



Decentralisation – The Path to Inclusive Governance?

About Panchayat Briefs

In 1992, the Government of India passed the 73rd and 74th amendments to adopt a decentralised model of governance. The *Panchayat Briefs* series examines the impact of these reforms in the context of new research on decentralisation in India.

Vol. 1 No.1

The **first brief** in this series examines **the ability of decentralisation to promote inclusive governance** through a focus on research on the impact of Gram Sabhas and Reservations on people's participation.

Other Briefs in this Volume

No. 2: Administrative Decentralisation in India – The 3Fs.

No. 3: International Experiences with Decentralisation.

Summary

- **Impact of Gram Sabhas:** An illiterate individual is 9% more likely to get a BPL card in villages where Gram Sabha meetings have been held.
- **Impact of Reservations for Women:** In West Bengal, where Gram Panchayats had a female President, women's participation in the Gram Sansad increased from 6.9 % to 9.9 %.
- **Impact of Reservations on SC/ST:** In West Bengal, on average, reserved SC villages receive 14% greater investments in public goods than non-reserved SC villages. In South India, SC/ST households in reserved Gram Panchayats are 7% more likely to access government schemes than those in non-reserved Gram Panchayats.
- **Points of caution:** In practice, Gram Sabhas have a poor record of performance across the country. Women and SC/ST's in particular are often denied the right to participate.

Recommendations

- Access to information can strengthen participation at the local level. Central and State governments need to create an enabling environment for participation by strengthening proactive disclosure under section 4 of the Right to Information Act;
- People are more likely to participate when there are tangible outcomes to participation. State governments need to ensure that grievance redressal mechanisms exist at the local level to take forward issues raised in Gram Sabha meetings;
- State governments need to support Gram Sabhas by incentivising Panchayats to hold Gram Sabha meetings regularly. Thought must be given to activating sub-committees linked to Gram Panchayats to mitigate the problems of large scale collective action;
- Capacity building of Panchayati Raj Institutions and training of elected representatives is essential to ensure better delivery of services at the local level.

By bring governments closer to people, decentralization or local governance is widely recognized as crucial ingredient to a participatory, accountable and therefore inclusive governance system. Decentralization results in smaller local governments that are better able to align decision making to the needs and priorities of people. Moreover, proximity opens opportunities for participation and better monitoring.

In 1992, the Government of India passed the 73rd and 74th amendment to adopt a decentralized model of governance. The amendments activated local governments by making it mandatory to conduct regular elections at the village, block, district and town level and significantly devolving powers and resources to these elected bodies. To strengthen participation and inclusion, the Amendments mandate the reservation of seats for women and Scheduled Castes (SC) and Tribes (ST) and that all rural local governments (Panchayats) hold Gram Sabhas (village meetings) at regular intervals.

But have these provisions promoted inclusive governance? How has the theory of bringing government's closer to people translated in to practice? This policy brief examines these questions in the context of new research on decentralization in India. The focus is exclusively on rural local governments or Panchayats.

Gram Sabhas and Inclusive Governance

"The Gram Sabha has become, arguably, the largest deliberative institution in human history and the heart of 2 million little village democracies which affect the lives of 700 million rural Indians..."
(Rao and Sanyal, 2009: 3)

Gram Sabhas are village meetings organised at least twice a year to discuss and take decisions on local development issues. All men and women above the age of 18 residing in the village are eligible to participate in the meeting. The track record of Gram Sabhas across the country is not very good. In most states, research shows that Gram Sabhas are either not held or are characterised by low participation rates. A household survey across 4 South Indian states found that a quarter of Gram Panchayats had not held a Gram Sabha in the previous year and that only 20% of households had ever attended a Gram Sabha (Besley et al, 2005).

There is however some empirical evidence that suggests that participation in Gram Sabhas results in positive outcomes. Firstly, Gram Sabha meetings encourage the participation of ordinary men and women in local decision making. Gram Sabha meetings are key forums where villagers can meet to discuss debate and challenge local decisions (Rao and Sanyal, 2009). In a typical meeting, different social groups beg, plead, argue and compete with each other to get a share of public goods and benefits (See Box 1).

Box 1: Anatomy of a Gram Sabha

- The average Gram Sabha lasts 86 minutes;
- On average 83 people attend out of a population that ranges between 2000-10,000 depending on the state;
- 1/3rd of participants are generally women and 37% belong to Scheduled Castes;
- Women and Scheduled Castes tend not to speak in Gram Sabha meetings;
- Upper castes usually do not attend but dominate discussions when they do attend;
- In Gram Sabha meetings, men and women argue and compete for better access to resources and benefits;
- Gram Sabhas are dominated by discussions about issues such as drinking water, roads, education, electricity etc.

Source: Drawn from Rao and Sanyal's 2009 study of Gram Sabha meetings in South India.

Secondly, Gram Sabhas play a key role in targeting resources and benefits at the village level. Empirical research suggests that participation in Gram Sabha meetings yields policy benefits. An illiterate individual is 9% more likely to get a BPL card in villages where Gram Sabha meetings have been held (Besley et al, 2005). Gram Sabhas also foster greater accountability at the local level. In West Bengal, high rates of Gram Sabha participation are associated with greater accountability of local officials to communities, low levels of 'capture' by elites and greater targeting of resources to vulnerable groups (Bardhan et al, 2008). Gram Sabhas thus play a critical role in fostering the inclusion of different social groups and in ensuring the equitable allocation of resources at the local level. It is therefore important for policy makers to think of ways to encourage and incentivise Panchayats organise Gram Sabhas more regularly.

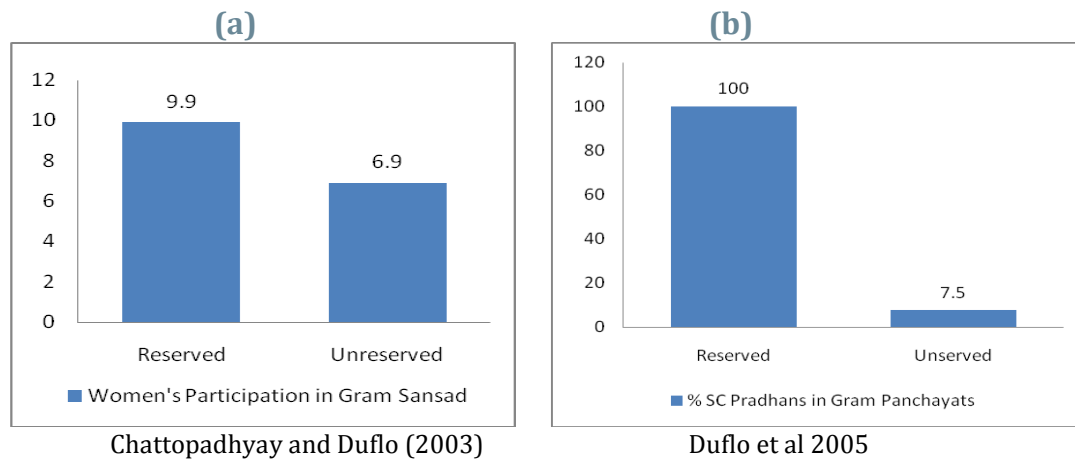
Reservations and Inclusive Governance

Reservations have resulted in a substantial increase in the participation of women and SC/STs in the political mainstream. The Ministry of Panchayati Raj estimates that of the 26 lakh elected representatives at various levels of local government, **10 lakh are women, 5.2 lakh SCs and 3.3 lakh STs** (2008a).

Reservations have had a mixed impact.

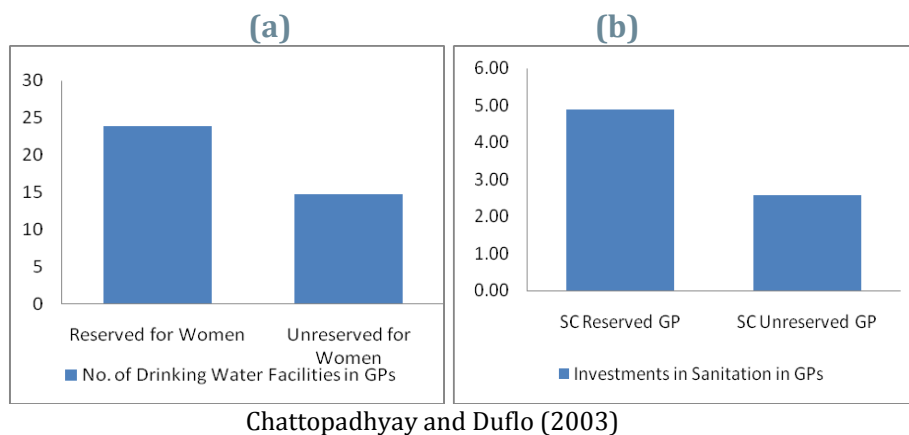
On the one hand, there are studies to show that reservations have improved women's participation in the public sphere. In an analysis of Gram Panchayats in West Bengal and Rajasthan, Chattopadhyay and Duflo (2003) found that reservations positively affect women's participation in local government. Women are also more likely to participate in villages where the elected representative is a woman. For example, in West Bengal, women's participation in the Gram Sansad increased from 6.9 % to 9.9 % where Gram Panchayats were headed by female Presidents (see Figure 1a).

Figure 1. Reservations have increased the participation in meetings



Reservations also have a direct impact on the participation of SC/STs. In West Bengal, Duflo and others (2005) found that only 7.5% of unreserved Gram Panchayats had elected SC Pradhans as opposed to 100% representation of SC's in reserved Gram Panchayats (see Figure 1b). When women and SC/STs participate in local government, they affect resource allocation in interesting ways. Research suggests that once elected to office women and SC/STs representatives invest more resources in the public goods that they want. In West Bengal, Chattopadhyay and Duflo (2003) find that women in reserved Gram Panchayats invest more resources in drinking water and roads as compared to schools (see Figure 2a). Most studies reveal that women in local government pay particular attention to addressing the needs and interests of women whether this means investing more in water, nutrition centres or children's education (Jayal, 2006). SCs in reserved Panchayats also invest more goods in SC areas. Chattopadhyay and Duflo find that reserved SC villages on average receive 14% greater investments in public goods than non-reserved SC villages.

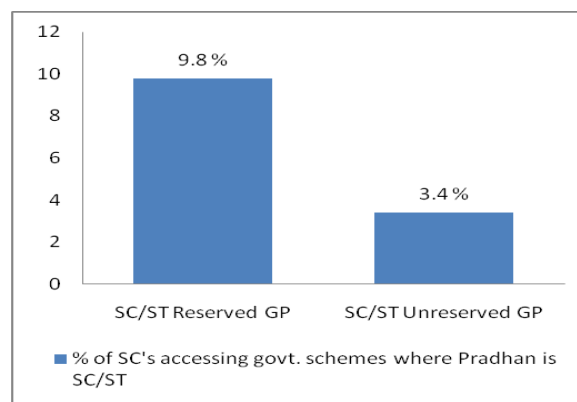
Figure 2. Reservations impact the allocation of basic goods and services



Research also suggests that mandated reservations for SC results in greater allocation of resources to these groups. Chattopadhyay and Duflo find that reserved SC villages on average receive 14% greater investments in public goods than non-reserved SC villages. SC Pradhans tend to increase the overall share of public goods such as drinking water, sanitation etc in SC areas (see Figure 2b). It has been estimated that on average, the share of public goods built in SC areas is 10% higher when the Gram Panchayat is reserved for an SC (Duflo et al, 2005). For villages in South India, Rao and others (2005) find that SC/ST households in reserved Gram Panchayats are 7% more likely to access government schemes than those in non-reserved Gram Panchayats (see Figure 3).

Figure 3. SC's benefit from Reservations by Channeling More Resources to SC villages

SC/ST households are 7% more likely to access government schemes in SC reserved GPs.



Source: Rao et al (2005)

But we also need to be cautious. Though reservations have created new spaces for women and SC/STs to participate in local government, in practice these groups are often denied the right to participate in local government due to the prevalence patriarchal norms, illiteracy and caste (Jayal, 2006). Institutionally, the inadequate devolution of powers to local governments, frequent rotation of seats and the two-child norm have prevented women from engaging effectively in local government (Ibid). The Government of India has recently agreed to amend Article 243 D of the Constitution to reserve 50% of seats for women in local government. While this is a positive step forward, the current scenario requires governments at various levels to work towards creating institutional environments that are conducive to the participation of women in government. In this context, training, capacity building and education of women and SC/ST representatives is important to ensure effective participation (MoPR, 2008b).

Strengthening Local Participation

In its sheer scope and size, decentralisation has taken participation in government to new levels. On paper, the 73rd Amendment has brought 26 lakh elected representatives into government at the village level (MoPR, 2008a). However, rates of participation vary greatly across states and social groups. As we have seen in most states Gram Sabhas are not held and the participation of women and SC/ST's in government is hampered by a

range of socio-economic and political factors. Governments at various levels need to take a series of steps to make decentralisation truly inclusive:

Creating an enabling environment: Central and state governments need to create an enabling environment for participation at the local level. Studies show that access to information influences local participation in important ways. In West Bengal, Bardhan and others (2008) found that high rates of participation in villages correlated with greater access to information and education rather than caste or land. Their study of 85 villages across 15 districts in West Bengal, found that 50% of households attended political meetings, 37% of households attended Gram Sabha meetings and 40% were aware of the activities of Gram Panchayats. Thus state governments need to improve access to information at the local level. One mechanism is to encourage Panchayats to proactively disclose information under Section 4 of the Right to Information Act 2005.

Fostering Responsive Panchayats: People are more likely to participate where local governments are responsive to their needs and interests. Research suggests that when local communities can see tangible benefits or results from attending Gram Sabha meetings, they are more likely to participate. Participation has to be linked to real time grievance redressal where local issues and problems can be debated and resolved. To foster responsive Panchayati Raj institutions, state governments need to ensure that grievance redressal mechanisms exist at the local level to take forward issues raised in Gram Sabha meetings.

Strengthening Gram Sabhas: Gram Sabhas are key forums where people can debate and discuss local development issues. State governments need to strengthen these local bodies by incentivising Panchayats to hold Gram Sabha meetings more regularly. Research also suggests that people often prefer to work in smaller groups where discussion and decision making is easier. For instance, in Uttar Pradesh, a study of people's participation in the Sarva Shiksha Abhiyan programme found that parents and teachers preferred to participate in smaller groups where they had greater control and say over the outcome (Banerjee et al, 2008). States should think about activating sub-committees linked to Gram Sabhas to overcome the problems of large scale collective action.

Capacity Building of PRIs: For the most part, Panchayats across the country lack the basic infrastructure, funds and training necessary to carry out their roles effectively. Panchayat Officials and elected representatives lack the basic skills necessary to organise and supervise local government activities. In this scenario, governments need to work towards strengthening the capacity of Panchayati Raj Institutions and elected representatives to better deliver services and benefits at the local level. Regular training and capacity building of elected representatives is critical to ensure their effective participation and role in local government.

Conclusion

Decentralisation in India has set millions on the path towards inclusive governance. The reforms have created legal spaces for people to participate in local government and influence decision making. When functioning effectively, Gram Sabhas provide local

communities with platforms to discuss and debate local decisions. Reservations have also brought lakhs of women, Scheduled Castes and Scheduled Tribes into government and given them the opportunity to guide and direct policy decisions at the local level. The onus is now on governments at various levels to tackle the existing roadblocks in order to realise the true potential of these reforms and usher in a new era of inclusive governance. Empirical evidence and research debunks the idea that nothing works at the local level. What this research also tells us is that when Gram Sabhas are held and when women and SC/STs do participate there are positive outcomes at the local level. Policy makers and governments need to come up with innovative tools and mechanisms to encourage and incentivise participation at the local level.

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