

# Recent Reforms in the Panchayat System in West Bengal Toward Greater Participatory Governance?

*The experience of West Bengal under the panchayat system stands in sharp contrast with that of other states and, together with land reform, it has been credited for playing an important role in the impressive economic turnaround of the state since the mid 1980s. West Bengal is the first and the only major state to have had timely panchayat elections on a party basis regularly every five years since 1978. However, despite its pioneering status in terms of reforms of the panchayat system, West Bengal lags behind several other states today in terms of devolution of power, finances and functions to the panchayat. Also, the extent of people's participation in the planning process is significantly less compared to that in Kerala. This paper studies a particular component of a set of recently introduced reforms of the panchayat system in West Bengal that is aimed precisely at addressing this concern – the introduction of mandatory village constituency (gram sansad) meetings.*

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## I Introduction

A very unique and large-scale experiment in economic and political decentralisation was introduced in the late seventies in the Indian state of West Bengal. The provision and maintenance of all local public goods, and implementation of most local public projects were handed over to formally elected village councils (gram panchayats). Previously, these functions were discharged by bureaucrats working under state and central governments, a system that received widespread criticism as inefficient, corrupt and inequitable. The historical roots of this system go back to the colonial period. As Dreze and Sen (1995, p 106) point out, while hierarchical centralisation might have been necessary for a handful of foreigners to administer a large and potentially rebellious population, there was no good reason for it to have been consistently perpetuated by the successive governments of independent India. There is much evidence that the poor functioning of local public services in India relates to the centralised and non-participatory nature of their management. Moreover, there is little scope for citizens to

voice their demands and criticisms in the formal institutional structures [Dreze and Sen 1995, pp 105-07]. While education, health and poverty alleviation programmes take up a fair share of the budgets of the central and the state governments, a rather small fraction of the benefits trickles down to the intended beneficiaries because of corruption at various levels of the government. It is common to observe the serious problem of absenteeism of salaried teachers in rural public schools and of doctors in rural public health clinics [Bardhan 1996, pp 141].

The experience of West Bengal under the panchayat system stands in sharp contrast with the other states in India and together with land reform it has been credited for playing an important role in the impressive economic turnaround of the state since the mid 1980s [Rawal and Madhura Swaminathan 1998]. It is the first and only major state which has had timely panchayat elections on a party basis regularly every five years since 1978, a year after the Left Front government was elected to power in the state. The Left Front government in West Bengal has not postponed or rescheduled panchayat elections even when electoral compulsions dictated otherwise unlike other states, including

those where the panchayat system has otherwise made significant progress, such as Kerala and Karnataka [Mathew 2001]. Numerous studies have showed that for anti-poverty and employment generation programmes that are funded by the federal government and therefore provides a basis for inter-state comparison, West Bengal stood out in terms of reaching target groups and being relatively free of corruption [Gazdar and Sengupta 1997]. The involvement of the villagers in construction and supervision has led to dramatic reduction in costs of public projects (e.g. minor irrigation services) compared to the previous arrangement where these projects were awarded to private contractors from outside the area [Mookherjee 1998].

However, despite its pioneering status in terms of reforms of the panchayat system West Bengal lags behind several other states today in terms of devolution of power, finances, and functions to the panchayat. Also, the extent of people's participation in the planning process is significantly less compared to that of Kerala where under the ambitious People's Plan Campaign launched in 1996 villages were directly empowered to prepare detailed development plans that are then put to vote in

popular village assemblies. For detailed discussions of the Kerala case see Isaac and Heller (forthcoming) and Isaac (with Franke, (2000). It is true that the very durability of the panchayat reforms in West Bengal has enabled detailed studies to reveal many of its shortcomings compared to Kerala where the reforms started almost two decades later. Nevertheless, the need for reforms that will bring the panchayat system in West Bengal closer to the ideal of participatory governance, something that goes beyond the mere right to vote elected officials out of power every five years, is widely recognised [Government of West Bengal 1995].

In this paper we study a particular component of a set of recently introduced reforms of the panchayat system that is aimed precisely at addressing this concern – the introduction of mandatory village constituency (gram sansad) meetings. These are public meetings held twice every year at the lowest possible level of the panchayat system participated by elected members of the village council and their constituents. The goal of the meeting is for villagers to: (i) discuss local needs, suggest new programmes and allocate existing funds among competing needs; (ii) discuss selection of beneficiaries of anti-poverty programmes and logistical issues concerning sanctioned schemes (e.g., location of an irrigation project); and (iii) monitor and review the performance of elected representatives regarding the implementation of public projects and use of public funds. They also have access to the accounts of expenditure and are able to question elected officials for the use of public funds and implementation of public projects.

Except for some anecdotal accounts, little is known about who participates in these meetings, what issues are discussed, and whether women and members of backward castes actively participate in the proceedings. With these questions in mind we observed the functioning of these meetings in a cross section of 20 villages in May 1999 and interviewed a number of villagers in each village after the meeting including those who attended the meeting and those who did not. We report our findings in Section III of this paper. In the next section we give a brief description of the organisation and functioning of the panchayat system in West Bengal for those unfamiliar with it. In Section IV we make some general observations comparing the West Bengal experience with decentralised governance with that of Kerala where major reforms were initiated almost two decades later, but were more far reaching in some

respects. Section V concludes with a discussion of ongoing plans to develop further the current system in West Bengal in terms of participatory decision-making.

## I

### **Panchayat System in West Bengal – A Brief Outline**

#### II (1) *Organisational Structure of Panchayats*

The panchayat system as a form of local self-government has been embodied as an ‘aspiration’ in the 1950 Constitution. In practice it was devolved to the states for implementation [Datta and Datta 1995]. Almost no action was taken on this matter by any state till the late seventies and early eighties when opposition parties were elected to power in some states, notably West Bengal and Karnataka.

After a decade of political violence and upheavals, the Left Front (LF), a combine of leftist parties led by the Communist Party of India (Marxist) (known as the CPI(M)) came to power in 1977 on the promise of vigorous agrarian and political reform. Its agrarian reform programme involved forceful implementation of existing tenancy laws that gave security of tenure and a legally stipulated minimum crop-share to tenants, and distributing land-holdings above the legally permitted limits from landowners to small and marginal farmers as well as the landless rural poor. In terms of its achievement on both these counts it is by far the leading state in the country [Gazdar and Sengupta 1995, p 136]. Its political reform programme consisted of empowering the three-tiered panchayat system with a gram panchayat (village council) for a cluster of villages at the bottom, a panchayat samity covering the area of a block, and a zilla parishad for the district.

Table 1 gives an idea about the various panchayat units and their area of operation. The lowest level of electoral unit in the panchayat system in West Bengal is the gram panchayat or village council which covers around 10-12 villages totalling around 10,000 residents. It has 15-20 seats of representatives elected every five years. In the 1998 elections, there were 3,226 gram panchayats or village councils in West Bengal with 49,199 members. An electorate composed of around 700 voters elects each member. This village council is headed by a ‘pradhan’ (chief) and an ‘upa pradhan’ (‘deputy chief’) elected from amongst themselves by the gram panchayat members. At the ground level, the village

council is a very powerful and influential body, wielding effective control over substantial resources and political power.

Above the village council, there is the panchayat samity (PS) at the block level. Each PS covers, on an average, about 115 villages and a rural population of about 1,65,736, of whom 1,01,387 are eligible voters. In 1998, there were 329 PSs in West Bengal with a total of 8515 members, all elected by the people. An elected sabhapati or (president) heads the PS. The once all-powerful bureaucrat at this level, the block development officer (BDO), is now an executive officer to the panchayat samity. This provides a direct linkage of the panchayats with the administration. It also allows a popularly elected body to exercise some control over the administration.

At the highest level, there is a zilla parishad (ZP), one for each district. In 1993, there were 16 ZPs with 873 elected members. The head of the ZP, the sabhadhipati, enjoys the rank of a minister of the state government.

#### II (2) *Reform Agenda of Left Front Government and Panchayats*

The first panchayat elections were held in 1978. The Left Front leadership realised that their success or even sheer survival as an administration depended on dislodging the landlord-moneylender class who yielded enormous power in countryside. However, their legitimacy as a democratic regime meant eschewing radical methods. Here they were immensely helped by the presence of laws regarding land tenure and empowering panchayats that were enacted by successive administrations of the Congress Party but were never implemented seriously. In this instance there was a rare coincidence of the electoral compulsions of a political party with its ideological commitment to egalitarian reforms and this explains the political will and seriousness with which the administration carried these out.

The Mukarji-Bandyopadhyay Report points out how the stranglehold of the landowners had already received a jolt through massive drives in 1967-70 under the two United Front governments for detection and taking over lands that had been clandestinely retained by landowners, violating the land ceiling laws. Over a million acres of good agricultural land was taken over during 1967-70. This considerably weakened the hold of the big landlords who had traditionally led the rural society. Thus, when the first panchayat elections took place in 1978, the power

structure in the rural areas had already altered considerably. "As a result, instead of empowering the already-powerful panchayats in West Bengal placed power in the hands of newcomers who could be relied upon to implement land reform measures faithfully. In this way, land reforms and the panchayats supported each other" [Gazdar and Sengupta 1997]. Without agrarian reforms it is very likely that the panchayat system would be dominated by the rural landowning elite in spite of the elections.

In turn, the panchayats played an active role in the enforcement of the agrarian reform programme of the LF administration. This involved identifying the beneficiaries, supporting them against possible threats by the landlords, and helping the land bureaucracy register the leases of sharecroppers so as to enable them to take advantage of the tenancy laws [Gazdar and Sengupta 1997].

Unlike any other major state in India, elections to all three tiers of the panchayat system have been held on a regular basis ever since the LF assumed power and keenly contested by all political parties. In all the last five elections, the CPI (M) led Left Front and its constituents have retained their overall hold over the panchayat system at all levels. The LF's share of village council seats have ranged between 60 per cent and 70 per cent (Table 2) and it has obtained a much higher share of seats at the two upper levels which has given it an overwhelming control of the panchayat system.

Still, there is considerable competition among members of the LF at the village level and also, there are many village councils which are dominated by opposition parties. Also, the pattern of the relative proportion of village council seats going to the LF and the opposition suggest the presence of electoral cycles indicating some degree of anti-incumbency voting.

From the middle of the 1980s West Bengal achieved an impressive breakthrough in agricultural productivity which placed it as one of the fastest growing states in India. Contemporary observers have found that "...the visible signs of destitution are disappearing from West Bengal's rural areas" [Bandyopadhyay 1997]. Empirical studies have attributed a significant share of the gains in agricultural growth to a combination of these institutional reforms carried out by the LF [Banerjee, Gentler and Ghatak (forthcoming)].

The responsibilities of the village council have changed over time but typically include administration of public health, primary education, drainage and sanitation,

provision of drinking water, maintenance of public utilities, agricultural extension, irrigation, poverty alleviation, land reform, electrification, and housing provision. Resources for various poverty alleviation programmes are now distributed through the panchayats instead of the state-level ministries. More than half of the development expenditure of the state is made through the panchayats. While charges of leakage and partisan use of resources meant for poverty alleviation programmes are not unheard of, the situation is much better than many other states of India.<sup>1</sup>

Another distinguishing feature of West Bengal panchayats is that many people from the lower and middle rungs of the rural society, poor peasants, sharecroppers, agricultural labourers and school teachers for the first time came to hold seats of power and resource distribution in the rural areas. Sample surveys conducted after the 1978 elections suggested that 75 per cent of the elected representatives of village councils came from households owning less than two acres of land [Ramachandran 1997].

The 73rd amendment to the Indian constitution in 1993 required that socially

and economically weaker sections like scheduled castes (SC) and scheduled tribes (ST) should have representation in all levels of the panchayat in proportion to their presence in the district population. This amendment also reserved one-third of the seats at all levels of the panchayats for women. So far, the panchayats even in West Bengal were a male-bastion, women constituting hardly 2 per cent of the members. In the last two elections, a large number of women as well as members of SC and ST have started taking part in public affairs (Table 3). While there are instances of women candidates contesting as a proxy for their male family members, or not asserting themselves in panchayats still dominated by men, there are many instances of women taking an increasingly assertive role, an issue which we will address in the next section.

### II (3) *Deliberative Bodies: Village Constituencies*

Till the early nineties, the gram panchayat or village councils had little formal accountability to the people whom they represented. The only effective control the

**Table 1: Area of Operation of the Panchayat Units, Average Population and Number of Voters**

Panchayat Unit	Area of Operation	Average Population at Unit Level	Average Number of Voters at Unit Level (1998)	Average Number of Voters Per Seat (1998)
Gram panchayat	Cluster of 10-12 villages	16902	10339	678
Panchayat samity	Community development block	165736	101387	3917
Zillaparishad	District	3407945	1962154	46587

*Notes:* Based on 1996 population for all rural areas excluding Darjeeling district as estimated by Government of West Bengal.

*Source:* *Health on the March in West Bengal, 1995-96*, Government of West Bengal, 1997.

**Table 2: Per Cent of Seats by the Left Front and the Opposition (All Per Cent Rounded Off)**

Party	1978	1983	1988	1993	1998
<i>Gram Panchayat Elections</i>					
LF	69	60	73	64	56
Opposition	31	40	27	36	44
Total seats	46845	46153	52520	61010	49199
<i>Panchayat Samity Elections</i>					
LF	76	66	79	73	67
Opposition	23	34	22	27	33
Total seats	8467	8664	9128	9453	8515
<i>Zilla Parishad Elections</i>					
LF	92	74	91	89	87
Opposition	8	26	9	11	13
Total seats	648	678	658	656	716

**Table 3: Women, SCs and STs at Various Levels of Panchayats in West Bengal (1998)**

Level	Total Seats	Scheduled Castes	Scheduled Tribes	Women
Gram panchayat	49199	18	7	36
Panchayat samity	8515	17	7	35
Zillaparishad	716	17	7	34

*Source:* Directorate of Panchayats, Government of West Bengal.

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electorate could exercise was through their votes in the next election. The situation has substantially changed with the introduction of the institutions of the gram Sabha (village council level annual meeting of the voters) and the gram sansad (constituency level six-monthly meetings of the entire electorate of a constituency) in the early nineties, subsequent to the 73rd Amendment to the Constitution of the country in 1993. The gram Sabha or village council, comprising 10,000-15,000 voters, would have to meet once a year to review the proposed budget for the next year and the previous year's performance. The village council meetings cover a large number of voters and as a result offer them limited opportunities to exercise effective control over their elected representatives as well as to provide inputs to the planning process. We focus instead on the village constituency meetings. These meetings are held twice a year covering about 700 voters in which the elected officials and villagers meet in a public place to discuss local needs, new programmes, and choose beneficiaries of existing programmes, to review the past and proposed programmes, and inspect the accounts of expenditure and budgets. All eligible voters in a particular village constituency area (i.e., everyone who is 18 years or older) are eligible to attend the meetings.

The Village Constituency meetings are thus an instrument of direct participation of the people in the planning process as well as monitoring elected representatives. Under the laws, the gram sansads are

supposed to: (i) guide and advise the gram panchayats (village councils) in regard to schemes for economic development and social justice undertaken or proposed to be undertaken in its area; (ii) identify or lay down principles for identification of the beneficiaries for various poverty alleviation programmes; (iii) constitute beneficiary committees for ensuring active participation of the people in implementation, maintenance and equitable distribution of benefits of schemes in the area; (iv) mobilise mass participation for community welfare, and programmes for adult education, family planning, and child welfare; and (v) record its objections to any action of the village council chief or any member of the village council for failure to implement development schemes properly or without active participation of the people of the area.

The village constituency meetings might at first glance appear to be a purely consultative and monitoring forum vis-a-vis the elected panchayat representatives. However, they do enjoy a legal status. The village councils have to consider every resolution adopted at the village constituency meetings and decisions and actions taken on them will have to be reported at the next such meeting. If a village council fails to consider the constituency level meeting resolutions or fails to place the draft budget, statement of accounts and audit reports in such meetings, that would be considered a serious lapse and the auditors would declare all expenditures of the village council as illegal in their report.

As a result of this clause people participating in these meetings in effect do participate in actual decision-making and are not just mere advisors and monitors to the actual decision-makers. However, compared to the Kerala case the process that connects the people's deliberations to actual decisions is more indirect and subject to bureaucratic distortion.

The village constituency meetings are being held in West Bengal only for the last couple of years. Since 1998 meetings have been regularly held in practically all of the around forty-five thousand constituencies over the state.

## II Participatory Governance in Action: Village Constituency Meetings

### III (1) *Design of Study*

The village constituency meetings take place twice a year, in May and November. Our aim was to attend and observe the functioning of a cross section of these meetings in May 1999 and speak to a few villagers after the meeting including those who attended the meeting and those who did not. The observer, ideally, needed to be one who was familiar with the local situation and personally knew the people assembled. An NGO that had village-based workers in several districts of West Bengal assisted us select 20 villages from under its area of operation.<sup>2</sup> The interviewers selected for observations personally be-

**Table 4: Per Cent Share among Eligible Voters and among Those Present in Constituency Meetings\***

Village	Men		Women		SC		ST		Others		Muslims	
	Among Voters	Among Those Present										
Sitalia(1)	51	97	49	3	94	91	0	0	0	0	6	9
Sitalia(2)	52	97	48	3	48	69	30	18	21	12	0	0
Banstala	51	75	49	25	51	26	20	31	29	43	0	0
Madhabpur	59	93	41	7	32	33	4	7	31	35	33	24
Kantamari	55	84	45	16	77	82	5	4	10	14	8	0
Eganpur	60	100	40	0	70	100	28	0	2	0	0	0
Sadhupur	52	94	48	6	92	84	7	14	1	2	0	0
Pakhiralaya	51	87	49	13	64	61	1	2	34	30	1	8
Chandipur	52	89	48	11	55	25	5	15	40	60	0	0
Manmathnagar	56	91	44	9	44	34	24	16	32	40	0	0
Sonagan	52	100	48	0	11	11	1	3	88	86	0	0
Kalidaspur	53	71	47	29	100	100	0	0	0	0	0	0
Kalidaspur(south)	50	100	50	0	95	93	3	7	2	0	0	0
Dayapur	53	100	47	0	92	100	7	0	1	0	0	0
South Harishpur	57	76	43	24	43	60	38	29	19	12	0	0
Mathurakhand	55	96	45	4	80	90	5	5	15	5	0	0
Ganahar	48	100	52	0	51	35	25	15	24	50	0	0
Baptain	54	100	46	0	13	40	3	9	49	42	35	8
East Nimpur	51	100	49	0	39	19	43	71	5	0	13	10
Nimgachhi	54	68	46	32	33	35	46	46	21	19	13	6
All	54	91	46	9	58	55	15	13	23	29	4	3

\*All per cent rounded off.

longed to the areas where the observations were made. The small sample size and the fact that the sample was purposively chosen must be taken into account in interpreting our findings and applying them to West Bengal as a whole. Nevertheless, the exercise contributes in developing a methodology for a larger study.

### III (2) *Profile of Districts and Village Councils Covered by the Study*

The observations were carried out in 20 village constituency meetings located under village councils in five blocks of three districts of West Bengal (North 24 Parganas, South 24 Parganas and South Dinajpur). The 20 village constituencies are under 14 village councils. The 14 village councils taken together have 203 elected representatives or members. About 35 per cent of the members of these village councils are women, which is slightly higher than the percentage of seats reserved for women (namely, one-third). Except in two village councils, the Left Front has an absolute majority in the remaining 12. In all the areas covered the CPI (M) and its partner in the Left Front, RSP, are traditionally dominant.<sup>3</sup>

Of the 20 village constituencies whose meetings were observed all are not equal in size in terms of number of voters. The 20 constituencies, in all, have 30 members. The larger ones have more than one elected member of the village council. All the members of the village council are required to attend their village constituency meetings. Of the 30 village council members elected from the village constituencies covered by our study, about a quarter are women – all of whom listed their occupation as being housewives.<sup>4</sup> The average representative is male, 40 years old and agriculture is the main source of income. Also, a large majority of the members belong to parties that constitute the Left Front (RSP, CPI(M) and the CPI) with about 30 per cent of the members belonging to opposition parties (BJP, TMC, SUCI).

### III (3) *Participation Rates in Meetings and Profile of Participants*

The 20 constituencies have an average of around 940 voters each. The average number of voters per elected member of the village council from these constituencies is 628. The average attendance rates per village constituency was around 12 per cent, which is less than the average for

West Bengal as a whole (16 per cent). However, given that an attendance rate of 10 per cent voters is necessary for a quorum, it is not negligible. It is also to be noted that voters from the same village are often members of the same extended family or close-knit social network. A person attending the meetings (often the household head) is likely to represent the views of more than one voter, and so in terms of effective popular participation, the attendance rate may appear lower than it really is.

If we compare the composition of the eligible voters to those attending the meetings (Table 4) a striking fact is that these meetings were overwhelmingly a male-dominated event in spite of official policies targeted towards empowering women, such as reserving one-third of the seats in the village councils. Not that women did not come at all, but their participation level was extremely low – while men constitute 54 per cent of the eligible voters in these constituencies, among those participating in the meetings, 91 per cent were men.

Among the socially and economically weaker groups, the SCs and STs constitute the largest category. 'Others' include the relatively higher caste groups.<sup>5</sup> Taking all the 20 constituencies together, the 'Other' category, representing those who are not SCs and STs and are relatively better-off than them, is the only social category whose participation level was higher than their share among eligible voters.

Table 5 provides the occupational background of the voters who attended the

meetings. The largest single category is agricultural labourers (43 per cent) followed by farmers with less than two acres of land (41 per cent). Those with more land or had non-farming sources of income, who are also likely to belong to the 'Other' category, constituted about 16 per cent of those present.

A distinct feature of the village constituency meetings is that those who participated were largely members or supporters of some political party or the other (Table 6). Those who do belong to any political party kept away from the meetings. Second, without any exception, in each of the 20 constituencies, a majority of the voters who were present belonged to the party of the elected member, which was the Left Front in 65 per cent of the constituencies. Indeed, the simple correlation coefficient between the party of the elected member and the percentage of voters participating who belong to the same party is 0.95. Still, it would not be fair to conclude that there were no voices of opposition in these meetings. The average percentage of participants who did not belong to the party of the elected representative among all the twenty constituencies was approximately 20 per cent.

Our observers spoke the day after the meetings to a cross section of men and women who did not attend the meeting to find out the reasons of their absence. The typical responses from non-participants suggested that relatively affluent individuals do not attend these meetings because they do not see any immediate benefits as

**Table 5: Occupational Background of Voters Present in Village Constituency Meetings**

Village	Total Present (Number)	Percentage of Attendees		
		Landless Agricultural Labour	Marginal and Small Farmers	Others
Sitalia(1)	150	56.67	20.00	23.33
Sitalia(2)	65	61.54	30.77	7.69
Banstala	103	39.81	31.07	29.13
Madhabpur	54	31.48	46.30	22.22
Kantamari	93	43.01	32.26	24.73
Eganpur	9	0	66.67	33.33
Sadhupur	105	41.90	52.38	5.71
Pakhiralaya	157	41.40	43.95	14.65
Chandipur	55	63.64	29.09	7.27
Manmathnagar	380	46.84	47.89	5.26
Sonagan	75	13.33	26.67	60.00
Kalidaspur	120	50.00	32.50	17.50
Kalidaspur(South)	71	54.93	40.85	4.23
Dayapur	34	5.88	29.41	64.71
South Harishpur	42	59.52	40.48	0
Mathurakhand	112	5.36	69.64	25.00
Ganahar	200	65.00	35.00	0
Baptain	130	30.77	38.46	30.77
East Nimpur	21	23.81	38.10	38.10
Nimgachi	155	38.71	54.84	6.45
All	2131	43.27	40.87	15.86

they are not eligible for financial support under the various poverty alleviation programmes. Political minorities and those not directly associated with political parties stay away as they feel their opinion would have little effect. They feel that the dominant party would do whatever they want to do anyway. Members of backward groups (SC/ST) felt that they did not have much voice in their own party where the leadership consists largely of members of higher castes. Women, too, felt that they are not encouraged to participate. This is consistent with the finding of earlier studies [Webster 1992].

To summarise, there is some evidence that participation rates are particularly low for the relatively affluent, people belonging to opposition parties, women and minority groups. The negative wealth bias has to do with the fact that these meetings deal mainly with welfare programmes for the poor and not enough with investment in infrastructure. This feature, and the strong caste and gender bias shows up in the Kerala case as well as we discuss in Section IV and will be obstacles for any participatory effort in India. However, one has to remember that these patterns of participation reflect existing social and gender inequalities, which have a long history, and are present in even sharper forms in most other Indian states. One hopes that the process of decentralisation itself, and the reservation of seats for women and lower caste groups will lead to some progress on this count. Indeed, a recent study shows that the reservation of seats for women have had a significantly positive effect on the attendance of women in village constituency meetings, as well as their participation in the deliberations [Chattopadhyay and Duflo 2001].

### III (4) *The Deliberations*

Under the existing rules, each village constituency meeting should be conducted by the chief or the deputy chief of the village council of which the concerned village constituency is a part. The locally elected representatives or member/s must also be present. This allows the people to meet face to face with their elected representatives, provide their input into the decision-making process, and monitor the implementation of previous plans.

These deliberative meetings are centred around very practical and concrete problems within a village or cluster of villages: proposals for road repair, where should a tube-well be installed, who should receive loan, as opposed to broader issues which

political parties, trade unions or peasant organisations are concerned with such as economic liberalisation, privatisation of public sector enterprises, minimum wages, etc. These are conducted in forums where people at the lowest rungs of society are empowered to voice their opinions, criticise elected officials, and suggest solutions to practical problems. This has the advantage of exploiting local information and preventing leakage of funds due to patronage, corruption and bureaucratic inefficiency. In most of the meetings, the village council functionaries who were present gave an account of the work done in the last six months, i.e., since the November 1998 meeting. In several meetings, though not in all, the accounts for the previous year and budgets for the next year for the entire village council area were placed. Also, while deliberations are often characterised by lively debates, winners and losers, participants find reasons that they can accept in collective actions, even though it does not coincide with their most preferred choice.

We discuss the specific deliberations in terms of the following categories:

(1) *Agenda Setting*: In several meetings, participants demanded new programmes for their own areas. In Banstola village, where 60 per cent of the voters present were farmers of various categories, demands were raised for the installation of a deep tube well for irrigation, ensuring supply of good quality seeds and fertiliser and educating the farmers about new seeds and proper use of fertiliser and pesticides.

In Sadhupur, demands were raised for action to pump out saline water that had accumulated in some parts of the village. In Manmathanagar, women expressed their priority for drinking water supply. In Kalidaspur, the priority of those present was for repairing houses which were damaged in last year's storms. In Dayapur, people voiced their opinion for taking up a new road repairing scheme. In South Harishpur, demands were made for old-age pension under a central government programme, drainage, tube wells for drinking water and supply of good quality seeds.

Women participants in several villages (Sitalia (1), Banstala, and Manmathanagar) demanded increased opportunities for earning by women by funding skill-development training programmes and recruiting more women for wage-labour work in public programmes. In Banstala women demanded formation of committees consisting of only women to oversee women-related projects.

(2) *Designing the Projects*: This came out to be an area where deliberations were very limited, but there were several interesting instances. The choice of specific locations within a constituency for road building or digging of ponds were important topics of deliberation in several villages. In Kantamari the participants planned the physical details of a road repair project. In Madhavpur the people chose the stretch of road which would be taken up for repair work currently as a part of a larger road-repair project. In the same village the participants during the course of the

**Table 6: Political Affiliation of Elected Representatives and That of Voters Present**

Village	Total Repre- sentatives	Representative's Party	Member of Left Front (LF=1, Oppn =0)	Total Voters Present (Number)	Total Left Front (Per Cent)	Opposition/ Non-Left Front (Per Cent)
Sitalia(1)	1	CPI	1	150	86.67	13.33
Sitalia(2)	2	CPI(M) Spt Ind	1	65	89.23	10.77
Banstala	1	T M C	0	103	33.01	66.99
Madhabpur	1	CPI (M)	1	54	77.78	22.22
Kantamari	2	SUCI	0	93	24.73	75.27
Eganpur	1	T M C	0	9	33.33	66.67
Sadhupur	2	R S P	1	105	81.90	18.10
Pakhiralaya	3	R S P	1	157	90.45	9.55
Chandipur	2	R S P	1	55	81.82	18.18
Manmathnagar	2	CPI (M) and RSP	1	380	100.00	0
Sonagan	1	R S P	1	75	73.33	26.67
Kalidaspur	1	BJP	0	120	16.67	83.33
Kalidaspur(South)	2	BJP	0	71	9.86	90.14
Dayapur	1	T M C	0	34	32.35	67.65
South Harishpur	1	CPI(M)	1	42	88.10	11.90
Mathurakhhand	2	CPI (M)	1	112	77.68	22.32
Ganahar	1	BJP	0	200	25.00	75.00
Baptain	1	CPI (M)	1	130	84.62	15.38
East Nimpur	1	CPI (M)	1	21	100.00	0
Nimgachhi	1	R S P	1	155	61.29	32.26
All	-	-	0.65	2131	67.39	32.61

meeting decided the principles on the basis of which a pond re-excavation scheme could be taken up and chose a specific pond on the ground that it would have the maximum amount of benefit for the villagers. Whether the work should be undertaken in one or another part of the village sometimes divided the people. Some argued for a private individual's pond because the individual was ready to allow the people to use the water for bathing. But others insisted on a pond on public land. A similar problem arose in Manmathanagar where the participants were asked by the elected functionaries to decide on norms for distribution of irrigation water from a pond dug with panchayat funds. In a similar debate in Kantamari village, the village council chief proposed that a private individual's pond be selected for re-excavation. In return for letting the people use the pond for bathing, the individual should be allowed to use some water for irrigating his agricultural land. Water for irrigation being a scarce resource, many people objected to the proposal of the village council chief and it was finally agreed that the individual may be allowed to use the pond for growing fish.

(3) *Selection of Beneficiaries:* There are several poverty alleviation and welfare programmes for which the major part of the funds comes from the central government. In most states of the country, there is a high degree of leakage and corruption in the distribution of these resources. Selection of ineligible beneficiaries is also known to exist on a large scale. Even in West Bengal, till a few years ago, the selection of beneficiaries was under the control of the powerful leaders in the local village council. In recent years, particularly after the Village Constituency meetings started picking up, in many areas people themselves are participating in the process. Sometimes they directly identify potential beneficiaries. On other occasions, Beneficiary Committees are formed by the voters for selection of beneficiaries. For example, in Madhavpur, there was provision for support to two persons for a housing scheme. The participants themselves selected two very poor individuals. There was some apprehension that if money was handed over to them, it would probably be spent on other things. So the participants decided to supervise the work through a committee to ensure that money was properly spent.

In Kantamari, two individuals were selected for housing. But since a limited amount of money was available at that time, the participants decided who should

get priority. In Dayapur, the people were involved in long deliberations about a list of priority for a poverty alleviation programme. In Mathurakhand and Ganahar, the voters present formed a Beneficiary Committee at the request of the chair to oversee selection of beneficiaries and locations for various programmes.

(4) *Monitoring and Review:* Criticism by participants of past performance was a prominent feature of practically all the meetings. These related to:

(1) The poor performance and failure to implement programmes promised earlier drew severe criticism. Such criticisms were heard in more than half the villages. The members and other village council functionaries were asked to explain their poor performance. These ranged from failure to complete a road or drainage scheme, building of a culvert, installation of a tube well, re-excavation of silted canals, raising the river embankment for protection of fields from saline water, digging of a pond, to the inability to provide loans or houses for people who were selected for such programmes in the past.

(2) Not giving priority to the felt need of a constituency was another area of criticism. It could be repairing a road, digging of a pond or installation of a hand pump. In some cases (Madhavpur village) even the locally elected representative agreed with the voters and requested the village council chief who was present to change the priority of some programmes so that building of a culvert, considered urgent by the villagers, could be taken up before other programmes. In at least two villages, landless wage labourers stood up and demanded to know why schemes like road-building, pond digging which were meant to provide some employment to them were always taken up just before the monsoon rains when they would get work in agricultural fields anyway. They demanded that such activities should be taken up earlier, during the lean season when they do not have any work in the fields.

(3) The inadequate provision of money or non-release of money for schemes sanctioned earlier were criticised in several villages.

(4) The poor quality of the projects undertaken by the village council also drew severe criticism in several villages. In Sitalia(2), the villagers compared the poor development activities in their own village with development work in two neighbouring villages. In Kalidaspur, people grilled the village council representatives about the poor quality of road repair work

and the work for repairing the protective embankment on the river.

(5) Another issue around which there was heated discussion in some villages was the charge of corruption in programme implementation. In Sadhupur, the local panchayat had leased out part of a canal to a private individual. This created some heated discussion and people wanted to know about the nature of the deal and what would be done with the money. In Sonagan, people wanted to know about how much money has actually been spent on a drainage scheme in their village. In Dayapur there were charges of corruption in a road building project. It was pointed out that the labourers who worked on this poverty alleviation project were paid a lower wage rate than what was officially stipulated. In another village, Nimgachhi, there were angry comments and questions from the assembly of voters who charged that the cost shown for a road project in their village was inflated. That belonging to the same party does not necessarily mean that people would come and endorse whatever their party leaders said was evident in South Harishpur. There one wage labourer, belonging to the same Left Front Party that controls the village council, stood up and said that a sum of Rs 14,000 was sanctioned for building his house. The accounts showed that the money had been paid but he has actually been paid Rs 4,000. He demanded to know what has actually happened to the money. The chair and the local member hurriedly stood up and promised an enquiry within seven days.

(6) There were some instances where women and members of lower castes criticised the allocation of funds and design of projects to be insufficiently responsive to their groups. In Kalidaspur, women participants openly criticised the village council functionaries for diverting the money sanctioned for a nutritional programme for pregnant women for other purposes. The latter explained that the previous village council administration did not utilise these funds which were lying idle. Since there has been long delays in the disbursement of funds for several other important projects under the tenure of the current village council administration, they were reluctantly using these funds. At this point, they were criticised by the women participants for demonstrating the low priority they gave to projects involving. In East Nimpur village, members of scheduled tribes who have their own hamlet within the village demanded that their locality should be given more importance in road repair schemes.

(7) Inefficient utilisation of funds or injudicious utilisation of funds was another issue that generated deliberations. In Sonagan, a particular drainage project had been undertaken. The people of the village pointed out that the money was not being used properly and as a result wastage was taking place. In Dayapur village, a sum of Rs 10,000 was shown as office expenditure by the village council. Many pointed out that it was excessive and if this type of expenditure was allowed, soon there would be very little money left for development work.

### III (5) *Summary and Assessment*

Our discussion of the deliberations in the village constituency meetings suggest that review and monitoring of project implementation receives the highest emphasis, followed by agenda setting, and selection of beneficiaries. The impact of the deliberations on project design is not totally absent but surfaces much less frequently. The participants actively voice demand for new projects, suggest how allocated funds should be spent and debate how projects should be designed. The pradhan (village council chief) and the local representatives are questioned on the progress of implementation of projects, and often face allegations about misuse of funds and selection of beneficiaries. The response of the elected officials to these criticisms showed that they could not take the voters present in the meeting for granted. In some cases where there was overwhelming evidence in favour of the criticisms raised by the people, the village council officials admitted their error. For example, faced with a concrete charge of manipulating a beneficiary list in Sitalia (1) village, the elected representative and those present from the village council had no alternative to restore the original list on the spot. Sometimes the elected representatives and other village council functionaries gave a detailed account of the financial situation in respect of various schemes and tried to explain their poor performance in terms of delay of arrival of funds from the state government.

This represents a marked improvement over the previous situation where the power of the village council (gram panchayat) was totally concentrated in the hands of the pradhan. He was the sole authority to take decisions on how and where resources sanctioned for the village council area were to be utilised. The restraining factors were his assessment of popular reaction that would affect his chances in the next elec-

tions and also certain concessions he was obliged to make to other elected members of the panchayat (village council). For all practical purposes the pradhan was an extremely powerful man – there used to be a saying in the rural areas of West Bengal that Above there is God, and below there is the Pradhan. If the local representative belonged to the pradhan's own political party, then he could have some influence on the pradhan in getting funds allocated for his/her area. Even then, the common people remained generally ignorant. But if the local representative belonged to a rival political party, then the pradhan generally did everything to deny any benefit, beyond the bare minimum, to the area. The Pradhan's power could be maintained mainly by the fact that the common villagers were not privy to information about allocation of resources and there was no forum to voice their opinions and criticisms. The village constituency meetings seem to be an important institutional innovation to contribute to the ideal of participatory governance, although from our study we cannot judge how much of an effect it will have in making the allocation of resources responsive to public demand, or improving the implementation of projects.

## IV Comparing Panchayat Reforms in West Bengal and Kerala

The empowerment of panchayats in West Bengal in the late seventies when the Left Front first came to power can be viewed as something of a first generation effort in decentralisation in India. The subsequent reforms in West Bengal in the form of introducing participatory forums like the village constituency and village council meetings in the mid-nineties, and in Kerala in the form of the people's plan in the late nineties can be thought of as second generation efforts that learn from and progressively deepen the initial devolutionary reforms that have been in place in West Bengal since 1977. In the next section (IV (1)) we discuss the main differences between the second generation efforts carried out in West Bengal and Kerala during the nineties with respect to the original West Bengal model of the late seventies. Next (Section IV (2)) we try to understand the nature and causes of these differences. In Section (IV (3)) we discuss some common problems the experience of these two cases have thrown up.

### IV (1) *Two Different Models?*

There is much to admire in the achievements of West Bengal as a pioneering model of participatory government. It has enjoyed by far the longest and most stable existence among similar experiments carried out in other Indian states, including that of Kerala. Until very recently the people in West Bengal did not have as much access to information about development programmes and availability of funds for their own areas as they have today. The only control they had was the ability to vote elected officials out of power every five years. While this was a marked improvement compared to other Indian states, it was quite far from the ideal of participatory governance. With the introduction of the system of mandatory village constituency meetings the people participate in deciding the kind of programmes that should be undertaken in their villages and who should get priority for specific programmes, and question elected officials on the use of public funds and implementation of public projects.

However, the performance of West Bengal in terms of devolution of power, finances, and functions to the panchayat has not been satisfactory. A recent interstate study of panchayats by Jain (1999) covering all the major states put West Bengal not only behind Kerala but also Madhya Pradesh and Karnataka on indicators such as the power to prepare local plans, transfer of staff, control over staff, transfer of funds. In particular, the extent of devolution of state government funds and programmes to the panchayat level and the extent of people's participation in the planning process in West Bengal is significantly less compared to that of Kerala. Starting in 1996, about 40 per cent of the state government controlled funds were devolved from the bureaucracy to panchayat village planning councils (in addition to the central government funds which have been devolved in West Bengal as well) in Kerala and the People's Plan Campaign was launched to directly involve the people in the planning process at the grass roots level [Isaac and Heller (forthcoming)].

Furthermore, a committee set up by the West Bengal government itself has criticised the district level planning process involving the panchayat system and state bureaucracy for lack of coordination and insufficient participation of the people, or their elected representatives at the village level. Currently the three-tier panchayats and municipalities in a district prepare a

plan on the basis of mostly central government provided funds (about 75 per cent) targeted towards poverty alleviation and similar programmes. While nominally 50 per cent of the state budget for development expenditure has been devolved to the panchayats, the departments of the state government continue to have a dominant role in planning and implementation. The state government bureaucracy hands out district plans to district officials and lower tiers of panchayats have no say in the allocation of these funds or the implementation of these projects, unless they are requested to lend a helping hand. The amount of money spent through this channel is much more than that is directly handled by panchayats. Also, there is little attempt at coordinating between these two sets of plans at the district level [Government of West Bengal 1995, p 6].

#### IV (2) *What Explains the Difference?*

*Institution Design Issues:* There are significant differences between the Kerala and West Bengal models in terms of the extent of people's participation in the planning process. However, it is important not to take a simplistic view that greater devolution and participation of people in the planning process automatically translates into greater welfare and hence framing the whole discussion in terms of how to increase this element in West Bengal. Indeed a case can be made that the current models observed in West Bengal and Kerala are both imperfect institutional ways of grappling with the costs and benefits of decentralisation.

Suppose one takes an abstract look at the planning problem as one of mapping the preferences and needs of the people of a certain area (say, residents of a village) to formulation and implementation of projects while making sure that the plans of different areas are consistent with each other in terms of technology (forward and backward linkages, positive and negative externalities) and resources (considerations of equity would dictate transfer of resources from richer to poorer areas).

Given this planning problem, the costs and benefits of the centralised and decentralised institutional modes of implementation can be summed up as follows. In the centralised model bureaucrats plan on behalf of the people, and are in charge of implementing these plans. This has the twin advantages of using the talents of those with the required training, expertise and experience to take their decisions free

of political interference or populist pressures, and achieving better coordination of plans across different jurisdictions. There are two significant disadvantages of this approach. First, it is difficult for outsiders to elicit local information in the first place (local residents may have an incentive to overstate their needs or understate their resources) or to react fast to changes in local needs and conditions. The second problem is that of accountability: the problem of motivating those in charge of formulating and implementing the plan to take actions that are in the best interests of the public and not for their own financial or political self-interest.

Decentralisation, a radical version of which is Kerala's 'people's plan', empowers the public to formulate and implement the plan and hence allows better acquisition and use of local information and preferences and better monitoring of the implementation of these projects. But it has the disadvantage that the people may lack the expertise needed for planning or implementation. It has been pointed out that many villages failed to produce plans, the plans that were submitted were often of very poor quality, and having a pronounced populist and welfare bias as opposed to asset creation. A somewhat successful safeguard was in the form of voluntary technical committees consisting of retired technical experts. These not only provided much needed technical expertise but also financial discipline [Das 2000]. The fact that non-elected quasi official bodies have the right to scrutiny, alter or even veto plans and programmes prepared by the people or their elected representatives may seem to be in contradiction with the ideal of participatory governance. But it does lend credence to the thesis that decentralisation has both costs and benefits, and therefore needs some institutional checks and balances just like centralised governance does. The key issue is to strike a balance between popular participation in the planning process and expertise. In the case of West Bengal, with the introduction of the village constituency meetings, this has taken the form of experts doing the planning and implementation and people's bodies having a consultative and monitoring role.

The second serious problem associated with decentralisation is that of coordination across different plan units. We have already mentioned the criticism of the West Bengal model of partial devolution in terms of lack of coordination between village level panchayat plans (which receive direct inputs from the people) and the plan pre-

pared by the state government bureaucracy. The problem of coordination between plans of the different tiers of the local bodies and that of the state government shows up in the Kerala model as well [Isaac 2000, p 25]. This has caused a sympathetic observer of Kerala's people's plan to express the apprehension that: Is it not just likely that 900 panchayats will spend money in uncoordinated and unproductive ways, concerned to build a toilet block here and a piped water supply there, but with no overall plans for investment that will lead to sustained production and employment? [Jeffrey 2000, p 4324]. Indeed, the Kerala planning board pointed out that there were many instances of duplication of planning activities and also critical gaps between the various tiers. Even when the projects and plans were available, it was realised that most of them had to be examined closely for their technical soundness and financial viability [Government of Kerala 1998, p 201].

*Political Factors:* The design of institutions of participatory governance is not merely an abstract planning problem, but a political process. A political party might be ideologically committed to decentralisation and participatory governance. It is also likely to care about electoral success and maintaining its power base and these two can be in conflict with each other. Also, while decentralisation increases the political accountability of elected officials it also significantly increases their powers, and hence could lead to capture of governments by the local elites in societies characterised by extreme poverty and inequality such as in rural India. In this section we briefly discuss how political factors determined the initiation of these reforms in West Bengal and Kerala and their relative success compared to other Indian states, and also how these shaped their subsequent contrasting developments.

While all political parties in India pay lip-service to the virtues of empowering panchayats no action was taken on this matter by any state till the late seventies and early eighties when opposition parties defeated the ruling Congress Party in some states, notably West Bengal and Karnataka. Empowering the panchayat system was viewed as a strategy to enhance their electoral strength at the grass roots level. The success of these experiments created a demand for making such reforms mandatory in other states at the national level resulting in the constitutional amendment in 1993 that envisaged empowering the three levels of panchayats and reservation of seats for scheduled castes and tribes,

and women. Although all states were required to pass or amend their panchayat legislation by 1994, the extent of devolution of power and finances was left at the discretion of individual states. Up until now, apart from West Bengal and Karnataka, only two major states, Kerala and Madhya Pradesh have taken significant action in this regard. The relative success of West Bengal and Kerala within this group of states in terms of pro-poor outcomes is attributed to the greater commitment of leftist parties to the empowerment of the poor, both for ideological and electoral reasons. In addition, as mentioned earlier, a common enabling factor has been successful land reform policies, built on the political campaigns by leftist peasant organisations over the years. In contrast in Karnataka, where the centrist Janata Party undertook early attempts to empower the panchayats in the nineteen eighties, critics have alleged that decentralisation has led to political capture by middle peasants and rural elites, although a mitigating factor has been the mandatory reservation of seats for lower castes who tend to be poor [Crook with Sverrisson 1999]. In addition, leftist parties tend to be more disciplined with little factionalism which dogs other parties such as the Congress and reduce the attractiveness of decentralisation [Crook and Manor 1998].

We now turn to the issue of why Kerala that started these reforms much later, has been able to carry these much further than West Bengal. First of all, the overall economic conditions of the two states have been very different. The rapid economic growth in rural West Bengal following the initial round of reform (devolution to panchayats and limited land reform) has improved standards of living dramatically, and this has tempered popular demand for further reform. In contrast, in Kerala the newly-elected LDF government faced a severe economic crisis that has been brewing for quite some time and called for drastic measures. Despite having outstanding literacy and life expectancy rates, Kerala has experienced very low growth rates of per capita income, high unemployment, and stagnant agricultural productivity which stand in sharp contrast to West Bengal. As the remittance of migrant workers in the Gulf countries of west Asia fell sharply in the early nineties, the administration was faced with a budgetary crisis that threatened welfare programmes that characterise the celebrated Kerala model. The radical decentralisation begun in 1996, despite serious opposition by government employees, has therefore been

seen by some observers as a desperate bid to break out of Kerala's development crisis [Isaac 2000].

Secondly, the political environments in these two states are very different. In Kerala the electoral competition between the left and the centrist coalition led by the Congress is much more intense. Almost no administration has had a long and continuous tenure in Kerala. This is a far cry from West Bengal, where the Congress Party governed continuously till the mid-1970s (except for a short three-year period during the turbulent sixties) and ever since, the LF government has been re-elected for a record six consecutive times in state-level elections. Gaining some electoral advantage in this very competitive environment was one motivating factor behind the 'big-bang' approach to reform undertaken by the LDF when it was elected to power in 1996. Indeed, redistributing power and resources away from the state government, where the hold of the LDF is uncertain, to the local government can be viewed as a rational political move. In West Bengal given the LF's secure tenure at the state government level, the need for such radical reform is much less from this point of view. Recent state level election results seem to bear this out. In the recently concluded state level elections in May 2001, while in West Bengal the LF was re-elected with a large majority for the sixth time since 1977, in Kerala the rival to the LDF, the United Democratic Front (UDF) led by the Congress Party won by a large (two-thirds) majority.

Third, the early success of the panchayat reforms in West Bengal has generated some political forces that stand in the way of further, more radical, reform. The changed power structure in rural areas, and economic success has translated into significant electoral gains for the LF. In all of the five panchayat elections the LF has won with a large majority. A coalition of white collar employees (school teachers, government employees) and middle peasants, the so-called rural middle strata have emerged as an important power base in the party and they resist further devolution of power that a true people's plan would entail. Echeverri-Gent's study of Midnapur district showed that 65 per cent of the elected leaders of the gram panchayats were white-collar employees (mainly school teachers) [Echeverri-Gent 1992]. This argument is clearly confirmed by the experience of the first major (action research) experiment in people's participation in development planning at the village level that was carried out extensively in

766 villages and intensively in 40 villages on a pilot basis in Medinipur district of West Bengal in 1986, 10 years before the people's plan was launched in Kerala.<sup>6</sup> This was a result of collaboration between the Rural Development Centre of the Indian Institute of Technology, Kharagpur, the zilla parishad of the district panchayat and the District Planning Committee. Despite the tremendous potential of the experiment, it fizzled out due to a host of reasons. Those intimately associated with the experiment<sup>7</sup> identified a few factors that were found to be obstacles to the experiment and its further expansion. Firstly, the elected panchayat representatives felt threatened that their newly acquired status would be eroded by direct empowerment of the people and their involvement in the planning process. Secondly, a large part of the panchayat members as well as leaders and functionaries of political parties were employers of wage labour and they felt threatened by the prospect of the empowerment of the working people.

#### IV (3) *Some Common Problems*

*Accountability and Financial Discipline:* While participatory governance of the kind being experimented with in West Bengal and Kerala have undoubtedly improved the accountability of government officials and elected representatives, it has brought about an accountability problem of a different kind. Panchayats depend almost completely on the central and state governments for funds and raises a negligible amount of revenue themselves. Even if there is no leakage in the form of corruption, the village councils as a whole have less incentives to focus on the social returns from how they have spent these funds (or to assess their performance in this regard) as they do not have to raise even a fraction of these funds. The negative incentive effects of such a soft budget constraint is well known from the literature on public sector enterprises and socialist economies [Kornai 1986].

In this case of Kerala critics have pointed out that the local bodies were burdened with too much of money which they were ill-equipped to make use of. Traditionally cash-strapped panchayats suddenly found themselves having more money than they could handle and in the first year could not use the full amount of the allotted funds despite being overly generous with the allocations. There has so far been no performance assessment of how these funds are being used by an independent body [Das 2000].

In West Bengal where the extent of fiscal devolution from the state government to the village councils is lower than that of Kerala, this problem manifests itself in the form of total dependence of the progress of all projects on the flow of outside funds. This is echoed in most of the responses given by the village council officials in response to questions about slow progress of implementation of projects. The reluctance of village councils to raise revenues locally has been pointed out to be one of the main reasons for failure of fiscal decentralisation in India [Echeverri-Gent 2000]. This stands in sharp contrast with decentralised governance in other parts of the world, including the well known case of Porto Alegre in Brazil [Santos 1998]. An analysis of the annual budgets of village councils (gram panchayats) in West Bengal from which the 20 constituencies covered in this study were chosen, show that a village council raises on its own an average of 2-4 per cent of the money spent by it a year. A recent study showed that funds raised by the gram panchayats was only 8 per cent of its income. In contrast funds from the central government for financing work on all types of infrastructure was 31 per cent and funds received from the state government for the operating expenses of the GP was 33 per cent.<sup>8</sup>

The main reason behind the panchayat's reluctance to raise resources locally is popular opposition to rural taxes which is partly a consequence of the historical association between agricultural taxation and colonial oppression. In the post-colonial period through its extensive subsidies, a good chunk of which has been cornered by the lobby of rich farmers, the government has created a popular attitude that demands services without payment. This is an area where reform is necessary for the long-term success of participatory governance in terms of accountability and efficient investment. Some economists favour user fees in the case of infrastructure delivery over local taxation. This is because, if capture by local elites is a major concern, their control of the locally raised tax revenue could lead to significant over provision of services that they value relative to those valued by the poor. In this scenario, user fees represent a useful compromise between the advantage of decentralisation in making service delivery reflect local needs, and prevent leakages, yet make sure that the costs of these services are distributed efficiently and equitably [Bardhan and Mookherjee 2000]. An innovative example of such reform is provided by an experimental scheme in

West Bengal under which tube-wells were constructed with state funds which were then handed over to poor farmers to manage and maintain completely on their own with the help of user fees [Bardhan 2000].

In both West Bengal and Kerala participatory governance essentially involves greater involvement of villagers in deciding how to spend money received from outside, and ensuring it is spent well. This is a huge improvement over the centralised bureaucratic model adopted elsewhere in India, and in these states during the earlier era.<sup>9</sup> However if local governments raise a minimum amount of the resources from the local area, this would give them a degree of autonomy in relation to the central and the state governments (irrespective of who comes to power) and also provide the economic discipline that is required to efficiently produce local services [Hommes 1995, pp 345-46].

It can be argued that in both Kerala and West Bengal there is evidence that in-kind resources especially unpaid labour time are provided locally, both in implementing and monitoring panchayat projects. However, unpaid labour or labour paid at rates less than the market rate cannot be a good substitute for taxes raised locally. Apart from other things, it is generally the poorer sections of the community who would end up contributing most of free or partly paid labour, allowing the relatively better off section free ride on them.

*Populist Bias and Partisanship:* Greater decentralisation of decision-making can in principle degenerate into decentralisation of patronage and competitive adoption of populist policies. Under a centralised arrangement there is some outside monitoring of use of funds in terms of social priority and technical and financial viability by official agencies. This is of course subject to problems of corruption and inefficiencies that imply a large gap between ideal and realised allocation of resources. In the models of decentralisation offered by West Bengal and Kerala there is much less scope for this sort of leakage and indeed this supported by independent observers. But because political parties compete in panchayat elections, and the winner has direct control over the substance of the village level plan, as well as the selection of beneficiaries, the panchayat system in both states have been criticised for the politicisation of the planning process and the implementation of public projects.

In the case of Kerala it has been pointed out that there is a pronounced populist and welfare bias under the peoples' plans as opposed to asset creation in the allocation

of funds. According to independent observers, while many village panchayats have done an impressive job, more than half of all the village panchayats have not been able to show much beyond spending money on individual beneficiary-oriented programmes such as distribution of seeds, livestock, housing grants, books, umbrellas, shoes, and utensils. Of the total plan expenditure only 20 per cent is under the head of infrastructure which almost wholly consists of roads and bridges [Kannan 2000].

Apart from having a bias towards consumption as opposed to investment-oriented such an allocation pattern of expenditure leaves ample scope for political patronage. In the case of West Bengal our case study (as well as those of others, such as Lieten 1996) suggests that while direct corruption is not widespread, the selection of beneficiaries is often along political or social lines. This seems to be a problem for Kerala as well [Kannan 2000; Das 2000].

In both cases non-beneficiaries have been disillusioned with the process and have distanced themselves from everything including attending village constituency meetings. This brings us to the problem of low participation. We have already discussed in detail the problem of low attendance of village constituency meetings in West Bengal. There a single-member constituency has, on an average, less than 700 voters. Even though so few people are involved, participation rates are low, especially for women and other minority groups. Those who do not belong to the ruling political party mostly stay away. Those who do not see any direct benefit for themselves stay away. Even a section of the poor stay away because they do not belong to the right political party or they are busy trying to earn their living. This is a problem for the Kerala case as well. The attendance in gram sabhas, while very high initially has declined significantly, and there were many cases in which the meeting could not be held because of lack of quorum [Das 2000, p 4302]. Women and members of lower castes were insufficiently involved in spite of attempts to ensure their participation [Isaac and Franke, 2000, pp 227-28; see also Raju 1998].

What are the solutions of the problems noted above? We offer some conjectures on the basis of reports about the experience of the panchayats that have been most successful in implementing the people's plan programme in Kerala and the results of the recently concluded panchayat elections in the state. According to observers

it was often the individual initiative of the respective panchayat presidents and other officials that made all the difference behind the success stories in Kerala (eg, the Mattahur panchayat in Thirussur district) [Das 2000, p 4303]. These leaders tried to reach across political, economic and social divides and pushed for programmes that would create assets as opposed to political patronage often going against the wishes of the local party leaders. These success stories were largely in CPI(M) controlled panchayats. However, the party actually lost in most of these panchayats in the recently concluded elections in 2000. Overall in the state, the performance of the LDF was very disappointing, especially given the high expectations following the People's Plan campaign – while its share of panchayat seats increased marginally, the number of local bodies under its control has dwindled sharply to 418 from 588 last time. Two explanations for this have been offered in the popular press (including the mouthpiece of the CPI(M), *Ganashakti*). The first one emphasises the wrath of disgruntled non-beneficiaries that is inevitable in any patronage distribution system. The second one blames the refusal of the party to allow almost all those incumbent officials who had worked tirelessly for the success of the people's plan to run for a second term. This was either because these officials refused to toe the party line in terms of distribution of patronage and the orientation of the spending, or because local party leaders who played no role in the decentralised planning initiative became late converts and jumped into the electoral bandwagon anticipating easy victory but the voters clearly were not deceived.<sup>10</sup> This offers two important lessons. First, for successful democratic decentralisation, there has to be some decentralisation and devolution of power in the political parties that are in charge of implementing these reforms. Second, the greater is the extent of decentralisation, the higher will be the level of consciousness of the people and their expectations from elected officials. As a result, they are more likely to vote on the basis of the performance of individual officials and not blindly cast their votes for a party in gratitude for carrying out the reforms. This is indeed desirable from the social point of view, but from the point of view of electoral success one can see some good reasons for the more cautious steps taken by West Bengal.

Another counterweight to reduce the degree of politicisation of the people's planning process is the involvement of

voluntary organisations (NGOs). Other than the crucial role played by the voluntary technical committees in Kerala, it has been pointed out [see Kannan 2000] that the wholehearted support of some NGOs (e.g., the KSSP and COSTFORD) has also been an important contributing factor to some of the success stories of the people's planning programme. They contributed by mobilising people, conducting seminars and camps, organising training programmes, drawing up projects and development report and publishing a large number of books, manuals and guidelines [Kannan 2000, p 96]. Yet their role is seldom acknowledged in official accounts. The left parties in India have a negative attitude towards NGOs mainly for ideological reasons. Also, political parties in general are wary of NGOs because they think the operation of these organisations undermines their importance at the village level. However, belatedly there is increasing recognition of the important role these organisations can play in mobilisation and training, as well as a check against politicisation of the planning process (or, allegations of it). The current plans to further reform the panchayat system in West Bengal, described in the next section, explicitly recognise the positive role that NGOs can play in decentralised planning.

## V

### Looking Forward

We conclude by discussing some of the recent initiatives undertaken to expand the scope and power of the village constituency meetings in terms greater participation of the people in the planning process, as well as to expand the participation of women and scheduled castes.

There is increasing realisation among policy-makers in the LF that the enthusiasm and energy of the people which was unleashed by the introduction of the empowered panchayats and institutional changes like protection of the rights of the tenants and redistribution of land have started waning in recent years. This is beginning to be reflected in the political fortunes of the LF in rural West Bengal. In the latest panchayat elections in 1998 the LF lost some ground to the main opposition party, the Trinamul Congress. To some extent the LF has been a victim of its own success. Agricultural growth, the breaking down of the power of the landlord-moneylender class, and the empowerment of panchayats have all contributed to the creation of a new rural middle class that is impatient with the pace of

progress and is prone to anti-incumbent voting [Crook with Sverrisson 1999].

The experience of Kerala has created some peer pressure as well. It is now explicitly recognised that the potential of the village constituencies (gram samsads) in institutionalising the community's active participation in planning, implementation and monitoring are yet to be fully utilised.<sup>11</sup> The administration has drawn up a strategy and an elaborate plan of action, drawing from the earlier participatory village level planning of Medinipur district and Kerala's People's Plan campaign. Pilot projects are in progress in four districts of West Bengal.<sup>12</sup>

This would be the first major initiative at the state level to make the village constituencies the starting point of the planning process. The initial work starts at an even lower level. Each village constituency would be divided into three to four 'para' (hamlet) units. Trained facilitators would meet people in small groups separately in each hamlet and collect data on the households and the village through the participatory process. Such meetings would take place after special campaigns and special efforts would be made to ensure participation of women and members of lower castes. This will be supplemented by secondary data available on the area. At the next stage, all the data would be collated and analysed. For the purpose of development planning, the following sectors have been identified, namely, education, health, women's development, agriculture, irrigation, animal husbandry, fishery, cottage and small-scale industry, trade, and infrastructure.

The village constituency meetings would be organised after adequate campaign, ensuring large-scale participation of all categories of voters, particularly women and those belonging to lower castes. There will be detailed discussion on each sector. After initial discussion, those present would also meet in sectorwise groups. In every discussion, emphasis would be on identification of problems, prioritisation of development initiatives, and mobilisation of resources. Later these will be presented in a plenary session. In each sector, possible sources of funding will be identified.

At the next stage, a task force will analyse and collate the plans that came from the various village constituencies and prepare concrete structure of the sectoral plans. This will be followed by development seminars at the gram panchayat (village council) level. Participants will be all village council members, resource persons of the area, 10-12 representatives from

each village constituency, government officials working at the village council and block (panchayat samity) level, representatives of local NGOs, local expert/experienced people in development and representatives of all political parties.

The task force will prepare an outline development plan (ODP) for a span of five years. Annual plans would be prepared on the basis of the ODP. From next year onwards, only annual plans would be required. For the time being, the process is being initiated for the village council level. Later this will be integrated with the next higher level, the panchayat samity.

The process of reform has already started. It is likely to be continued given the successful performance of the Left Front in the recent state level elections. One should keep in mind that these initiatives are an attempt to rationalise and improve upon the existing model, with emphasis on greater participation of the people in the planning process and no radical plans for devolution of funds, finances and functionalities are on the table. Still it is a welcome step. To what extent it can overcome the type of obstacles which were faced by the earlier pilot experiment in Medinipur district remain to be seen. [27]

## Notes

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- 1 For example, Gazdar and Sengupta (1997) cites various comparative assessments of the implementation of anti-poverty programmes of various states that found that the most beneficiaries in West Bengal were from the target groups whereas in other states they were often well off relatives of the panchayat officials.
- 2 The NGO is The Tagore Society for Rural Development, a very old and distinguished NGO working in areas of primary health and education in West Bengal, Bihar and Orissa.
- 3 These are, respectively, the Communist Party of India (Marxist) and the Revolutionary Socialist Party. The former is the dominant partner of the coalition of the left wing parties that constitute the Left Front that have been in power at the state level for more than two decades.
- 4 Although one-third of the seats in the village council are reserved for women, here we are looking at the profiles of the members of a sample of village constituencies and not that of the village councils of which they are a

- member as a whole.
- 5 Muslims, another economically backward group, have a low presence in these constituencies.
- 6 See 'The Crisis in the Village Based Planning Movement', mimeographed note by Ajit Narayan Bose circulated in Workshop on People's Participation in Development held on December 15-16 at Calcutta, organised by the Government of West Bengal.
- 7 Ibid.
- 8 See Chattopadhyay and Duflo, (2001). The estimate is based on the 1999 balance sheets of 40 gram panchayats in the Birbhum district.
- 9 See Pranab Bardhan, 'Decentralised Development', *Indian Economic Review*, Vol XXXI, No 2, 1996 for a discussion of the comparative experience of other Indian states, and developing countries.
- 10 See Das, (2000), p 4303 and *The Hindu*, October 4, 2000. According to newspaper reports around 15 per cent of incumbent officials had been given a chance to run for a second term, although 85 per cent of the incumbents who were allowed to run for a second term won. See *Frontline*, Vol 17, Issue 21, October 14-27, 2000 and *Ganashakti*, November 6, 2000.
- 11 'Towards Convergent Community Action in Rural West Bengal: A Strategy Framework', mimeographed paper by Society for Training and Research on Panchayats and Rural Development presented at Workshop on People's Participation in Development, Calcutta, December 15-16, 1999
- 12 Ibid.

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