trust and solidarity, reflecting its *cognitive form*. Social capital operates through collective action, cooperation, information and communication networks, and its outcomes (application) are seen in terms of social cohesion, inclusion, empowerment and political action (Grootaert, *et al.* 2002). Thus, participation is hugely engineered by, and is dependent on, social capital. But then, *a community is not a homogeneous whole*, since it is made up of people whose respective roles are determined by local social and cultural practices; *class, caste* and *gender* are strong determinants of local practices and participatory processes. Examples abound from rural societies in India in which differential access to institutional finance, or social inter-actions, or exchange authorizations, is usually co-terminus with the exclusion of those who do not have such power grids (Puri, 2004).

Now, we analyse the changes in the livelihood assets in Pindiprolu, before going to take up the livelihood strategies and outcomes. The assets are taken up in the order: human capital, social capital, natural capital, physical capital and financial capital.

5.1 Human Capital

The steps taken up by the panchayat and the village development council (VDC) to improve human capital reflect in the provision of education, and health.

In Pindiprolu, between 1961 and 1991, if we consider in the age group above 0.00 years, among the total persons, the literacy rate increased very slowly from 14.1 percent to 28.6 percent. In the same period, the literacy rate among males increased from 21.1 to 38.4 percent and among females it rose from 6.7 to 18.2 percent. However, during 1991-2001, the literacy rate increased to 48.7, 57.7 and 39.7 percent respectively

among persons, males and females. Further, if we consider literacy among people in the age group above 6 years³, between 1991 and 2001, the literacy rate increased from 38.9 to 55.4 percent among persons, 45.6 to 65.3 percent among males and 21.4 to 44.9 percent among females. Thus, in both for above 0 years and above 6 years categories, the literacy rate is higher in 1991 and 2001. For this, the steps taken at the state government level and at the panchayat and VDC level are responsible.

Box-1: Increased Literacy among the Heads of HHs :1993-2006.

Further, as per the survey, among the heads of the households the literacy was 42.0 percent in 1993; and by 2006, it rose to 60.0 percent. From the surveys, it is clear that the real per household expenditure on education increased from Rs.1258 in 1993 to Rs.4664 in 2006. The share in the total expenditure was more than doubled from 5.5 percent to 11.32 percent. It is important to observe that the share of educational expenditure got trebled on landless households and small farms households.

Now, we may consider the expansion at school and junior college levels. In Pindiprolu, the interest in education has been there, because even in the 1940s, the landlord provided school. During the early 1980s, some parents could not send their children, due to their economic position. But thereafter, there has been a lot of change. In the primary school (I-V classes), during 2006-07, there were 250 students. In secondary school (VI-X classes), there were 400 students. There have been separate elected village education committees (VECs) since 1997. In the period prior to 1997, the VDC used to take care about the provision of school facilities. The relations between the teachers and the VEC have been cooperative and the teacher attendance improved. The school buildings expanded with the funds flown from the higher governments (state and ZP) in both pre- and post-1993 periods. Quite recently, there has been a sanction of Rs.24.00 lakhs for the extension of the school buildings, with some class rooms and some rooms for the administrative purpose. The schools are catering to the needs of neighbouring villages also.

Bringing Junior College to Pindiprolu as far back as 1982-84, contributed to the provision of Junior College level education (XI-XII classes)⁴. The main purpose of establishing Junior College is to develop human capital among the youth including girls. It also caters to the students in neighbouring villages up to a distance of 25 kms. The VDC's objective has been achieved very successfully over these 22 years (by 2006): (i) There are 465 students. (ii) At present, 32 percent girls students are there. (iii) The

girls dominate in Intermediate B.P.C I-Year with 53 out of 77 students (72 percent); similarly in Intermediate B.P.C II-Year 31 out of 56 students (56 percent). (iv) The students who completed their education, by more than 50 percent hail from the economically and socially weaker section families (SC, ST and BC communities).

The Progressive Students Democratic Union (PDSU), affiliated to the CPI (ML-ND), fought with the Road Transport authorities to arrange the buses in the neighbouring villages so that the students are able to reach the College in time. Further, recently, they approached the Higher Education authorities to get sanction of toilets for the girl students as they are in large number in the college. They also agitated for this purpose and got sanction of Rs.1.50 lakh for this purpose. Recently, the state government released Rs.18.40 lakhs for the construction of rooms for the extension of the Building, in the total sanction of Rs.60.00 lakhs for the expansion of the college. The VDC, the youth associations and the student organization all show interest in the development of Intermediate education. They extend full cooperation to the Lecturers and Principal in the Junior college.

We may now turn to the contribution of VDC for health facilities in the village. After the formation of VDC in 1981, along with education, it was decided to provide minimum health facilities to the people of Pindiprolu. For this purpose, the VDC acquired site for the Health Sub-Centre and got sanction for building from the government for the construction of the Health Sub-Centre, during 1981-93. Though the Health department could not provide regular employee, the ANM is attending the duties, at least for a few days in a week. Most of the villagers express dissatisfaction over the government policy of not providing the regular staff. Only the child immunisation schemes are being implemented through this sub-Centre. The people in the village have to depend on the unqualified medical practitioners or to go to Khammam to qualified doctors. Thus, the health expenditure has been on the increase.

The people have become health conscious. The women in all caste groups and all categories of farmers and labour households were aware of pre-natal and post-natal care. By the mid-1980s, the people in the village began to practice family planning after two or three children. Recently, they satisfy with two children only. As they began to satisfy with two or three children, by the early 1990s, for most of the deliveries they were going to private nursing homes or government hospital in Khammam town; and by 2006 this practice became more prevalent.

Box-2: Rising Health Expenditure between 1993 and 2006

As per the surveys, the real per household expenditure on health increased from Rs.1825 in 1993 to Rs.4320 in 2006, while its share in the total expenditure rose from 8.0 to 10.5 percent. Similarly, the shares increased on the landless and the small farm households.

5.2 *Social Capital for Grassroots Democracy*

We examine here how the social capital operates in the specific political conditions of Pindiprolu, to maintain democratic functioning in the grassroots organisations. It is important to note that *the social capital is not without politics*. As Uphoff (2000) brought out the fact that the third aspect of social capital (apart from structural and cognitive views) is to be derived from *the social and political environment* that would enable norms to develop and would shape social structure. In this connection, Harriss (2001) highlights *the role of political organization in social capital* in the light of Indian experience from Orissa and Kerala states:

Local organisation or community actions on their own are liable to be ineffectual, or to be vehicles for the interests of more powerful people, in the absence of significant external linkages, especially (even if not exclusively) through *political organizations*. ... The realization of potentials of participative, community-level action, depends upon the establishment of a *political context* that secures the rights of less advantaged or less 'resource-full' often against local power holders; and which creates conditions for the existence of deliberative democracy.

In Pindiprolu, although the Panchayat has been under the sway of the CPI (ML-ND) for more than 25 years, the party has been making efforts to get unity to the maximum extent possible, assisted by the VDC. The role of VDC was very much impressive and dominant in the years 1981-93, when there were special funds in the hands of the VDC. Since 1993 also, though the funds were not there, the VDC has its role in the development activities. Further, the charismatic leadership under Sri Rayala Nageswar Rao (RNR) has been very much there in the village, even though he had to be out of the presidentship of the Panchayat, due to reservations to the president post from 1995 onwards. Thus, it is our turn to look into the operation of political harmony and the changes that have been taking place in the political harmony of the village.

5.2.1 *Fund Mobilisation by VDC*

By the time the CPI (ML-ND) came into power in the Pindiprolu panchayat in 1981, the funds at its disposal were quite meager and insufficient for their plans of works.

Thus, the VDC's search for funds immediately fell on the local liquor contractors. By 1981, liquor contract was being allotted by state government to the biggest bidder at the district/taluk level, unlike the previous system of allotting village-wise contracts. In this new system, only big contractors could bid, since they alone could afford to enter the fray. The profits of the contractors were substantially high. Every year, the bidding went up by some margin, and government received additional revenue but liquor prices used to go up sizably every year. The CPI (ML-ND) understood the liquor game and encouraged the VDC to squeeze a part of the contractor's income earned right in the village itself. In real terms, it was to be a type of recycling of people's funds within their own village.

In 1982, CPI (ML-ND) educated the Pindiprolu people about the exploitation by liquor-contractors. For this purpose, CPI (ML-ND) and VDC together launched a struggle against liquor price rise in Pindiprolu, with the demands that: *(i) liquor-price could be raised only in due consultation with VDC, and that (ii) the liquor-contractor should contribute to village development fund.* The first struggle against liquor price-rise, launched in 1982, continued for as many as 79 days. The villagers abided by the social fencing that they would not take liquor. The contractor tried to open the shops through police help and his own hoodlums, but did not succeed. As a result, the contractor ultimately agreed to the two conditions. Since 1982, a new contractor had been coming, almost every year, and the Pindiprolu people had been relentlessly agitating against any undue price rise. In 1991, the movement went on for three months. In 1993-94, the state government implemented prohibition in Andhra Pradesh, due to anti-arrack struggle by women. Accordingly, *funds from liquor contractor have simply evaporated since 1994*, and the process of asset formation during 1994-2006 has depended, nearly exclusively, on the government funds.

5.2.2 Activities by Involving the People, through Political Harmony

The VDC was in a position to mobilize funds from the liquor contractors year after year during 1981-93, by involving the people. In the pre-1993 phase, for solving drinking water problem, the VDC and the CPI (ML-ND) involved the people to take up the post card campaign to the district officials and agitations with success in 1985 first. In regard to the installations of electric transformers, the CPI (ML-ND) and VDC along with the villagers launched agitations against concerned officials of the electricity department with a high degree of success, during 1981-93. In the post-1993 phase, after the completion of the two overhead tanks of 2,60,000 litre capacity, as water was not available from the suitable source to be drawn into the overhead tanks, the people under the leadership of the VDC and the VP agitated and road traffic was obstructed to

attract the attention of the district collector and the other district officials. In fact the struggle was fruitful in solving the water problem.

Democratic functioning in the CBOs and LGs is very much effective. The *grama sabha and the VP* as part of the LGs, on the one hand and *the VDC* and all other CBOs, on the other, have been practicing the democratic functioning. It is a fact that the VDC's role has come down in holding meetings due to lack of special funds for spending. Only in regard to the water scheme and such other government schemes the VDC became very active.

The VDC has strengthened the Panchayat through sources of rents. The policies of the VDC in encouraging the shopping complex from (GOI funds) in both the pre-and post-1993 phases, led to expand the shopping complex to totally 10 shops, bringing in a rent of Rs. 0.65 lakhs per annum. In 1993, the VDC allowed the village fair every Saturday, with the approval of the gramasabha, with annual rent of Rs.0.15 lakhs. By 2006, its annual rent increased to Rs. 1.50 lakhs. Though the latter was originally handled by the VDC, this was handed over to the Village Panchayat (VP).

Pro-poor leadership in the VDC is well recognized by the people in the village. The leaders in the VDC are always pro-poor and also pro-*dalit*. At any point of the time, if the people require some help in dealing with political leaders and government officials, the leadership is ready to help the persons in such necessity. Such personal attention, though a usual practice in a rural scenario, Pindiprolu's case is a specific to its own conditions. An example may be cited here. On October 31, 2006 when Shinishi Shigetomi (Institute of Developing Economies, Japan) visited Pindiprolu, Sri R.Nageswar Rao had to rush to Hyderabad (220 kms) to direct the granite factory management to arrange better treatment while giving some reasonable compensation to a worker, who was met with an accident while on duty in the factory. This is how the leadership of VDC works in the interest of the fellow villager.

5.2.3 *Political Harmony Disturbed but Preserved in the Majority Village*

In 1993 it was observed that the political cohesiveness was quite high and the functioning of the VDC (that was formed in 1981) was very easy. But over the period, during 1993-06, cohesiveness has been getting eroded, as it seemed in 2006. *The cohesiveness in majority terms* has been there even now in the village.

As the new generation youth, that entered other political parties [CPI (M), TDP], do not like to preserve so much political harmony and cohesiveness, because they feel that their allying with the CPI (ML-ND) would not lead to their party's growth and concomitantly their party would shrink. Thus, they oppose the '*conciliatory politics*' of

their seniors. They think that the uncompromising political position can show their physical presence in the village. Thus, they want to show their existence and stature to the people in the village. This tendency induces them to create the differences with the CPI (ML-ND). For example: When the elections to the government encouraged village education committee (VEC) took place during December 4-5, 2000, the CPI (M) cadre quarreled with the CPI (ML-ND), leading to police and court cases.

Keeping this rupture in view, the police advised both the parties to go by compromise in the panchayat elections of 2006. The CPI (ML-ND) wanted to give 4 seats to the CPI (M), depending on their voter strength, out of the 12 seats in Pindiprolu Panchayat. But they demanded 6 seats. When the CPI (ML-ND) denied that proposal, the CPI (M) asked to give 5 seats. Ultimately depending on the basis of exchange in Edullacheruvu panchayat, the CPI (ML-ND) agreed to give 5 seats in 12 wards in Pindiprolu panchayat and the CPI (M) agreed to give 4 seats out of 9 seats in other panchayat. But the new generation of the CPI (M) wanted to create differences and they were successful in bringing the deviation when the question of allotment of the wards came to the discussion. This led to the crisis and again rioting between the cadres of the two parties. Police cases against 9 persons of CPI (M) and 6 persons of CPI (ML-ND) went on for sometime. Due to this, the CPI (M) cadres did not evince much interest to speak in the focus group discussions (FGDs), when Shineshi Shigetomi (IDE, Japan) visited the village in October 2006.

5.2.4 Government Machinery and People's Relations

Bureaucratic indifference, if not hostility, is a notorious reality for an average rural Indian, but in Pindiprolu people have clearly won over the bureaucratic machinery on their side. This is indeed a rare phenomenon in the general Indian context. It is not without reason that Pindiprolu (P) is reckoned as one of the best functioning panchayats not only at the mandal level but also in Khammam District as a whole.

Thus, it is clear, people in Pindiprolu have put in every possible effort to strengthen the most significant democratic institution (VP) of rural India. The fact that so much came through the aegis of VDC towards construction of panchayat building as also towards its maintenance and day-to-day expenditure reflects the enlightened and progressive outlook of those who administered VDC finances and decided development priorities. In a word, democratic institution-building is clearly a high point of Pindiprolu model.

5.3 Natural Capital

In Pindiprolu, land and livestock are the important components of the natural capital. Another aspect 'granite mining' is also prevailing. Just within two kilometers of

Pindiprolu, there are granite mines. The mines are taken from the local people either on lease base or purchase by the miners.

5.3.1 Land Ownership and Tenancy

There has been no forest land in Pindiprolu. Agricultural land is the natural capital. The distribution of land among different caste groups of Pindiprolu village in 2006 is shown in Table-1. Within the total area of 1700 acres, 71.0 percent is owned by 15.6 percent households belonging to OC group; 10.9 percent area is owned by 34.3 percent households belonging to SCs; and 17.4 percent area is owned by 47.6 percent households belonging to BCs.

In regard to agriculture, there is an important change now when compared with 1993 situation, because the farmers who used to take up self-cultivation hitherto are now resorting to leasing-out and leasing-in of land. When the field survey was done in 1993, there was no report and practice of tenancy. But by 2006, there had been a lot of change in this aspect. Leasing-in and leasing-out became quite common.

Table-1: Land Owned among different Caste Groups - 2006

S.No.	Category	Irri. Area (acres)	Un-irr. Area Area	Total (acres)	HHs	Area (%)	HH (%)	Average (acres)
1	SC	55.0	130.0	185.0	275	10.88	34.29	0.673
2	ST	3.0	8.0	11.0	20	0.65	2.49	0.550
3	BC	155.0	140.0	295.0	382	17.35	47.63	0.772
4	OC	502.0	707.0	1209.0	125	71.12	15.59	9.672
	ALL	715.0	985.0	1700.0	802	100.0	100.0	2.120

Note: Ascertained from Village Revenue Officer

The rising importance of the land-lease market is to be accounted from the supply and demand factors. On *supply side*, the factors causing the farmers to lease-out are: (i) the labour scarcity, (ii) drought and (iii) inability to take risk when young family members go out of the village. On *demand side*, the factors responsible to lease-in are: (a) those who worked as the permanent farm labourer hitherto prefer to take land on lease to use family labour, as it is profitable for them, (b) the farmer, who has some confidence in growing cash crops, may take land on lease. From the survey of 2006, there is 16.0 percent operated area leased-in. Among the medium farms it is as high as 35.10 percent. The farmers who depend on self-cultivation treat agriculture as full-time occupation. Further, most of the farmers grow cotton which is a year round crop.

During the first phase of development activities during 1981-93, the VDC has awakened the landless poor to get distribution of surplus land. The village lord's family of Pindiprolu could not try to escape from ceiling lands, because of the militant opposition from the village people under the leadership of CPI (ML-ND). Thus, 60 acres of their land was declared surplus and came for distribution among the landless poor people. The panchayat and CPI (ML-ND) took decision to convene gramasabha to decide the names of such beneficiaries. Accordingly convened gramasabha. Out of discussion and dialogue, ultimately 160 beneficiaries were suggested, though each could get only 0.375 acre.

Box-3: Land Distribution and Tenancy among the Random Sample Households: 1993 and 2006

In 1993, tenancy was almost not prevalent and self-cultivation was most general, but by 2006 there was tenancy under practice. In 1993, in our sample households, none of them was a tenant or mixed tenant, but in 2006, there were some tenants. As seen from Table-A.1, it is clear that though the owned area among the 50 hhs in 1993 and 2006 is the same, the operated area increased because of the area under tenancy has caused to increase the operated area. At the overall level, the area leased-in was 15.99 percent of the total operated area. Only among the MFs and SFs there was leased in area to the extent of 35.10 and 15.07 percent in their operated areas respectively. Further, of the 27.5 acres leased-in land, medium and small farms shared in 60:40 ratio. Thus, because of the tenancy, the distribution in the land changed to some extent; and as a result, the average size of the farms among the LF and MFs decreased.

Box-4: Changes in the Size-class among 44 Comparable Households: 1993 and 2006

In the panel survey of 2006, out of 50 households surveyed in 1993, 44 households could be tracked. Totally, six households could not be tracked, because 3 farmers died, one from MF and two from LHs; whereas 3 households migrated, one from SF and two from LHs. The shifts among the farm-size classes is shown in Table-A.2.

Among the 3 large farmers, 2 farmers went down on the ladder to medium category. One LF increased his size by 3.0 acres. Among the 5 MFs, *one farmer died* and his family members could not be tracked. In the remaining 4 MFs, one farmer joined the large farm category by adding 12.0 acres to 6.0 acres (i.e., operating 20.0 acres). One farmer shifted to SF category by losing 2.0 acres from 6.0 acres. Among the 20 SFs, *one farmer migrated* and could not be tracked. In the remaining 19 SFs, one farmer shifted to LF category by adding 8.0 acres to 3.0 acres. Two farmers became MF, one by adding 2.5 acres to 3.5 acres and another household (divided into two nuclear families) increased land to 7.0 acres from 3.0 acres. 5 SFs turned into LHs, as 2 farmers leased-out their lands (each of them leased-out 2.0 acres each); another farmer lost 3.0 acres from 4.0 acres, while 2 other farmers lost land (from 2.0 and 1.2 acres respectively).

Among the 22 LHs, 2 families went out of the village as their head died and 2 other families migrated. In the remaining 18 HHs, 4 shifted to the SF category. One increased land to 2.0 acres from 1.0 acre, another family gained 3.50 acres from none (zero) and one more family increased land to 3.5 acres from 1.0 acre. The other household (divided into 3 nuclear families) on getting divided, increased land to 6.0 acres from 1.0 acre.

As a consequence of the changes brought about in agricultural development activities, the cropping pattern has changed towards cash crops. Though the awareness about cash crops was there prior to 1981, the lack of irrigation was the main hurdle in Pindiprolu. After the formation of VDC, it was decided to bring more electric transformers to the village so as to tap the irrigation potential of underground water. By the end of 1980s, the farmers began to grow cash crops with increased enthusiasm. By the early 1990s, chilli, the major cash crop, occupied larger cropped area followed by the cotton. By 2006, the nearly 60.0 percent cropped area in the village was occupied by the Bt.cotton.

Box-5: Changes in Cropped Area between 1993 and 2006

As revealed from our field survey 1993, in 1992-93, it was reported that chilli was the dominant crop in the village. But as per the field survey of 2006, the predominant crop is cotton. From the sample survey, it is found that in 1992-93, the area under three cash crops (chilli + sunflower + cotton) together accounted for 49.50 percent area among the sample HHs, though chilli alone occupied 31.10 percent and the cotton had 8.50 percent. But the sample survey of 2006 brings out that, in 2005-06, the two cash crops (cotton + chilli) together got 73.00 percent cropped area, while cotton alone took 60.0 percent area among the sample HHs. The cotton share in cropped area shows inverse relation on the farm-size ladder.

5.3.2 Livestock

The livestock has the components of draught animals, milch animals and ruminants (sheep and goats). At the village level, between 1981 and 1993, the draught cattle increased from nearly 600 to 1100, but by 2006 the strength decreased to nearly 300. Similarly, the milch cattle increased from 1100 to 1800 between 1981 and 1993, but decreased to nearly 1000 by 2006. The ruminants increased from 2100 to 5200 between 1981 and 1993, but remained almost the same by 2006.

It became costly to maintain both draught and milch animals. Thus the biological source of energy became costly and so the draught cattle are not reared as they are being displaced by the tractor services. Similarly milch cattle also are not profitable due to costly grass and feed, mostly due to drought conditions. The rearing of ruminants did not stop much because the young male children are asked to go to graze these cattle in the nearby forest, because that family would purchase 5 or 6 such cattle. The forest is

nothing but the granite mines area where the crops are not grown. Further in such places, hitherto jowar or redgram used to be grown. But now there is the threat of monkeys (which eat away the redgram and jowar) and so the land is kept unutilised. Such lands are used for this grazing.

Box-6: Livestock Changes on the Households of Sample Survey: 1993 and 2006

From the surveys, Table-A.3 gives the picture of the real value of livestock per household. At the aggregate level, the value of draught cattle increased to some extent, but the increase in the milch and other cattle is substantial, as the value is more than doubled between 1993 and 2006. Though the value of draught cattle increased on all the groups, the value of milch and other cattle has increased among the small farms and labour households.

5.4 Physical Capital

Under physical capital, there are mainly two components (i) infrastructure and (ii) tools and technology. Infrastructure consists of transport (roads, vehicles, etc.), secure shelter and buildings, water supply and sanitation, energy and communications. Tools and technology cover (a) tools and equipment for production, (b) seed, fertilizer and pesticides, and (c) displacing traditional technology.

In Pindiprolu, infrastructure has developed over a long period, particularly during 1981-2006, with participatory approach after the formation of the VDC. Since 1981, several development activities have been taken up in Pindiprolu. These activities have been carried on mostly through the *strategy of coproduction* with partnership between VDC and VP or with the support of government at higher levels. The *coproduction strategy* was mostly related to purchase sites for the proposed buildings and structures in respect of important community assets such as panchayat, school, college, health sub-centre, veterinary hospital, PACS office-cum-godown, women's organization, and so on. Once the *sites were purchased*, the panchayat and the VDC used to pursue with the government at higher levels to sanction finances for the buildings and structures.

By 2006, the infrastructure situation is better as per the perceptions of the villagers. As it is a roadside village connecting Khammam and Warangal, a few years ago, the double road was built. In side the village also some CC roads were built. Now, Khammam is well connected by the government buses. There are three-wheeler autos plying to Khammam very frequently due to good road. Most of the SC, ST and BC households were given house loans at some subsidy. Thus, the shelter of the households improved. Drinking water is being supplied from two overhead water tanks, due to government provision. For sanitation, side drains were built with government allocations and JRY funds. The panchayat also appointed a sanitary worker. There are good communications through individual telephones and private telephone booths. Television also has cable connections. For long, post office has been there.

5.4.1 Asset Formation during 1981-93

It is a fact that most of the asset formation activities were carried on during 1981-93, because the finances could be mobilised from the liquor contractors. The major thrust of development in this phase was on providing education to the younger generations, especially at the intermediate level (11th and 12th classes). Table-2 shows the different community assets created and the VDC contribution in the total expenditure incurred from the three sources, viz., government, village panchayat and VDC. For the different community assets formed, the total expenditure during 1981-93 amounted to Rs.42.46 lakhs, the contribution of the VDC being Rs.16.96 lakhs, i.e., nearly 40.00 percent of the total expenditure.

Table-2: Expenditure on Different Community Assets and VDC Shares during 1981-93

S.No.	Item	Total Expdtr (G+VP+VDC)	VDC Expdtr	% Share of VDC
1	Junior College sit and Buildings	1240000	990000	79.84
2	School Buildings and Amenities	217000	32000	14.75
3	Internal Roads	387841	155000	39.96
4	Panchayat Building and Furnishings	342712	246500	71.93
5	Drainage Canals	252736	10000	3.96
6	New Electric Transformers and Street lighting*	83000	83000	100.00
7	Drinking Water schemes	479000	14000	2.92
8	Irrigation Schemes for Scheduled Castes	540000	0	0.00
9	Health sub-Centre site and Building	172000	32000	18.60
10	PACS Godown Site and Buildings	197000	58000	29.44
11	Veterinary Hospital Site and Building	98520	20000	20.30
12	Village Deity Expenditure	5000	5000	100.00
13	Village Bullock and He-Buffaloes Maintenance	20000	20000	100.00
14	Cattle Pound site	20000	20000	100.00
15	Women's Association Building Deposit	10000	10000	100.00
16	Community Latrines (8)	45724	0	0.00
17	Mini Shopping Complex	55088	0	0.00
18	Bus Shelter	80000	0	0.00
Total Expenditure		4245621	1695500	39.94

*The state government Electricity Department had incurred major expenditure on infrastructure which could not be estimated.

G=Government, VP=Village Panchayat and VDC= Village Development Council.

The major contribution of Rs.12.4 lakhs was from the VDC for Junior College (79.8 percent). On some items, the VDC bore 100.0 percent, on items like miscellaneous expenditure on new electric motors, cattle pound site, deposit for women's association, village deity and village bullock and he-buffalos. The VDC took special interest in construction of Panchayat buildings, internal roads, PACS building, the Veterinary hospital and Health centre with the VDC's contribution of 71.9, 40.0, 29.4, 20.3 and 18.6 percent respectively. On community latrines, shopping complex and bus shelter the government incurred 100.0 percent expenditure. On drainage canals also the government contribution was high, due to the persuasion of the VP and VDC. Thus, improving sanitary conditions was also seriously considered, but the coverage could not be very much.

Another important feature, which is to be highlighted is that nearly 28 percent of the expenditure on roads and bridges was allocated for SC locality of Pindiprolu. A very good attention was paid to earth the big well that was un-utilised but remained in the main-street, giving scope for awkward condition of SC colony. This cleaning of road brought good looking to the road in SC colony by connecting with the main village. Thus, the development of roads in Pindiprolu was understandably one of the best activities of VDC.

Though the VDC's financial contribution on drinking water was quite less (2.9 percent) in this period, its role in providing supply in some summers was laudable. As water problem was more intensive in summer, VDC arranged open supply in a location near to the borewell so that people could carry water from there to their homes. The SC locality used to suffer from more acute and serious water problem in summer, and so the VDC used to arrange a pipe line to fill a well where from SC locality people could get drinking water by pulling.

Further, the VDC has given encouragement for Government Schemes during 1981-93. As the president of the panchayat was always helpful to the scheduled caste/backward class people in Pindiprolu, he always took initiative from the panchayat side to represent the government at any level, if some benefit was coming to those down-trodden people from prevailing government policies. Further, to help the SCs is the motto of CPI (ML-ND) from its ideological tinge, as those sections were subjected to oppression and exploitation for generations in Indian history. When the government was allocating housing loan scheme to SCs through the quotas of ruling elected Representatives of government i.e., MLAs, it was readily welcomed. It is important to remember that though the schemes were recommended by other political parties (CPI (M), TDP and Congress), from their quotas, the president of the panchayat, though belonged to CPI (ML-ND), could seek the sanction of financial agencies concerned, without any political prejudices.

The list of housing beneficiaries, Community Wells and Gobar gas plants is portrayed in Table-3. In 1987 and 1989, the scheme for 87 members was completely supervised by the VDC in their construction, so that proper construction materials could be used. Totally, the housing schemes came to 107 SCs and 25 BCs.

Table-3: Benefits through Subsidy and Loans: 1981-93

S.No.	Item	Govt	Subsidy	Year
1	SC Colony housing 50 members	4,00,000	2,00,000	1987
2	SC Colony housing 37 members	2,96,000	1,48,000	1989
3	BC Colony housing 25 members	2,00,000	1,00,000	1990
4	SC Colony housing 20 members	1,60,000	80,000	1992
5	Kranthi Pathakam wells (8)	80,000	40,000	1985
6	Gobar gas 10 members	70,000	28,000	1987

5.4.2 Asset Formation during 1993-2006

In 1994, the government imposed prohibition first and later, brought changes in liquor policies. As a result, the VDC in Pindiprolu lost the main source of liquor contractors. Nevertheless, the VDC working in tandem with the Panchayat could bring in government funds for development activities.

Table-4: Expenditure on Community Assets and VDC Share: 1993-2006

S.No.	Item	Total Expdtr (G+VP+VDC)	VDC Expdtr	% Share of VDC
1	Water Schemes	5740000	250000	4.36
2	RVN Memorial Building	700000	700000	100.00
3	Women's Association Building	105000	-	0.00
4	School Buildings	2850000	-	0.00
5	Village Fair structures (20)	205000	-	0.00
6	CC Roads	450000	45000	10.00
7	Junior College (sanctioned)	6000000	-	0.00
8	Side Drains	NK	-	-
9	Shopping Complex (7 shops)	NK	-	-
Total Expenditure		16050000	995000	6.20

G=Government, VP=Village Panchayat and VDC= Village Development Council

Table-4 shows the asset formation during 1993-06. The most important achievement was the completion of the drinking water scheme. The total expenditure on this scheme arrived at Rs. 57.40 lakhs. The share of VDC was only 4.36 percent, whereas the contribution of the government was 88.85 percent; and the VP and local MLA

(member of legislative assembly) contributed to extent of 5.05 and 1.74 percent respectively. In 1993-06 period, of the total expenditure of Rs.160.50 lakhs, the VDC (people's) contribution was Rs.9.95 lakhs, forming 6.20 percent in the total expenditure. If the amount of Rs.60.00 lakhs sanctioned for Junior college development is excluded, the share of VDC came to 9.90 percent of the total actual expenditure (Rs.100.50 lakhs).

5.4.3 Changes in Tools and Equipment for Production

In regard to tools and technology, Table-5 shows the progress of wells, pumpsets, tractors, sprayers, plough sets and bullock carts. As per the information ascertained in the village, there was no tractor in 1981, but by 1993 there were 4 tractors and increased to 6 by 2006. As the tractors increased, the rearing of draught animals was gradually discouraged after 1993, as the tractor services are utilized in place of draught animals. On the part of farmers, *this is the realization of the fact that the biological sources of energy became costlier*, as accounted for by Rao (1972). Because of hiring in of tractor services only, the plough-sets and bullock carts which increased between 1981 and 1993, registered decrease by 2006. But wells, pump-sets and sprayers, which increased between 1981 and 1993, due to encouragement from cooperative credit and the then cropping pattern, decreased by 2006.

Table-5: Tools for Production

S.No.	Asset Item	1981	1993	2006
1	Wells	94	418	132
2	Pumpsets	43	408	120
3	Tractors	-	4	6
4	Sprayers	41	346	89
5	Ploughsets	305	595	128
6	Bullock carts	170	220	20

Box-7: Change in Value on Agricultural Implements and Machinery (I & M): Rs. Per Household

From Table-A.4, it is interesting to note that between 1993 and 2006, the per household real value of traditional implements decreased on all groups; thus, at the aggregate level it fell down from Rs.3060 in 1993 to Rs. 1034 in 2006, i.e., the drop is to 1/3rd. In contradistinction to the decreased traditional I & M, the modern I & M value increased thrice at the aggregate level. On LFs it rose by more than trebled and on SFs it was more than doubled; but on the MFs, it got halved. The MFs showed decrease, because the some of the MFs were of the stature of SFs, but for their leasing-in area; in fact more than 1/3rd of their operated area was taken on lease.

5.4.4 *Displacing Traditional Technology: Use of Modern Inputs*

But, in regard to the agronomic operations, the farmers get the awareness from the agricultural experts invited by the VDC or the VP. However, the farmers always discuss among themselves to exchange the experiences to achieve higher yields for cash crops in particular. Having been aware of the original seed, fertilizer and pesticides, the farmers in Pindiprolu wanted to purchase such inputs, which were free from adulteration, put efforts to input sale counter in the PACS Pindiprolu by the late 1980s. This was lauded by many of the progressive farmers of the entire district. But, it could not be continued on a sustainable manner because of some crop failures due to drought conditions and some failures in the cooperative credit system.

Box-8: Changes in Irrigation and HYV Area on Sample and Panel Households

Due to awareness of modern inputs, and the consultative interaction with experts and progressive farmers of their village and neighbouring villages, on various aspect of the crop technologies, the farmers of Pindiprolu could reap the benefits of bio-chemical technology, as it is size-neutral. For these reasons only, in 1993 sample survey, it was revealed that nearly more than one-third cropped area was under the then dominant cash crop (chilli). Again the sample survey of 2006 brought out the fact that the cropped area under Bt. cotton rose to 50.0 percent or more on each of the farm size categories. Thus, the technological upgradation in the agriculture of Pindiprolu is a regular and continuous process, as a way to sustainable agriculture.

Though we could not ascertain information on expenditures of HYV seeds, chemical fertilizers and pesticides for 1993 and 2006, it is a fact that the costs of production increased due to the extensive use of these new inputs. From Table-A.5, it can be seen that between 1993 and 2006, at the aggregate level, the share of HYV area on sample survey HHs increased from 25.0 percent to 95.0 percent of the net operated area and from 25.9 percent to 100.0 percent on the panel survey HHs. Moreover the cropped area was under highly capital intensive Bt. Cotton. These two facts corroborate that the expenditure on the three modern inputs has been on the increase.

5.5 Financial Capital

Financial Capital is concerned with savings, credit/debt, remittances, pensions and wages. Remittances and pensions are negligible. But, the rent on leased-out land also forms an important income source for those who are leasing-out their land. Wages are the most important item of financial source for the agricultural labourers, non-agricultural labourers and self-employed persons. Savings of the households that obtain surplus from agriculture are invested in durable or other assets (land particularly). Most of the cultivators depend on the crop loans from the PACS. The PACS is not providing crop

loans to the farmers who have overdues in the LT loans. However, those who repaid are getting loans. We consider the functioning of PACS and women SHGs.

5.5.1 Cooperative Dynamism

The PACS-Pindiprolu, was registered way back in 1957. All those who were elected, from time to time, as the President of the PACS belonged to Communist Parties. During 1985-87, credit became a critical input for expanding commercialization of agriculture in Pindiprolu. By the early 1980s, a new dynamism was induced in the operations of the PACS and it catapulted itself to rising growth trajectory till 1993. It is a pity that thereafter it slipped down on its growth profile. During 1987-93 under the "Single Window System", agricultural credit was provided through PACS, both short-term credit under STO, and LTO and MTO as in Table-6. The PACS could fulfill the requisite formalities without much difficulty and got LTO and MTO loans sanctioned for the farmers.

By 1993-94, the LT loans under the Single Window System had reached a peak level of Rs.17.00 lakhs, benefiting as many as 246 farmers. However, due to non-or delayed repayment of loans, the LT loan facility had to be stopped, though crop loan facility continued uninterrupted. During 2005-06, crop loans under STO for Pindiprolu (V) alone were to the tune of Rs.36.0 lakhs involving 750 members. In plain terms, Pindiprolu (V) simply dominated the PACS operations, both in terms of membership and loans. The cultivators with over-dues were denied loans, and so the cooperative movement itself came under jeopardy. To rejuvenate cooperative sector, recently the government has reduced interest rates for the cultivators and again the government also declared a package of one time settlement for the cultivators. Thus, there has been some revival in the credit utilization.

Table-6: Loans in Pindiprolu Village and at PACS Level during 1987-93 (Dynamic Phase)

Habitat	Membership		STO (Rs. In lakhs)		MTO (Rs. In lakhs)		LTO (Rs. In lakhs)		Total (Rs. In lakhs)	
	1987	1993	1987	1993	1987	1993	1987	1993	1987	1993
Pindiprolu	350	574	2.20	12.89	0.40	7.90	-	10.22	2.60	31.01
Pindiprolu (PACS)	503	1247	4.03	31.90	0.78	13.33	-	15.30	4.81	60.53

5.5.2 Women Self-Help Group Movement with Government Support after 1999-00

Agricultural labourers and other labourers depend on private sources for their credit. But among these labour households, the women have joined SHGs. In Pindiprolu alone, there are 42 SHGs, and most of these SHGs have been functioning well. In each SHG there are nearly 10 members. The bank linkages are provided for the SHGs and they are attached to the Branch of Regional Rural Bank at the mandal Head quarters.

Thus, the loans for self-employment or other purpose are obtained through this bank. On these loans the government is bearing subsidy, so that the SHGs may get loans at 4.0 percent per annum.

6. Livelihood Strategies

Different livelihood assets (of pentagon) are sequenced and combined in different ways in the pursuit of different livelihood strategies. In the combination of livelihood assets, the questions would arise, relating to their sequencing, substitution, clustering, accessing and trade-off. Thus, livelihoods are composed in complex ways, with multiple and dynamic portfolios of different activities. The livelihood strategies (by different combination of capitals) and livelihood portfolios (by different combinations of activities) through the mediation of the social structures and processes can achieve sustainable livelihoods, when these livelihoods can cope with and recover from stresses and shocks, by coping or adaptation.

As per Scoones (1998), livelihood strategies can be described at a scale of an individual, household or village level. If an individual pursues a particular set of livelihood strategies in combination, they may have positive or negative impacts on other household members or the broader community. From the beginning, in Pindiprolu the agriculture has been the main source in the form of self-employment, permanent labour and wage labour. But labour scarcity conditions arose over the period for other reasons.

6.1 *Labour in Agriculture and Non-Agriculture*

In Pindiprolu, the permanent agricultural labour has become very less important over the period, as the casualisation of labour has been on the increase over a period. Keeping the agricultural self-employment on own farms apart, there are three other major sources of employment in the village: (i) agricultural wage employment, (ii) non-agricultural self employment and (iii) non-agricultural wage employment. However, the latter two occupations can be clubbed under the head 'non-agricultural sources'. For this latter source, the practice of commuting to urban area or other nearby place has been prevailing.

The agricultural wage employment in agriculture is not only enough to the villagers, but it has the capacity to provide employment to labourers from neighbouring villages. Main problem in the village is lack of irrigation, because there is no canal irrigation. After a continuous failure of rains, only during the year 2005-06, the rains were good. The cropping pattern is suitably moulded in the village generally. The commercial crops are on the increase. The village agricultural labour would not migrate to other areas, as there is some guaranteed employment within the village due to agronomic operations throughout the year.

Non-agricultural wage employment or self-employment have been on the increase. In Pindiprolu surroundings, there are granite mines. Some people from the village go to

work in those mines in some skilled and semi-skilled jobs by commuting on bicycles or motor bicycles. The youth who acquired some skills (such as, the occupations of masonry construction work, carpentry, mechanic, driver/cleaner, milk seller etc.) are regularly commuting to Khammam and the commuters are on the increase day by day as they are getting higher wages than in the village. To commute to town became easy despite the stoppage of the private bus trips (it was there in 1993), because the government bus frequency increased and the three-wheeler autos go upto Khammam at any time.

6.2 Occupational Structure - Changes in the Activities, 1993-2006

As the educational facilities have increased between 1993 and 2006, the awareness of the educated villagers has increased about the new avenues of the economic activities and their involvement in such avenues has also increased. Further, the villagers have the access to government programmes, which are also opening new avenues of employment. Further, the SHG movement among women, which has been widespread throughout the state, is also very much prevalent in Pindiprolu (as depicted under 5.5.2). The SHG women are aware of the new avenues of economic activities for which the banks can give loans at low rate of interest (4.00 percent per annum). When women engage in some other work, their family members can run the new economic activities.

Box-9: Occupational Changes 1993-2006

Random sample HHs information is given in Table-A.6. In 1993, the 50 HHs had 98 economic activities at their disposal, but by 2006 the 50 HHs had 132 activities recording an increase of 34.7 percent. The increase is relatively high for NA wage and livestock activities. The own farm and agricultural wage activities also increased, whereas it decreased for the NA self-employment. In 2006, there were 3 remittance cases also recorded, which was nil in 1993. *The increase in NA wage and livestock activities are mainly on SFs and LHs.* Further, from Table-A.7, it can be seen that in 1993, the HHs with 3 or more activities were only 7, but by 2006, such HHs increased to 28. The SFs and LHs showed their diversification.

The information for comparable 44 HHs of panel survey is set in Table-A.8. The number of activities increased from 87 to 97 only between 1993 and 2006. The own farm activities decreased from 33 to 23 only in 2006. Non-agricultural wage employment activities increased from 4 to 16, and agricultural wage employment activities increased from 21 to 30. The decrease in own farm activities is accounted for by 8 SFs and 2 LHs who had given up own farm activity by 2006. The increase in agricultural wage activities from 6 to 13 on the SFs is a consequence of giving up own farm activity. Major contribution of the increase in non-agricultural wage employment at the aggregate level is accounted for by the LHs, which recorded increase from 1 to 8. *What is worrying is that the observation, made hitherto in the macro NSS studies that the self employment activities were increasing, has been reversed here.* Among these HHs also, the diversification is a reality, as the HHs with 3 or more economic activities increased from 7 to 16 (Table-A.9).

6.3 Migration of Educated Youth to Hyderabad

It was brought to our notice that in the past 3-5 years, the youth of Pindiprolu began to feel that agriculture was not profitable/ remunerative. Therefore, some of such youth started migrating to Hyderabad (state capital) despite not having higher qualifications. *Such youth decide to leave the village for better employment because of the educational levels of 10th standard or 12th standard (Intermediate) as such education has been available in their village only.* The method of migration is that first they would go with a view of temporary migration and if they could get some or other job which could maintain their nuclear family on separation from the joint family, the migration becomes effective. Thus, in the last few years, nearly 30 youth left Pindiprolu and they began to earn Rs. 3,000 to 5,000 pm, and by any reckoning it is remunerative and the employment is available on continuous basis.

6.4 Labour Scarcity in Pindiprolu

As some educated youth who used to engage in agriculture as labour went out of the village to settle, due to vagaries of the agriculture (droughts/ non-remunerative). Those who took land on lease engage their family labour fully and so they are not available for the other farmers. Further, in some of the labour households, the children go to forest to graze their sheep/goats. Thus, they are not available for the labour in the fields. *Therefore, scarcity of labour has become a reality in the village.*

As the lands in the villages neighbouring to Pindiprolu are rocky, the crops grown in those villages fail and so the labour from those villages come as labourers to Pindiprolu (for ex. Beerole, Dammaigudem etc.). Thus, Pindiprolu's progressive agriculture has become a cushion to the labour in the neighbouring villages.

7. Livelihood Outcomes

Livelihood outcomes directly influence the assets and change dynamically their level - the form of the pentagon of capitals, thereby offering a new starting point for other strategies and outcomes (Kollmair and Gampar, 2002; DFID,1999). Further, livelihood outcomes are not necessarily coherent and are certainly incommensurable, as it is hard to weigh up the relative value of increased well-being as opposed to increased income. There may also be conflict between livelihood outcomes, if the income increased for the particular groups is achieved through practices that are detrimental to the natural resource base (DFID,1999). In this section, we deal with these aspects based on our random sample survey (50 Hhs). First, we consider the aspects of economic well-being and then deal with the non-economic aspects of well-being.

7.1 Material (Economic) Well-being

Generally the increased income is an outcome of the increase in employment. Thus, the material well-being reflects in terms of employment and income. As per the survey

in 1993, the villagers reported that employment increased between 1981 and 1993, as a result of adoption of commercialized agriculture; which was possible because of the increased supply of electricity through installation of new transformers, on the one hand, and by digging more borewells, on the other. The VDC in the village put in efforts involving the people to get sanction of the new transformers from the state government. Further, the survey of 2006 brought out sharply that the economic well-being was substantial during 1993-2006, because of the high level of commercialization of agriculture, in terms of cotton and chilly, which together occupied more than 60.0 percent of cropped area in the village. As a concomitant of the increase in *employment* and *income*, there had been a rise in the level of investment, leading to increased worth of assets.

7.1.1 Diversification in Employment - Agricultural to Non-agricultural

Table-7 presents per household agricultural and non-agricultural employment for the sample HHs in 1993 and 2006. The agricultural employment among males and females increased on all categories of HHs between 1993 and 2006. Similarly, the non-agricultural employment among males and females also increased on all categories of HHs. The total agricultural employment increased by 12.0 percent at the aggregate level. But, the total employment rose by nearly 27.0 percent, due to increase from 646.1 to 819.9 days per household. For this, the contribution of non-agricultural employment is responsible, which rose substantially by 65.4 percent. In consequence, the share of non-agricultural employment in the total employment increased from 27.6 percent in 1993 to 36.1 percent in 2006. A higher increase in this share is recorded on the MFs and LHs.

Further, an interesting point to be noted is that per worker man days among FFWs of agricultural employment increased only marginally from 229.0 to 231.8 between 1993 and 2006. But, the total employment per worker increased from 248.5 to 284.7, with a rise of 14.6 percent. Thus, the gain of the total working days per worker in 2006 was highly contributed by the non-agricultural employment for the FFWs and pure non-agricultural workers put together. Thus, this is an effect of more diversification of employment towards non-agricultural avenues by 2006.

7.1.2 Diversification in the Income Levels - Agricultural to Non-agricultural

Table-8 portrays these details. At the aggregate level, the per household total agricultural income rose from Rs.21954 to Rs.53062, with a rise of 141.7 percent, whereas own-farm income rose from Rs.16885 to Rs.44696, with an increase of 164.7 percent. The non-agricultural income recorded an increase from Rs.8760 to Rs.27580, showing a rise of 215.0 percent. As a result of this, the total income increased by 167.2 percent, as it went up from Rs.30174 to Rs.80612. Further, non-own farm income (agricultural

Table-7: Employment Pattern among Sample households (Days per Household)

S.No.	Employment Source	1993					2006				
		LF	MF	SF	LH	Total	LF	MF	SF	LH	Total
1	Agricultural Empt. (K+R) - Males	231.0 (63.9)	423.2 (62.4)	298.3 (43.0)	205.5 (32.3)	265.9 (41.2)	537.5 (62.50)	240.0 (33.5)	303.5 (37.8)	239.7 (27.8)	281.9 (34.4)
2	Agricultural Empt. (K+R) - Females	64.0 (17.7)	194.8 (28.8)	188.8 (27.2)	232.6 (36.7)	201.2 (31.2)	172.5 (20.1)	291.5 (40.7)	252.8 (31.4)	225.3 (26.1)	241.9 (29.5)
3	Total Agricultural Employment (1+2)	295.0 (81.6)	618.0 (91.2)	487.0 (70.2)	438.1 (69.0)	467.1 (72.4)	710.0 (82.6)	531.5 (74.1)	556.3 (69.1)	465.0 (54.0)	523.8 (63.9)
4	Non-Agri.Employment- Males	66.7 (18.4)	55.6 (8.2)	164.8 (23.8)	178.2 (28.1)	153.9 (23.8)	150.0 (17.4)	185.3 (25.9)	224.6 (27.9)	313.5 (36.4)	252.0 (30.7)
5	Non-Agri.Employment- Females	-	4.4 (0.6)	41.5 (6.0)	18.4 (2.9)	25.1 (3.8)	-	-	23.7 (2.9)	83.4 (9.7)	44.1 (5.4)
6	Total Non-Agri. Employment (4+5)	66.7 (18.4)	60.0 (8.8)	206.3 (29.8)	196.6 (31.0)	179.0 (27.6)	150.0 (17.4)	185.3 (25.9)	248.3 (30.9)	396.9 (46.0)	296.1 (36.1)
	Total Employment (3+6)	361.7 (100.0)	678.0 (100.0)	693.4 (100.0)	634.7 (100.0)	646.1 (100.0)	860.0 (100.0)	716.8 (100.0)	804.6 (100.0)	861.9 (100.0)	819.9 (100.0)
Per Worker Yearly Employment (Man Days)											
7	Man Days per FFW of Total Agri.Empt	147.5	206.0	216.4	267.1	229.0	304.7	218.7	215.6	244.7	231.8
8	Man Days per Worker (Agri.+Non-agri. Empt)	155.0	226.0	243.3	273.8	248.5	322.1	264.5	268.2	301.4	284.7

FFW= Family Farm Workers

Table-8: Income Per Household (Rs)

S.No.	Source	1993					2006				
		LF	MF	SF	LH	Total	LF	MF	SF	LH	Total
1	Total Own-Farm Income	83844 (88.08)	28558 (74.31)	19830 (65.53)	2425 (11.78)	16885 (54.98)	192333 (83.38)	77829 (75.43)	51211 (69.30)	6667 (11.55)	44696 (55.45)
2	Agri-Wage Income + Livestock Income	-	1891 (4.92)	2667 (8.81)	8666 (42.11)	5069 (16.50)	-	3571 (3.46)	3526 (4.77)	15467 (26.79)	8366 (10.34)
3	Total Agricultural Income (1+2)	83844 (88.08)	30449 (79.23)	22496 (74.34)	11090 (53.89)	21954 (71.48)	192333 (83.38)	81400 (78.89)	54737 (74.07)	22134 (38.34)	53062 (65.79)
4	Non-Agricultural Income	11347 (11.92)	7981 (20.77)	7764 (25.66)	9490 (46.11)	8760 (28.52)	38333 (16.62)	21772 (21.10)	19158 (25.92)	35600 (61.67)	27580 (34.21)
	Total Income (3+4)	95192 (100.0)	38430 (100.0)	30260 (100.0)	20581 (100.0)	30174 (100.0)	230666 (100.0)	103172 (100.0)	73895 (100.0)	57734 (100.0)	80612 (100.0)

43

- Notes: 1. The figures are in 2005-06 prices for 1993 also.
2. The figures in parentheses are percentage shares
3. Non-Agricultural Income = Self-Employment + Wage income + Receipts

wage + livestock) also rose by 65.0 percent. But, the share of non-own farm income in the total income got down from 16.5 to 10.3 percent. Again, just as seen from the diversification of employment towards non-agricultural activities, so also *the share of non-agricultural income in the total income went up from 28.5 to 34.2 percent. Major shift has occurred in the case of LHs, for which this share went up by more than 15.5 percentage points, from 46.1 to 61.7 percent*, as such income increased from Rs.9490 to Rs.35600 (rising by more than 275.0 percent).

7.1.3 *Changes in the Total Assets, Liabilities and Net Assets:1993-2006*

Table-9 makes it clear that between 1993 and 2006 , at the aggregate level, total assets have nearly doubled among all the HHs (50). But the liabilities increased only by 12.0 percent; as a consequence, the net assets also got more than doubled. Just as at the overall level, among all types of HHs (except MFs), the total assets increased getting more than doubled. The liabilities increased by nearly 50.0 percent among the LFs, but on all other types of HHs, they decreased, and to this extent the relative position of net assets was better than that of total assets

7.1.4 *Changes in Consumption Pattern*

In Table-10, the per household expenditure on important items is provided. At the aggregate level, the total expenditure increased from Rs.22880 to Rs.41213 between 1993 and 2006, recording a rise of 80.0 percent. The food expenditure showed increase from Rs.11414 to Rs.20099, going up by 76.0 percent. The expenditure on education, health and others increased by 271.0, 137.0 and 80.0 percent respectively. *The increase in education is very substantial.*

Looking at the shares in the total expenditure, the share of food expenditure remained stagnant at nearly 50.0 percent. Thus, food is an important and dominant expenditure as usually expected. But the share of educational expenditure rose from 5.1 to 11.3 percent. *This is understandable from the awareness of the villagers, because of the increasing importance given to education in Pindiprolu with constant encouragement from the VDC and village panchayat.* Health expenditure also rose by 2.5 percentage points from 8.0 to 10.5 percent. The increase in the share of education was contributed mainly by the MFs and also by the SFs and LHs; and in respect of health expenditure, the SFs and LHs contributed. In the group of other expenditure, only for liquor items the share decreased at the aggregate level, which was caused by the LHs, SFs and MFs; and this is a positive sign.

Table-9: Total Assets, Liabilities and Net Total Assets

Assets/Liabilities	Large Farms		Medium Farms		Small Farms		Labour HHs		Total Households	
	1993	2006	1993	2006	1993	2006	1993	2006	1993	2006
Total Assets	1166078	2543917	446333	591729	198581	431926	68514	150114	224188	462657
Liabilities	148147	218000	27234	19571	19953	18953	7136	5738	22733	25432
Net Assets	1018120	2325917	419099	572158	178628	412973	61378	144376	201455	437225

Note: For 1993, the figures are in 2005-06 prices

Table-10: Consumption Pattern (Rs. Per household)

S.No.	Source	1993					2006				
		LF	MF	SF	LH	Total	LF	MF	SF	LH	Total
1	Food Items	18912 (33.3)	14903 (50.4)	11654 (54.5)	9379 (51.8)	11414 (49.9)	29260 (35.3)	22689 (41.9)	20074 (50.9)	17950 (55.2)	20099 (48.8)
2	Education	8448 (14.9)	3215 (10.9)	685 (3.2)	352 (1.9)	1258 (5.5)	9667 (11.7)	12571 (23.2)	4237 (10.7)	1700 (5.2)	4664 (11.3)
3	Health	10780 (19.0)	2950 (10.0)	993 (4.6)	1104 (6.1)	1825 (8.0)	13000 (15.7)	5071 (9.4)	4300 (10.9)	2848 (8.8)	4320 (10.5)
4	Other Expdr.	18597 (32.8)	8473 (28.7)	8058 (37.7)	7268 (40.1)	8383 (36.6)	31066 (37.4)	13786 (25.5)	10863 (27.5)	10019 (30.8)	12130 (29.4)
	Total	56737 (100.0)	29541 (100.0)	21390 (100.0)	18103 (100.0)	22880 (100.0)	82993 (100.0)	54117 (100.0)	39474 (100.0)	32517 (100.0)	41213 (100.0)

46

- Notes: 1. For 1993, the figures are in 2005-06 prices.
 2. The figures in parentheses are percentage shares

7.2 *Non-economic Aspects of Well-being*

Here we deal with some important non-economic aspects of well-being including social capital and empowerment. The analysis is based on the sample survey of 2006 alone. Main aspects being dealt are:

- (i) Vulnerability faced and Coping mechanism,
- (ii) Autonomy and Inter-personal Coercive Controls,
- (iii) Participation in the Household Decision-making ,
- (iv) Participation in SHGs and CBOs
- (v) Trust and Solidarity, and
- (vi) Perception of Benefits from Government Agencies.

7.2.1 *Vulnerability faced and Coping mechanism (past 5 years)*

Among the 50 households, 47 households (94.0 percent) had experienced one or the other vulnerability situation in the past five years period. Types of vulnerability (risk) faced among the 47 households are: drought (17 Hhs), cyclone / floods (7 Hhs), pest attack (1Hh), bad seed quality (1 Hh), livestock epidemic (8 Hhs), death of the head of the household (3 Hhs), death of other family members (2 Hhs) and death of a family member (8 Hhs).

As regards the coping mechanism, households were given choice to report the order of the type of strategies. Some households had only one strategy, some had two strategies and a few had three strategies also. If a household adopted three strategies, it would furnish the order of the three modes of coping mechanism. All the 47 households, faced vulnerability, had their first priority in coping with the risk as *use of saving* for 20 Hhs, *formal borrowing* for 16 Hhs, *reduction of consumption* for 8 Hhs, *more wage employment* for 1 Hh, *self-employment* for 1 Hh and *crop change* for 1 Hh. The second priority was reported in respect of 42 Hhs. Their coping mechanisms were reduction of consumption (22 Hhs), formal borrowing (10 Hhs), use of saving (9 Hhs) and sale of assets (1 Hh). Finally, the third priority was there for 17 Hhs: reduction of consumption (9 Hhs), use of savings (5 Hhs), formal borrowing (1 Hh), informal borrowing (1Hh) and self-employment (1Hh).

7.2.2 *Autonomy and Inter-personal Coercive Controls*

The head of the household was asked to report whether his wife would need permission to visit market, friends etc., with the options (i) without informing, (ii) with information but without permission, (iii) inform and go, and (iv) with permission. The answers are portrayed in Table-11.

From the Table, it is clear that the wives could visit market, friends and local health centre 'without informing' or 'with information but without permission'. To visit relatives,

or go to the fields outside the village, community centre in the village and community functions, the wives could visit or go 'with information but without permission' or by 'informing simply'. Awaiting permission was a rare case.

Table -11 : Responses about Wives' Visit of Persons and Places

S.No.	To visit	Responses among 50 Sample HHs			
		Without Informing	With Information but Without Permission	Inform and go	With Permission
1	Market	38	12	-	-
2	Friends	15	28	7	-
3	Relatives	5	17	28	-
4	Local Health Centre	24	21	5	-
5	Fields Outside the Village	2	18	29	1
6	Village Community Centre	11	18	21	-
7	Community Functions	-	12	38	-

Further, the heads of the Hhs were asked to report whether they would allow their wives to have some money to set aside so that they could use it as they wished. The reply was either 'always' or 'frequently' in majority cases (90.0 percent).

In regard to the coercive control, it was asked whether the ill-treating or beating wives was approved by the heads of Hh.. The response was 'no' in majority cases (82.0 percent) and 'rarely' in 6.0 percent cases. But in respect of 12.0 percent cases the response 'sometimes' was given. The heads were also asked whether their wives could receive respect from their family members; the response was 'high' in 78.0 percent cases and 'medium' in 18.0 percent cases. Further, the heads were asked whether their wives would be afraid to disagree with them, the answer was 'no' in 98.0 percent cases. *Thus, the conditions have started operating in favour of women, due to their increased consciousness levels.*

7.2.3 Participation in the Household Decision-making

At the household level, the decision-making problem arose in respect of son or daughter's marriage, children's education, livelihood choices and care of elderly people. In such cases, it was asked how the decision was taken to know whether there was any participation for the wife in that process. In the entire sample of 50 households, 20 households faced such a decision-making problem in the last 5 five years. As per the responses, the decision-making was made 'jointly' in 11 cases, 'only by husbands' in 7 cases and 'only by wives' in 3 cases. It shows that the decision-making process was

tilting favourably towards women, confirming their empowerment.

7.2.4 Participation in Self-help Groups (SHGs) and other Community Based Organisations (CBOs)

As per our first hand information, it was ascertained that the people in the village were quite aware of the SHGs and other CBOs in the village. Thus, we have dealt with only the membership alongwith awareness of the SHGs and other CBOs. As per the information on 50 sample Hhs, the participation of the household members in those groups is shown in Table-12.

Table-12 : Membership in SHGs and CBOs

S.No	SHG/ CBO	Members	S.No	SHG/ CBO	Members
1	SHGs Government Aided	44	6	Religious Groups	8
2	Rythumitra SHGs	12	7	Mothers Committee	3
3	SHGs Aided by NGOs	12	8	Village Development Committee	1
4	Political Parties	128	9	Village Education Committee	1
5	Caste Association	63	10	Other Groups	3
Total					275

The total members in all the SHGs and CBOs together arrived at 275 among the 50 Hhs. Among all the SHGs, the government sponsored *female* SHGs, called as SHGs of *Indira Kranthi Padham*, are the dominant ones operating in the villages of Andhra Pradesh state. The women of Pindiprolu, being politically active, have moulded the SHGs in their own way, to benefit the maximum women members of the village. From the sample households, it was found that 38 Hhs have one member each and 3 Hhs have two members each; thus, 82.0 percent sample households are involved in this SHG movement. Rythumitra SHGs also are functioning but with less encouragement from the government; and in our sample there are 12 members in these groups from 12 Hhs. Further, another 12 members are there in SHGs, sponsored by NGOs, from 10 Households.

The most important CBOs are political parties and caste associations. Out of 50 sample households, 46 Hhs (92.0 percent) have membership in the political parties and the membership is 128, i.e., the average membership per Hh is 2.8. The membership among caste association is 63, by representing 45 Hhs, i.e., the average membership per Hh is 1.40. Religious groups also have 8 members hailing from 4 Hhs of the sample.

Thus, the villagers' participation in SHGs and other CBOs is of the higher order, indicating the higher level of political consciousness of the people, with a higher level of empowerment (including among women).

7.2.5 Trust and Solidarity

The information about the trust and solidarity was enquired from the sample households, on a five-point scale, in respect of (i) villagers within their village, (ii) villagers from other villages and (iii) officials.

In regard to the trust among the people of their village, the information is presented in Table-13. The trust and solidarity was 'very great extent' within the same caste group; and 'very great extent and 'great extent' among males and females, and among the same religious group.

Table-13: Trust and Solidarity in the Same Village

S.No	Item	Very great extent	Great extent	Neither great not small extent	Small extent	Very small extent
1	Same Caste Group	50	-	-	-	-
2	Different Caste Group	-	25	23	2	-
3	Same Religious Group	6	42	2	-	-
4	Different Religious group	-	5	29	14	2
5	Males	24	26	-	-	-
6	Females	24	26	-	-	-

As regards the trust of the people of Pindiprolu with the villagers from other villages, the responses are set in Table-14. The trust was 'very great extent' and 'great extent' among the same caste group. It was 'great extent' and 'neither great nor small extent' among different caste groups and same religious groups. With the different religious groups, it was remote and 'small extent'.

When we take up the trust of the villagers of Pindiprolu with officials, the replies of the sample household respondents are as portrayed in Table-15. The trust was 'very great extent' with elected representatives, and it was 'very great extent' and 'great extent' with the revenue officials, whereas it was remote and 'small extent' with the police and other employees.

Table-14: Trust and Solidarity with Villagers from other Villages

S.No	Item	Very great extent	Great extent	Neither great not small extent	Small extent	Very small extent
1	Same Caste Group	21	25	4	-	-
2	Different Caste Group	-	10	24	16	-
3	Same Religious Group	5	31	12	2	-
4	Different Religious group	-	6	17	25	2

Table-15: Trust and Solidarity with Officials

S.No	Item	Very great extent	Great extent	Neither great not small extent	Small extent	Very small extent
1	Elected Representatives	43	7	-	-	-
2	Revenue Department	5	25	14	6	-
3	Police Department	4	17	14	10	5
4	Other Govt. Employees	4	20	10	15	1

7.2.6 Perception of Benefits from Developmental Activities

Among the 50 households surveyed, more than three-fourths of the households reported that they obtained more work during past decade. More than half of the households reported that their opportunities in new employment avenues increased. All the households felt that their incomes had increased consistently over the decade, except during the drought conditions.

Due to the political awareness and empowerment, on the one hand, and the efforts of the VDC and village panchayat on the other, 40.0 percent of the households could access new houses from the government schemes under subsidized credit and free site for the house. Further, 42.0 percent of the households secured new toilets at higher percent of aid. The beneficiaries were mainly from the small farmers (1.0 - 4.0 acres) and the labour households (<1.0 acre).

8. Unfinished Tasks - Future Agenda for Achievement

There have been three unfinished tasks and they have to be fulfilled and they are: (i) proposed lift irrigation scheme, (ii) marketing cooperative and (iii) continuous supply of electricity to water tanks.

8.1 Lift Irrigation Scheme

In the year 1993-94, the PACS Pindiprolu planned for a Lift Irrigation Scheme, as there is no source of assured irrigation in Pindiprolu. The project is intended to irrigate 200 acres of 192 farmers, who are mainly marginal farmers. The estimated cost of the project is Rs.25.0 lakhs. The PACS intended to get financial assistance from Andhra Pradesh State Irrigation Development Corporation (APSIDC). The APSIDC can finance only 70.0 percent of the total cost and the remaining 30.0 percent is to be borne by the beneficiary farmers.

At the initial stage of the proposition of the project, some farmers had the view that such a project should be fully borne by the government. But, the president of PACS and the president of panchayat convened several meetings and convinced them that the benefits are more than the costs. As regards 30.0 percent share of the beneficiary farmers, the PACS took the responsibility to provide through loans in 1993.

When a non-resident large farmer (ex-landlord) did not want to join the project, first he was left out of the scheme. But, there were economies of cost of the project, if he joined the project. Thus, the ex-landlord was given again a chance to join the project. When he came to the village on January 6, 1993, all the beneficiary farmers, the president of PACS, the president of the panchayat met him and explained the position. As a result, he agreed to join the project. Thus, the intended project initiative has been an outcome of the people's participation.

Thus, the VDC and village panchayat want to deal with the government at higher levels for achieving this project in the future.

8.2 Marketing Cooperative

As regards the remunerative prices for the commercial crops being grown in Pindiprolu, the farmers complain that there are no remunerative prices for the cash crops. Already the drought situations successively cause low yields and the output sold in the agricultural markets do not get remunerative prices. In the latter half of the 1990s when they were growing more chilli, with a hope to export to the gulf and EU countries, the chilli prices were reduced in the name of pesticide-residues and other quality restrictions. In regard to the demand of remunerative prices, the peasant-labourer organisations affiliated to both the CPI (ML-ND) and CPI (M) take out processions and agitations in the presence of the marketing officials, and district and mandal officials. Both these parties propagate that the non-remunerative prices is due to the globalisation phenomena. Thus, a few of the common farmers also think, globalisation is the cause of low prices for their agricultural produce.

For demanding remunerative prices and loan facility on the stocks of the chilli, one big agitation took place in Khammam (on March 10, 1997), by *raasta roko* (obstructing the traffic on the main road), under the militant leadership of the CPI (ML-ND). From Pindiprolu, 30 peasants and labourers participated. When the police caned and jailed, some of the villagers also were there. This type of agitations could curb the injustices being done by the marketing officials in the market-yard, and sometimes the government helped to get loans on the stocks of chilli produce.

Thus, another intended project is to undertake the marketing of agricultural produce mainly chilly, cotton and sunflower, etc. The purpose of this marketing centre, with cooperative structure, is to store the produce without selling in the post-harvest season and sell it in the market when the market price will be up. In Pindiprolu, several farmers who grew chilly used to undersell in the post harvest season, as they had to pay back the loans in co-operative Society and other dues outside. The president of PACS and other villagers are seriously planning for the formation of the proposed marketing centre.

8.3 Power Supply Problem for Pumping Water to Tanks

After achieving the overhead tanks of the required capacity, the power supply being supplied in the rural areas both for the agricultural and other purposes is for 7 hours only. This is not enough to fill the overhead tanks to meet the three way demand: (i) village population of more than 5000; (ii) students of more than 1100 (primary school, secondary school and junior college); and (iii) shandy which gets floating population on every Saturday. To get uninterrupted power supply for the purpose of pumping drinking water from the sources to the overhead tanks, the Electricity department wants Rs.6.00 lakhs as a one time deposit. Thus, the VDC, Water Committee and the Panchayat are looking for the mobilization this much amount.

9. Summary

The case of Pindiprolu unfolds the vicissitudes of local participatory development over a long period of a quarter century, during 1981-2006. *The speciality of Pindiprolu model is that it was not dependent on any donor or funding agency and it adopted on its own a participatory development approach.* The leadership in Pindiprolu did get heavily inspired and influenced with the success stories of the Russia's soviets and Chinese communes. The process of developmental activities in Pindiprolu has started since 1981, when the village panchayat was taken over by the CPI-ML (ND). We took up first field survey in 1993 to assess the developmental activities over the decade 1981-93. Again in 2006, we repeated the village survey to reassess the development. In this study, the changes in the process of participatory development in Pindiprolu have been examined through the prism of sustainable livelihoods approach (SLA), whose components are: (i) vulnerability context (ii) livelihood assets, (iii) transforming structures and processes, (iv) livelihood strategies, (v) livelihood outcomes.

9.1 Initial Impetus

People's struggle against Nizam's tyrannical rule and local landlord was launched by local communist leaders in late 1940s, which inspired the youth of the village since then. Till mid-seventies and thereabout, the Pindiprolu people were still poor but highly awakened. The panchayat elected in 1970 belonged to the Congress party, which did not show interest in the people's problems in its entire tenure during 1970-81. In that period, the CPI (ML-ND) prepared the people of Pindiprolu for taking over the panchayat in the next elections. The people in the village Pindiprolu were ensured that if the CPI (ML-ND) could win elections in the panchayat, it would tackle some of the issues so that village development would take place. Accordingly, in 1981 panchayat elections, the CPI (ML-ND) could win 8 out of 11 seats of the ward members. Since 1981, the CPI (ML-ND) has been continuously in power of the panchayat of Pindiprolu, winning majority seats and sarpanch post.

On the eve of winning panchayat elections in Pindiprolu, in 1981, by the CPI (ML-ND), in the village there were the *covariant risks* due to lack of irrigation, electricity connection for motors, and drinking water. The lack of educational and health facilities formed the basis of the *idiosyncratic risks*. The participatory approach has been followed by the CPI (ML-ND), by achieving (i) synergy between the panchayat and village development council, on the one hand, and (ii) empowerment of the people, including women, in the village, on the other.

9.2 Social Capital for Grassroots Democracy

Among the five livelihood capitals, the most dominant one that has been operating in Pindiprolu, is *social capital*. It is kept in mind that the *social capital is not without politics* and *the role of political organization* has been very much perceived in *securing this social capital*, as observed in Kerala (Harriss, 2001). As a result, a high degree of *political harmonization*, in a manner and on a scale rarely ever discernible in Indian villages, has been a distinct hall-mark of Pindiprolu life and society. For this singular achievement, a *political vision* and approach of the local political outfits, especially the unifying role played by the CPI (ML-ND), need to be underlined. Though this party has been in power of the Pindiprolu panchayat, since 1981, yet it never functioned unilaterally. It exercised adequate political (and social) wisdom in forming the village development council (VDC) in 1981, to work in full cooperation with other parties in all activities aimed at local development. It is really a remarkably pleasing story of a *village republic* under which the people of Pindiprolu have put in every possible effort to strengthen the most significant democratic institution of rural India, the *panchayat*.

The partnerships between the VDC and the panchayat led to *coproduction* and other development activities. For all construction and associated activities under coproduction, the finances were mobilized by the VDC particularly during 1981-93. *The coproduction strategy in purchasing land sites and persuading the government to sanction buildings reflects the spirit of development*. In fact, the government was made to concede funds for the buildings and other development activities, one after the other, through fiercely organised persuasions of local leaders and political harmony and togetherness of the whole village ostensibly demonstrated from time to time.

The social capital has well developed in the village due to improved cooperative movement, under the PACS. In addition to well functioning women SHGs, there are other CBOs in the village: political parties, peasant-labourer organisations (rythu coolie sanghams), village education committees, youth associations, student organisations and women's organisation.

9.3 *Human, Natural, Physical and Financial Capitals: Improved*

The first achievement of the VDC was started with the steps to improve *human capital* in the village by forming Junior College (11th and 12th classes) as a coproduction with state government and also by building a health sub-centre. The vigilant struggle of the villagers under the guidance of the VDC led to the distribution of surplus land to the landless labourers and the cooperative movement led to strengthen the productivity of land, the important *natural capital*, in the village. Recently there has developed lease market for land, as revealed in 2006, though it was not at all there in the village prior to 1993.

In Pindiprolu, the formation of community assets, as a part of *physical capital*, is the most important achievement, over the period of the past two and half decades (25 years), during 1981-2006. For this, the grass-roots institutions, e.g. the panchayat, the VDC and the Gramasabha, have been working together *synergistically*, which readily helped them to mould and utilize the decentralized administration in their favour. These institutions work together in complete harmony with the avowed goal of achieving socio-economic development of the local community as a whole. Whatever persuasion was to be done at higher levels of government, it was largely done through the official grass-roots institution, namely the panchayat body. For example, state or central government funds for diverse development activities such as construction of buildings for school, college, health sub-centre, veterinary hospital or providing metalled roads, drainage, overhead tanks for drinking water, etc., were procured through the aegis and good offices of Pindiprolu panchayat. Most important achievement was in persuading the government for installation of new electric transformers for the wells and tube wells of the farmers in the village throughout the 1980s and early 1990s.

Financial capital also has flowed well into the village through the cooperative dynamism of the well-functioning PACS. The short, medium and long term credit was provided to the farmers and agricultural labourers which led to the agricultural advancement. From 1999 onwards, the loans were provided to the 42 women SHS in the form of internal credit and bank linkaged-credit to the members of the SHGs, adding to the development of petty and small trade and services in the village.

9.4 *Livelihood Strategies and Outcomes*

(i) *Economic Benefits*: As the cropping pattern in the village tilted in favour of the commercial crops over the period, the agricultural employment on the own farms increased for all the farmers. Agricultural wage employment also increased for the farm family workers on labour households and among the small and marginal farmers. Again, due to improved educational standards and other skills, the occupational structure of the people has been diversified into non-agricultural avenues. Villagers began to

participate in non-agricultural activities on an increasing scale within the village; and in some cases the villagers have involved in such activities by commuting to nearby places due to the improved transportation facilities. As a result, total employment increased on all farm-size groups including labour households. In fact, the village is providing employment in Pindprolu to the labourers from outside their village, as there is shortage of labour in the village, due to migration of some educated youth to Hyderabad on getting more qualifications and skills. The incomes of the people also got diversified and the increase of income and consumption on all farm-size categories (including labour households) has been a reality as observed from the survey of 2006 over that of 1993.

(ii) *Non-economic Benefits*: As regards the aspects of non-economic well-being, from survey of 2006, it was revealed that though most of the sample households experienced vulnerability, most of them could cope with the use of savings and formal borrowing; and some were dependent on reduction of consumption (in respect of all these vulnerabilities faced in the previous five years). It shows some resilience in facing covariant and idiosyncratic risks. The consciousness of the villagers about the CBOs and SHGs in the village is high; and their participation levels are also remarkable, particularly in the women SHGs, political parties and caste associations. The conditions of women have bettered over the period, as revealed from the sample survey of 2006, in regard to the autonomy and interpersonal coercive controls, and in the role of women in decision-making in the family affairs.

9.5 Future Agenda for Achievement

The VDC and the panchayat want to assume the responsibility of fulfilling the three unfinished tasks and set them on their future agenda of development. They are (i) proposed lift irrigation scheme, which could not be fulfilled because of lack of government's contribution; (ii) marketing cooperative with storage facilities, taking the help of the PACS; and (iii) collection of Rs.6.00 lakhs from the people for depositing with electricity department to get power supply continuously to pump water into the overhead tanks of drinking water.

Notes

1. Some other studies began to include political capital also making it hexagonal polygon, as in SDC (2007).
2. When we deal with Pindiprolu, there is necessity to make differentiation between the main village Pindiprolu (V), revenue village Pindiprolu (R), panchayat Pindiprolu (P) and primary agricultural credit society Pindiprolu (S); and these four are to be differentiated by Pindiprolu (V), Pindiprolu (R), Pindiprolu (P) and Pindiprolu (S) respectively. Pindiprolu (R) consists of three villages: (1) Pindiprolu (V), (2) Keshavapuram and (3) Papaigudem. Up to 1995, Pindiprolu (P) had two revenue villages in its area of operation, viz: Pindiprolu (R) and Yedullacheruvu (R). These two revenue villages together had seven villages. The three villages of Pindiprolu (R) and four villages of Yedullacheruvu (R). In addition to three villages of Pindiprolu (R), the four villages in Yedullacheruvu (R) are: (1) Yedullacheruvu, (2) Beesarasipalli Thanda, (3) Ramana Thanda and (4) Balram thanda. After 1995, Yedullacheruvu (R) has separate panchayat on its own and so Pindiprolu (P) and Pindiprolu (R) became identical, having the same three villages in their jurisdiction. Pindiprolu (S), PACS Pindiprolu, has eight villages under its area of operation, i.e, all seven villages of the old Pindiprolu (P) and another village, viz; Chilakkayalapadu from another revenue village, for easy administration.
3. For 1991 and 2001 only the literacy for the age group above 6 years could be calculated, as 0-6 years population figure were given. Further, here it is assumed that literacy rate of Pindiprolu (V) is equal to that of Pindiprolu (R).
4. In fact, the contribution of the VDC to 11th and 12th Classes (Junior College) and community asset formation in Pindiprolu attracted the attention of Dr. Yogo, and his team of three (other) members, from United Nations Centre for Regional Development (UNCRD), Nogoya, Japan. The team visited Pindiprolu during 16-17 October, 1993. Prof. G.K.Chadha, then at the Jawaharlal Nehru University, New Delhi, coordinated with them. He visited the village first during 17-18 September, 1993 and then again along with Dr. Yogo's team in October 1993. Dr. Shinishi Shigetomi, Institute of Developing Economies (IDE), Japan, visited the village during 30-31 October and 1st November 2006, when we were resurveying Pindiprolu.

Appendix Tables

Table-A.1: Distribution of Operated Land and Leased-in Area - Random Sample (50 Hhs)

S.No.	Category	% of HHs		% Owned Area		% Leased-in Area		% Op. Area		Av. Size (ac.)	
		1993	2006	1993	2006	1993	2006	1993	2006	1993	2006
1	LF	6.00	6.00	32.68	30.67	-	0.00	32.68	25.00	16.00	14.33
2	MF	10.00	14.00	23.14	20.33	-	60.00	23.14	27.33	6.80	6.71
3	SF	40.00	38.00	39.76	41.33	-	40.00	39.76	42.44	2.92	3.84
4	LH	44.00	42.00	4.42	7.67	-	0.00	4.42	5.23	0.30	0.43
	Total	100.0	100.0	100.0	100.0	-	100.0	100.0	100.0	2.94	3.44
	No. of HHs	50	50	-	-	-	-	-	-	-	-
	Area (acres)	-	-	146.9	150.0	-	27.5	146.9	172.0	-	-

Note: In 2006, within the owned area of 150.0 acres, 5.5 acres was leased-out and so the net owned and operated area is 144.5 acres. Thus, the operated area = 144.5 + 27.5 = 172.0 acres.

58

Table-A.2: Changes in Farm-size Classes - Panel Sample (44 Hhs)

Shifted from	Shifted to				Total (2006)
	Large	Medium	Small	Labour	
Large	(1)	1	1	-	3
Medium	2	(2)	2	-	6
Small	-	1	(11)	4	16
Labour	-	-	5	(14)	19
Total (1993)	3	4	19	18	44

Table-A.3: Per Household Value of Livestock (Rs.) : 1993-2006 (Random Sample - 50 HHs)

Category	1993					2006				
	LF	MF	SF	LH	Total	LF	MF	SF	LH	Total
Draught Cattle	20174	12104	6998	344	5371	28333	12429	7632	952	6740
Milch + other cattle	12923	13806	3801	2793	4906	11067	7807	7682	13821	10481
Total livestock	33097	25910	10799	3138	10277	39400	20236	15313	14773	17221

59

Table-A.4: Per Household Value of Agricultural Implements (Rs.) - Random Sample (50 Hhs)

Category	1993					2006				
	LF	MF	SF	LH	Total	LF	MF	SF	LH	Total
Traditional Agri. I&M	10213	7452	4019	216	3060	1317	1743	1613	233	1034
Modern Agri. I&M	74388	11158	6336	-	8113	286533	7571	13421	95	23392
Total Agri. I&M	84601	18610	10355	216	11173	287850	9314	15034	329	24426

Table-A.5 : Changes in Irrigation and HYV Area on Sample and Panel Households

Farmsize	Sample Survey Households (50)						Panel Survey Households (44)					
	1993			2006			1993			2006		
	OL (Ac.)	% IA	% HYA	OL (Ac.)	% IA	% HYA	OL (Ac.)	% IA	% HYA	OL (Ac.)	% IA	% HYA
LF	48.00	75.00	50.00	43.00	69.77	90.70	48.00	75.00	50.00	29.50	84.75	100.00
MF	34.00	47.06	11.76	47.00	45.74	100.00	26.00	42.31	15.38	38.00	64.47	100.00
SF	58.40	42.81	11.47	73.00	43.15	95.21	54.90	41.89	12.20	47.50	44.21	100.00
LH	6.50	30.77	30.77	9.00	27.78	83.33	5.00	20.00	0.00	16.00	34.38	100.00
Total	146.90	53.78	24.98	172.00	49.71	94.77	133.90	53.02	25.91	131.00	58.02	100.00

Note:- OL=Operated Land; IA=Irrigated Area; HYA=High yielding Variety Area; and Ac.=Acres

60

Table-A.6: Occupational Changes in 1993 and 2006 - Random Sample (50 Hhs)

Farmsize	1993							2006						
	Own Farm	Agr. wage	Livestock	NA wage	NA Self	Remit-	All	Own farm	Agr. wage	Livestock	NA wage	NA Self	Remit	All
LF	3	0	0	0	1	-	4	3	0	0	0	1	2	6
MF	5	0	2	1	1	-	9	7	3	0	2	4	0	16
SF	20	6	2	2	11	-	41	19	8	7	6	9	0	49
LH	8	19	3	3	11	-	44	11	18	8	9	14	1	61
Total	36	25	7	6	24	-	98	40	29	15	17	28	3	132

Table-A.7: No. of Activities per Household in 1993 and 2006 - Random Sample (50 Hhs)

No. of Activities	1993					2006				
	L	M	S	LH	Total	L	M	S	LH	Total
1	2	1	4	2	9		1	2	1	4
2	1	4	11	18	34	3	3	5	7	18
3	-	-	5	2	7	-	3	11	8	22
4	-	-	-	-	-	-	-	1	3	4
5	-	-	-	-	-	-	-	-	2	2
All	3	5	20	22	50	3	7	19	21	50

61

Table-A.8: Occupational Changes in 1993 and 2006 - Panel Sample (44 Hhs)

Farmsize	1993							2006						
	Own Farm	Agr. wage	Livestock	NA wage	NA Self	Remit-	All	Own farm	Agr. wage	Livestock	NA wage	NA Self	Remit	All
LF	3	0	0	0	1	0	4	3	0	0	0	0	1	4
MF	4	0	2	1	1	0	8	4	1	0	3	0	0	8
SF	19	6	2	2	10	0	39	11	13	3	5	10	4	46
LH	7	15	3	1	10	0	36	5	16	1	8	6	3	39
Total	33	21	7	4	22	0	87	23	30	4	16	16	8	97

Table-A.9: No. of Activities per Household in 1993 and 2006 - Panel Sample (44 Hhs)

No. of Activities	1993					2006				
	L	M	S	LH	Total	L	M	S	LH	Total
1	2	-	4	2	8	2	1	2	5	10
2	1	4	10	14	29	1	2	8	7	18
3	-	-	5	2	7	-	1	8	4	13
4	-	-	-	-	-	-	-	1	2	3
5	-	-	-	-	-	-	-	-	-	-
All	3	4	19	18	44	3	4	19	18	44

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