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**Crafting Democracy and Good Governance in Local Arenas:
Theory, Dilemmas, and their Resolution through the Experiments in
Madhya Pradesh, India?**

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*At this moment in history, democracy will be furthered not by efforts to extend it
to societies where social and economic conditions are still unfavourable, but
rather to the deepening of democracy in societies where it has been recently
introduced.*

(Samuel Huntington)[1]

Introduction: The 'inner-wave' of the deepening of democracy and good governance

Did Huntington pre-empt what a number of nation-states have vigorously indulged in since
the 1990s: institutional reforms promoting decentralisation, people's participation, and the
like, all aimed at, *inter alia*, the deepening of democracy? To my mind, in certain ways he
did, yet not quite. The 'third wave' of democratic transition,[2] which took under its fold 81
countries during this period, raising the number of those nation states practicing multi-party
elections to 140 out of a total of 200, bears testimony to this observation. However, the
phenomenon of 'deepening democracy' seems to have cast a much wider net than visualised
by Huntington. Not only the newer but also the older democracies have been experiencing
what could be termed an 'inner wave' in favour of the deepening of democracy and good
governance in their local arenas.[3] More strikingly, even the non-democratic nation states (the
classic case being China) have made moves to foster forms of democratic participation in

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[1] Samuel P. Huntington, 'Democratic Development in the Post-Cold War', Keynote speech at the International
Political Science Association Roundtable, Kyoto, 1994.

[2] The term comes from Samuel P. Huntington (*The Third Wave: Democratization in the Late Twentieth Century*,
Norman, OK: University of Oklahoma Press, 1992). For a detailed review of research on this theme, see Doh
Chull Shin, 'On the Third Wave of Democratization: A Synthesis and Evaluation of Recent Theory and
Research', *World Politics*, 47:1 (1994), pp.135-170. See also, Samuel P. Huntington, 'How Countries
Democratize?', *Political Science Quarterly*, 106:4 (1991), pp.579-616.

[3] Dillinger indicates that of 75 developing and transitional countries with population in excess of five million, all
but twelve were engaged in the early 1990s with decentralising administrative authority to units of local
government (William Dillinger, *Decentralisation and Its Implications for Urban Service Delivery*, Washington,
DC: The World Bank, 1994). See also Harry Blair, 'Participation and Accountability at the Periphery:
Democratic Local Governance in Six Countries', *World Development*, 28:1 (2000), pp.21-39; and James Manor,
'Democratisation with Inclusion: Political Reforms and People's Empowerment at the Grassroots', *Background
Paper Human Development Report 2003*, Institute of Development Studies, University of Sussex, 2002, pp.1-
56.

local arenas, while maintaining non-democratic regimes at the national level. Huntington, it seems, underestimated the expanse and the intensity of this 'inner wave'.

The seriousness with which the different waves of democratisation of nation states have received attention and have been subjected to analysis as a macro-historical phenomenon appears wanting in the case of the 'inner wave'. This is not to suggest that its constituent projects and measures have remained unstudied. On the contrary, studies abound on decentralisation, participation, and the like. However, in the process more generic questions remain inadequately formulated, let alone explored:

a) *Legitimacy crisis*. Why have so many countries been experiencing dilemmas about the legitimacy of their prevalent forms of political representational institutions, even when dissimilar with each other? Why does the disenchantment with the Weberian model of centralist bureaucracies appear so universal, when not so long ago it was seen as almost a necessary and positive adjunct to democratic regimes?

b) *Timing*. Why, despite dissimilar length of time of democratic functioning of different countries, have almost all of them experienced such dilemmas in the same historical epoch?; why have even the authoritarian states also encountered them in the same period?

c) *Directionality and Convergence*. Why, despite coming from dissimilar historical, social and cultural, and political backgrounds, has almost every country seen the way out of the dilemmas through a set of broadly similar measures and practices, such as: new public management; public-private partnership; participatory and community-driven measurers; decentralisation; empowered participatory governance;[4] and full scale privatisation?

It is in this context that this paper approaches a case of a recent ambitious agenda for the deepening of democracy and good governance (henceforth the 'agenda'), undertaken in the Indian state of Madhya Pradesh (MP). Primarily the paper attempts to approach the third set of issues with a view to delineate a possible theory of the processes that might be driving the directionality and convergence of attempted solutions of dilemmas the world over; and explore its appeal and robustness through applying it to the case of MP. At the same time, it also critically engages with theories of institutional change by subjecting the MP study to an institutional analysis. The focus is on the micro-world of power and capture, and the paper demonstrates that unless the interplay of institutions with ideas and agency is seriously and systemically considered, institutional analysis on its own may not help to unravel the black box of power and capture, essential also to understand the theory of the inner wave and its agenda.

In order to do this, the paper first attempts to draw out the core premise of the agenda's theory. This is followed by a brief background to the state of MP, research themes and sites in order to help place the empirical base of the paper in its proper context. In the third section,

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[4] Of these, studies of 'empowered participatory governance' or 'deliberative democracy' appear to be offering nuanced theoretical discussions around these issues. My formulations that follow also draw inspiration from these. For details, see Archon Fung and Erik Olin Wright, *Deepening Democracy Institutional Innovations in Empowered Participatory Governance*, The Real Utopias Project IV, London: Verso, 2003; Cynthia Farrar, *et al*., 'Experimenting with Deliberative Democracy: Effects on Policy Preferences and Social Choice', presentation at the ECPR Conference, Marburg, Germany, September, 18-21, 2003. For a critique, see Mark E. Warren, 'What Should We Expect from More Democracy?: Radically Democratic Responses to Politics', *Political Theory*, 24:2 (1996), pp.241-270.

I map out the important empirical findings of the research, briefly demonstrating the problematic they give rise to while speaking to the core premises delineated in the background. In the following section, a framework of analysis is employed comprising a set of layered questions structured in ascending order of their causal depth and explanatory scope. Through this I attempt a resolution of the problematic and discuss the results thereof. The paper concludes by laying out a few propositions synthesising the preceding discussions and analysis.

A theory of the agenda

Broadly speaking, decentralisation, public-private partnership and the like have been promoted under the understanding that they confer advantages of: local knowledge; allocation of resources more informed by local needs; greater accountability and responsiveness of local governments due to community oversight; and more proactive citizenship (this last also valued as an end in itself). Many believe these will help solve legitimacy crises of existing, though varying, political-representational regimes across the globe. At the same time, these features fit the agenda of seeking alternatives to centralist governance structures, which, due to remaining insurmountably plagued with the vexed problems of high transaction costs and consequently dysfunctional principal-agent relationships, were being viewed as beyond redemption.[5] Taking these into consideration, and informed by the insights gained from MP while studying the discourse and the practice of the agenda, the core premises on which the theory seems to rest can be formulated in the following way:

a) It rests on the widely-shared belief that the development of pro-active citizenship, involving regular, deliberative engagement both with their representatives and amongst citizens themselves, and which can be realised in local arenas – as opposed to passive citizenship (vote your *remote* representative once in five years) that is entailed in representative, electoral democracy – offers a solution to the current crisis of legitimacy of state regimes, and effectiveness of governance structures.

The idea of such deliberative engagement seems to assume a society in which actors are undifferentiated across axes of power and interests, and have broadly equal deliberative capacities backed by comparable levels of knowledge and information. Yet it is well known that such conditions are lacking in most societies, especially among the developing countries. The theory resolves the dilemma posed by the evident discrepancy noted above by postulating the following:

b) *Structural pressure*. Appropriately crafted institutions, which create *spaces* for participation, and shape *incentives* so as to generate structural pressures for people from all social strata to begin to engage, eventually move them towards a shift in their perception of interests and power, and build thereby more inclusive participation;

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[5] For a review of the literature, see Omar Azfar, *et al.*, *Decentralisation, Governance And Public Services The Impact Of Institutional Arrangements: Review Of The Literature*, College Park: IRIS Center, University of Maryland, 1999. See also: James Manor, *The Political Economy of Democratic Decentralisation*, Washington, DC: The World Bank, 1999; Richard Crook & James Manor, *Democracy and Decentralisation in South Asia and West Africa: Participation, Accountability and Performance*, Cambridge: Cambridge University Press, 1998; D. Rondinelli, *et al.*, 'Analyzing Decentralisation in Developing Countries: A Political-Economy Framework', *Development and Change*, 20:1 (1989), pp.57-87.

c) *Incentive variable*. Further, such a structurally-induced people's participation can be reinforced by the incentive (shaped by such institutions) that its outcomes, whether collective goods or individual benefits, are an improvement on what existed before. If collective goods can result in tangible individual benefits as well, this process can be additionally powerful. These would enable people to move *across* fault lines differentiating a community, the transition to democracy will be made robust, and 'good governance' achieved.

Do premises (b) and (c) resolve the dilemma referred to earlier? This is the central question with which this paper engages.

I argue that not only do these prove inadequate in resolving the dilemma, but in so far as the theory does not explicitly recognise the wider context of existing nexus between political and governance institutions and its impact on the participation measures, overall it also remains insignificantly illuminating. Unless the institutions and their incentives that the agenda offers as a solution to legitimacy and governance crises are situated in this nexus, and studied through their interplay with this context, mediated through the role of 'reflective and interpretative agency' and of 'ideas' that underlie such institutions, the theoretical premises of the agenda remain partial and inadequate in causal explanatory power. As the theory fails to even incorporate such elements in its core premises, it hardly stands up to an empirical test.

Brief background of Madhya Pradesh and the research carried out in three regions

In addressing these issues the paper draws upon an ethnographic exploration, carried out in Madhya Pradesh in 2003, of three major reform programmes, driven or deeply influenced by these premises: decentralisation through the elected local councils, the *Panchayati Raj* Institutions (PRIs); the Education Guarantee Scheme (EGS); and the Watershed Development Programme. As comprehensive local governance institutions, the first had a range of activities under their charge, but the focus here is on the working of two nationally important poverty-alleviation programmes aimed at the generation of employment for the rural poor: the *Jawahar Rojgar Yojna* (JRY) and the Employment Assurance Programme (EAS)[6], whose implementation was transferred to the PRIs from the district bureaucracy. The other two programmes were shaped in a public-private partnership framework, and were part of the 'Mission' the State had identified for itself.

The research was carried out in three districts, one in each of the major regions of the state (Vindhya Pradesh, Mahakoshal and Malwa). Qualitative data was collected through: 160 detailed interviews; a number of group discussions; observation of the workings of different government, PRI and political offices located at several levels, including action in the homes of ministers, members of the Legislative Assembly (MLAs) and PRI representatives; attendance at the State Assembly session, political rallies, public meetings organised by the PRIs and the government; and workshops and training sessions. Further, a considerable amount of quantitative data on the flow of the programme resources spread over 21 blocks and about 200 *panchayats* in the three study districts, and other quantitative and qualitative

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[6]The JRY: a rural employment generation programme through taking up small construction works in a *panchayat* area. The EAS: a relatively bigger rural employment programme with a guarantee of 100 days employment for rural labourers, also for creation of durable infrastructural assets in rural areas (offered until 1998-99).

details of their implementation, were also collected from office records. These complement the ethnographic investigations in a number of ways.[7]

The state of Madhya Pradesh (MP) is located in the central region of India. It has the nickname of *Shesh Pradesh* ('Left Over State'), as it was constituted in 1956 by merging various regions of the neighbouring states of Uttar Pradesh, Maharashtra, and Gujarat, with 79 of the erstwhile princely states, the most important of them being those of Gwalior and Indore. Before the separation of Chhattisgarh State in 2000, MP had the largest Scheduled Tribe (ST) population in India and also a significant Scheduled Caste (SC) population;[8] and even now these groups make up about 35 per cent of the total population of around 60 million, well above the all-India average. Human development indicators are all below the all-India averages, though the state could claim considerable success in increasing literacy levels in the 1990s.

The State continues to have a strongly hierarchical agrarian structure, despite some efforts at redistributive land reforms, due to the legacy of the princely states and the historical persistence of intermediary forms of land tenure. Politics are characterised by clientelism and the continuing dominance of the forward (upper) castes, mainly *Thakurs* and *Brahmins*.[9] This combines with the fractured social structure of the backward and the *dalit* castes, who are divided by language and culture across the vast geographical spread of the state, to limit seriously the possibilities of the emergence of solidarity amongst them and of a political movement to seek more substantial control of state power in their interests. This may explain why the state has almost no history of lower caste/class political mobilisation.

In this political-social terrain, there has effectively been a two-party competitive system since the 1960s, between the once dominant Indian National Congress (Congress (I)) and the Bharitya Janata Party (BJP). In 1993, Congress (I) was led to power by Digvijay Singh and lasted for ten years, which also witnessed a serious attempt to implement the broad approach of 'empowerment' through 'participation' under his leadership. In the next round in December 2003, the BJP won a sweeping victory, with the first female Chief Minister, Sushri Uma Bharathi (also the first backward caste leader) taking the reins of government.

Despite strong inter-party competition between Congress (I) and BJP, which has led the two parties to try to maximise support from SC and ST voters, and intra-party elite competition in factional politics, the underlying rules of the game on which state-level politics operate have largely remained the same. Vertical top-down linkages and clientelism have remained in place, so that inter- and intra-party competition have contributed little to the political empowerment of the poor and powerless stratum of the society, who have been exploited as clients rather than enabled to assume political agency.

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[7] Information was also gathered from informal conversations, in the buses and trains, in roadside tea shops and *dhabas*, and from the poor rickshaw pullers in large numbers.

[8] These are categories of the population constitutionally defined as being eligible for positive discrimination.

[9] In the Malwa region on the western side of MP, middle caste *Patels*, *Patidars*, and *Gujars*, are the major landowning class. Carrying on extensive commercial cultivation, they are also very wealthy as well. While not as aggressive as the forward caste *Thakurs* and *Brahmins* of Vindhya and the adjoining Bundelkhand regions of eastern and northern parts of MP, their social relations and exploitation of the poorer sections are not significantly different from those of the forward castes.

Crafting democracy and good governance from the top-down

The origins of reform in MP: Rajniti to Lokniti in Madhya Pradesh

Viewed against this historical backdrop, one can hardly find anything striking in these institutional contexts that could have inspired confidence in their potential to push the state on a pro-poor reformist trajectory. Yet, under Digvijay Singh's reformist leadership the state witnessed a very serious attempt to envision and implement a broad pro-poor reform agenda of 'empowerment' through 'participation', facilitated by decentralisation. It gave an impression that the state had found a way to challenge the burden of its historical regressive institutional arrangements. The vision of this challenge was one (in the words of an official presentation of the reform programme) of "a mass co-scripting of the future" and of a move from *Rajniti* (political power) to *Lokniti* (people's power).

However, and for the reasons noted above, Digvijay Singh's pro-poor reforms were not pushed from below and they were not a response to crisis, in the way that impending economic crises have led many countries, including India, to embrace structural reforms. If anything, a sense of 'crisis' was constructed, in order to generate a sense of urgency and of a 'mission' to pursue the reforms. This was part of an ideational process that helped to integrate a set of ideas and arguments around the governance agenda, shaping it into a clear and compelling mental map, laying out the pathways to change that the reformers wanted the state to follow with a sense of urgency, intensity and moral élan.

Ethnographic investigations carried out at the central level of the state suggest the primacy of agency and ideas in explaining the origins of the project of 'crafting' democracy. The pivotal role was played by Digvijay Singh. Every respondent, even his strongest critics, conceded that the innovative reform polices and programmes came from Digvijay Singh, despite some aggressively arguing that these hardly involved genuine commitment to change and the progress of the state, and were basically instruments for expanding Digvijay Singh's personal image and his power over the party and the government.

Digvijay Singh, however, had not designed the policies. What he did was to provide the *paradigmatic ideas* that structured the reform agenda.[10] These were, first, to lay out the *guiding approach*: to bring people to the centre of decision making and implementation, trusting in their capabilities, giving them freedom from the bureaucracy (especially the lower bureaucracy), and decentralising power, resources and responsibilities to their hands. Then the people would prove more effective 'problem solvers' than the government – in short, 'people are the solution and not the problem'. Secondly, Singh's ideas laid out the *direction of change*, which heavily emphasised investment in capacity building amongst the masses (education and literacy, health, poverty reduction). This strategy was viewed as the prime mover for achieving the overall progress of the state, even at the expense of other sectors of the economy usually viewed as growth-promoting.[11] The rationale was unambiguously articulated: given the reality in MP of vast illiteracy and poor health conditions among the

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[10] The role of 'idea' in institutional change requires more detailed discussion than possible here. See Albert S. Yee, 'The Causal Effects of Ideas on Policies', *International Organization*, 50:1 (1996), pp.69-108; Jorge Arditi, 'Geertz, Kuhn and the Idea of a Cultural Paradigm', *The British Journal of Sociology*, 45:4 (1994),. pp. 597-617; Peter A. Hall (ed.), *The Political Power of Economic Ideas: Keynesianism across Nations*, Princeton, NJ: Princeton University Press, 1989; Jeffrey W. Legro, 'The Transformation of Policy Ideas' *American Journal of Political Science*, 44:3 (2000), pp. 419-432; Paul R. Schulman, 'The Politics of Ideational Policy', *The Journal of Politics*, 50:2 (1988), pp.263-291.

[11] Infrastructure, power, and industrialization – the factors that, it is now generally believed, cost Digvijay Singh the elections of December 2003.

masses, what would having more roads and power mean to them unless their human capabilities were improved? Third, Digvijay Singh defined the *politics of change*: both the approach and the direction in essence implied serving the constituency of the poor, and especially the SCs and the STs.

These 'paradigmatic ideas', however, do not make policies on their own. The formulation of policies requires detailed professional design. This was achieved by: (a) choosing a set of dedicated, capable and reform-minded bureaucrats primarily from the apex civil service of India, who would serve as the *policy entrepreneurs*; (b) structuring an organisational space, the Rajiv Gandhi Mission (RGM), for their unhindered and focused work around the details; and (c) insulating the space from the adverse impacts of the usual and dysfunctional political and governmental practices and culture by keeping the Mission office directly under the purview and leadership of the Chief Minister (CM) – securing a long tenure to the policy entrepreneurs and robustly supporting them to give them a sense of protection and confidence, enabling creative and even risky innovations in policy design; and creating a reform ethos around the Mission.

In this process, interestingly, the basic rules regulating government working remained fundamentally unchanged. The ministries looked after the business allotted to them as usual, including health, education, and natural resource management. Yet these matters, the core areas of the reform agenda, were brought within the RGM in the name of providing for interdepartmental and inter-sectoral coordination. The resulting oversight by the CM made a lot of difference to the outcomes: he could get his ideas through more smoothly with the chosen team working directly under his leadership, rather than by operating through the usual departmental structures and the ministers in command of them.

This 'institutional play', as it may be called, had other significant implications and impacts too. The state level reform team faced negligible principal-agent problems. 'Chosen' senior officers (agents) worked in close consultation with the CM (the principal). Trust and dedication to the job were the foundations of interactions between them. The sense of 'chosenness', of proximity to the aura and authority of the top leader of the state, the consequent sense of enhanced status and prestige, additionally reinforced by national and even international recognition, drove the agents in the Mission offices to do their best. In short, the rules of the game of governance at the centre of the state remained *in essence* unaltered, but their 'play' was deftly and imaginatively altered to aid the reform processes.

However, such an 'institutional play' and the resultant final passage of the policies in MP at the central level were not achieved without *everyday politics* favourable to the reform process as a whole. This had three features:

First, *managerial politics* demanded the CM grasp the intricacies and political implications of the policy-in-process. None of the innovative design elements that called for a bold and unconventional departure from the hitherto established rules of financial propriety and appointments (for example, the rule about 'social audit' that enabled the PRIs to construct a project worth Rs.50,000 with community approval alone, so dispensing with the need for technical sanction and scrutiny), came about just as a bureaucratic exercise. They were discussed informally with the CM, who had the difficult task not only of *thinking* with his aides about their feasibility, potential of creating a political furore, and other future implications, but also of *taking the decision* to give the go-ahead, even when the entire process was shrouded in uncertainty and risk.

Second, *tactical politics* required that the CM keep his political colleagues, the ministers, MLAs, MPs and the other party functionaries in good humour, especially because the reforms unquestionably, explicitly or implicitly, threatened their power bases and positions of authority. This demanded alleviating the anxieties of his colleagues, though without compromising the fundamentals of the reforms. Thus, for example, a special cell was constituted in the CM's office to deal with the requests of MLA/MPs expeditiously; an unprecedented accessibility of the CM to his colleagues was ensured; a very warm interaction, gestures with a humane and personal touch, and an extraordinary capacity for patient listening, befriended these colleagues and blunted their criticisms; and even their interference in the workings of local state offices at the district and lower levels were ignored or not too seriously resisted.

Finally, when the need arose, the *politics of conviction* had to be firmly played out as well. At times, especially when the implications of the reform policies were too stark to allow a skilful deflection and mitigation of colleagues' concerns, the matter came to the fore. For example, the design of a comprehensive devolution of power to the PRIs, which proposed to take many of the programmes and resources of government away from the purview of the ministers and MLAs, led to a furore in, and stalling of, the meeting of the cabinet of ministers (the state's highest executive body), clamouring for dilution of the provisions. That failing, a large delegation of MLAs was engineered to put heavy collective pressure on the CM. Yielding to such pressure would have implied losing the agenda altogether, hence tactical politics were not enough to deal with this opposition anymore. An unwavering stand had to be taken, and. this is exactly what the CM did during that critical juncture. Failing in placating the MLAs, the CM announced that he would go ahead with the policy in question, as it was a matter of his personal conviction with which he could not compromise; and if his colleagues did not find this agreeable, he would step down. Politics of conviction proved clinching at this juncture, to ensure that reforms were not stillborn.

In short, my findings on the issue of how the reform agenda could even begin to take shape in the wider context of dysfunctional politics, suggest two dominant themes. First, they question the more established view that pro-poor policies are only likely to take shape when the balance of the power shifts in favour of the poor. Instead, they show that under certain conditions, such as the rise to power in a state government of a political leader driving paradigmatic ideas for reform with conviction and commitment, supported by the kind of institutional structure created by Digvijay Singh and by reform-enabling everyday politics, pro-poor reform policies can take shape even in an apparently unfavourable context like that of MP. Second, at the same time they also question the naive assumption that pro-poor reform can be achieved entirely through a technocratic exercise, with policy entrepreneurs (bureaucrats and technocrats) solving problems of governance. While such contributions are needed, as the findings from MP show, they constitute only part of the story of governance reform. The rest, and arguably the larger part, of the story is political, even when it comprises politics played out by a few political agents, notably the central leader.

The unfolding of the reform agenda on the ground

The ground level implementation of the reform policies, however, involved more direct encounters with the existing politics-governance nexus. This allowed far fewer possibilities for insulating the implementation process, for positive institutional play with the lower level

governance structures, or for the enabling politics of the CM that were effective at the centre. As a result, the core premises of the reform agenda were put to a stringent test in local arenas. The following presents a few stylised facts about how the reform agenda unfolded and appeared on the ground.

1. Inclusive participation and the deepening of democracy

At first glance, the macro picture of the outcomes of the pursuit of the reform agenda appears to convey an impressive story of deepening democracy. Consider these figures: within the village level PRIs (the *panchayats*) from the backward castes, SCs and STs, 15,693 *sarpanchs* and about 200,000 ward members, of which about one third were women, were enabled to occupy positions of authority. About 70 per cent of the representatives elected to the highest tier of the PRI (the *Zila Parishad*, or District Council) came from these marginalised sections of society. Hitherto unimaginable, holding a seat in this institution meant something dramatic, as the *Zila Parishads* were empowered to oversee even the mighty bureaucratic institution of the Collector. Many of them, who in the past might not even have dared to approach a block, let alone the district collector's office, were now in charge of these offices (see Table 1).

Table 1: Category-wise status of the elected representatives *(1999 election)*
Source: Official documents from State Election Commission, State *Panchayat* Department and the Election Departments of the research Districts.

	District level						Block level					
	SC	ST	BC	UR	Tot	W	SC	ST	BC	UR	Tot	W
State	121 [52]	194 [66]	228 [89]	231 [78]	774	285	1065 [364]	1827 [652]	1786 [650]	2033 [690]	6711	2356
District 1 (Vindhya Region)	4 [1]	5 [1]	7 [2]	11 [5]	27	9	34 [9]	31 [11]	53 [18]	100 [32]	218	70
District 2 (Mahakaushal Region)	1 [0]	7 [3]	1 [0]	3 [1]	12	4	5 [1]	78 [28]	12 [4]	33 [12]	128	45

Panchayat level												
	Sarpanch						Panch					
	SC	ST	BC	UR	Tot	W	SC	ST	BC	UR	Tot	W
State	3172 [1083]	7299 [2488]	5222 [1778]	6028 [2033]	21721	7382	48368 [15943]	81541 [26848]	71793 [24121]	98880 [33435]	300582	100347
District 1 (Vindhya Region)	127 [42]	111 [37]	205 [67]	372 [125]	815	271	1849 [610]	1622 [518]	2958 [984]	5484 [1887]	11913	3999
District 2 (Mahakaushal Region)	0 [0]	423 [141]	0 [0]	0 [0]	423	141	247 [76]	4269 [1540]	331 [111]	1227 [453]	6074	2180

[SC=Scheduled Caste; ST=Scheduled Tribe; BC= Backward Castes; UR= Unreserved; Tot=Total; W=Women]
Figures in brackets refer to the number of women representatives under the category.

Massive as they are, these figures convey only a part of the story of democratic deepening. The rest came from a no less impressive range of figures of poorer people's participation in democratic spaces created by the other reform programmes, such as the Watershed Project comprising user groups (UGs), self help groups (SHGs), thrift societies, and watershed committees (WCs; 50,000 members); 31,000 *Gurujis* and Parent-Teacher Associations (PTAs – under the EGS; about 250,000 villagers as members); 4.8 million villagers in Forest Protection Committees; 1.5 million members in *Tendupatta* Collection Societie s; and above all, the numerous people's committees (e.g. health committee, education council, resources committee, infrastructure committee) formed in each village of MP under the *Gram Sawrajaya* (Village Republic) Act of 2001. The latter claimed to include about four or five million villagers as members. Taken at face value, this might suggest that the state of MP was engaged in not simply deepening democracy but in ushering in a *democratic revolution*, possibly hitherto unknown and unseen in the modern history of developing countries. Eminent scholars of decentralisation such as James Manor, indeed, have recognised it to be so.[12]

The formal ground level operationalisation of these institutions and organisations undeniably structured huge democratic spaces, or *new institutional spaces* (NIS) as I prefer to term them as they all came with their respective sets of 'new rules of the games.' This resulted in an unprecedented increase in the scale and extent of representation of especially marginalised rural citize ns. At the same time, the elaborate rules – for example, the requirement that the representatives face *gram sabhas* (assemblies of all the members of a village) – structured serious possibilities for deliberation and engagement around public issues amongst the citizens themselves as well as with their representatives to the NIS.[13]

Thus, these NIS had the potential for realising the 'structural pressure' component of the theory of the agenda, and consequently for deepening the democracy in the interior of MP. However, the findings from my village-based studies convey a substantially different story. Whether in forward caste-dominated areas in the eastern Vindhya region of MP, where *Brahmins* and *Rajputs* held sway, or in the western Malwa region, where middle caste *Patels* and *Patidars* were in command of politics and society, the story was not very different: the new entrants from the poor castes and strata of society into the NIS were apparently controlled by the most powerful families from the dominant caste in the *panchayat* area. This was accomplished through multiple means: (a) *de jure* if the *sarpanch's* seat was not reserved, by winning the seat themselves; (b) *de-facto* if the seat was reserved for women from the general caste by getting their wives elected; (c) if the seats were reserved for the backward castes, SCs or STs, indirectly by ensuring that their *lagaus* (or their wives) – their trusted and dependant sharecroppers, attached farm labourers, or house servants – won and sat at the front doors of the *panchayat* offices to do (or not) what they decided and dictated from the back door; and (d) somewhat remotely, by using the *panchayat* secretaries (often their kinsmen) to keep a check on a few relatively more independent-minded or politically active *sarpanchas* from these reserved communities, when they managed to win.

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[12] All figures from GoMP (2002) p.2. *Tendupatta* = tobacco leaf used for rolling *bidis*, the traditional equivalent of cigarettes in India, popular among the rural folk; *Guruji* = local teacher.

[13] Before the NIS, for the poor and low caste citizens the first level of representation was at the level of an administrative 'block', as the State Legislative Assemblies constituencies commonly coincided with a block. This meant that their representatives remained removed from the citizens, and the only way to hold them accountable was through the electoral process once in five years. Deliberation and engagement with them on a regular basis, and holding them accountable for their actions on an ongoing basis, were extremely difficult, almost impossible.

The expectation that the setting up of multiple inclusive participatory structures might get around this problem was by and large belied as well, for whether in the watershed committees, or in the village committees for the EGS, the same powerful actors appeared and reappeared on the scene in decisive ways, directly or indirectly (see Annex A). Once the powerful controlled the PRIs, they manipulated the operational rules of the other participatory structures to make a lateral intrusion into them and so control them. For example, *sarpanchas* were entrusted to convene the *gram sabhas* under the PRI rules, and when the rules of the Watershed Programme required WCs to be approved by the *gram sabhas*, these were easily managed on paper or through the help of henchmen so as to enable the *sarpanchas* or their protégés to show that they had been selected as the chairmen of the WCs through due process.

It ironically appeared that the asymmetries of the power structure exerted symmetrical influences across the varied range of participatory structures embodied by the NIS.

2. Incentive variable and good governance

The deepening of democracy, however, was not entirely expected from the 'structural pressure' of the NIS. As they were also expected to offer powerful incentives for reaping enhanced collective and individual benefits (through the implementation of a number of developmental programmes), this was supposed to complement and reinforce the process. The ground realities in this regard, however, presented a complex picture: pronounced perception among especially the poor rural citizens of a negligible say in, and disenchantment with, the running of the programmes; increased divisiveness and conflict among the more conscious and articulate villagers with highly damaging effects on project implementation; a vastly enhanced discourse around corruption; and generally poor programme outcomes were discernible. All of this seemed to run contrary to the premise that incentives of the NIS would be able to drive the reform process. Intriguingly, the story hardly differed even when the poor, and not the powerful, enjoyed the real command of the NIS. At the same time, the positive nature of the final outcomes in the case of EGS, despite its running contrary to the premises, rendered the ground realties hard to comprehend at first go. They did not convey a straightforward story of elite capture; of successes or failures. They appeared quite muddled.

In sum, notwithstanding the strong developmental scope of the NIS, neither democracy appeared to have deepened nor good governance to have been achieved on the local terrain of MP, whosoever commanded and steered the NIS. Yet, muddled though their outcomes were in general, the programmes ran throughout MP, surprisingly with better outcomes in a few cases such as the EGS.

A few select empirical findings will help illustrate:

Jawahar Rojgar Yojna (**JRY**): With a transfer of control over this programme, hitherto exercised by the local bureaucracy, to the PRIs (more specifically to the village level *panchayat*) both premises of the theory were believed to have been powerfully operationalised. The 'rules of the game' potentially pressured the citizens and their representatives in *panchayats* to democratically deliberate in the *gram sabhas*. Aimed at securing a more inclusive management of the affairs of JRY, such deliberations for the first time afforded citizens as a whole an opportunity to voice their felt needs and select their preferred project, whereas in the past its decision-making process had remained an

exclusively in the hands of the local bureaucracy and elite. These were expected to reinforce the structural pressures and ensure compliance of the 'rules of the game', thus advancing the deepening of democracy.

The incentive structure was strengthened by the bold and imaginative rule of the *social audit*, which enabled the *panchayats* to implement freely selected projects, doing away with the hitherto indispensable practice of *technical audit*. This was presumed to end the corruption and harassment previously resulting from the government staff's monopoly over project inspection, fund flow recommendations, and expenditure approval. The social audit was expected to enhance the quality of developmental benefits from the JRY, since the *panchayats*, overseen by the *gram sabhas*, were now in complete command.

However, a different picture emerged in practice. Institutions of the *gram sabhas*, on which so much reliance was placed, hardly functioned. Mostly managed with the help of a few henchmen of the *sarpanchas*, they were reduced to paper exercises. Even the people's representatives to the *panchayats*, the *panchas* (ward commissioners), rarely knew how the schemes were selected and prioritised, which remained the exclusive concern of the all-powerful *sarpanchas*. The power of incentive proved ineffective too, as siphoning off the JRY funds for private gain was pervasive in all regions of MP, even in the less unequal societies of the tribal regions. Almost everybody, including even the representatives themselves, ironically suggested that this had become possible because of the very *social audit* provision. *Sarpanchas* along with the secretaries of the *panchayats* and a few cronies had gone berserk, as they feared no checks or control under this system. The *gram sabhas* that were supposed to perform this role were so muted or managed as to be ineffectual. Complaints made through bureaucratic channels were either ignored, or ended up enabling officials to blackmail, instead of discipline, the *sarpanchas*. There was much nostalgia for the vertical control system of the technical audit and supervision from above, the complete replacement of which, notwithstanding its shortcomings such as rent-seeking by the government personnel, was seen to have been a great mistake.

Employment Assurance Programme (EAS): The institutional arrangements and incentive structure of the EAS followed a similar pattern to that of JRY. A democratic decision-making process controlled the much larger resource base of the EAS (about Rs. 5-10 million annually per block[14]), and was expected to be carried out more judiciously than before so as to fuel the local economy. The difference was in the layer of the PRIs at which this operated. Representatives to the district and block level PRIs, and not to the *panchayats*, came into play. In a way, this was more conducive to success, as they did not have to confront the powerful of the village that their counterparts in the *panchayats* did.

Nevertheless, they had to deal with a different power structure that mingled with and influenced their decision-making processes. Political players at the higher level sneaked into the PRIs to sabotage the democratic processes, in order to continue with their political clientelism, albeit in somewhat modified ways that now required them to link up to and cultivate the micro-world of the PRI representatives, who acquiesced because they were politically weaker and needed to network with these politicians in order to secure their support.

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[14] Depending upon how the block was categorised in terms of its backwardness and its need for employment generation.

Table 2 shows the pattern of resource distribution in 99 *panchayats* of Research Block A in District 1 of the *Vindhya* region. It reveals that more than half the *panchayats* received no resources (not even a single project) during the entire four year programme period. While these *panchayats* were ignored year after year, there were 19 privileged *panchayats* that repeatedly got big projects (worth above Rs. 500,000 each), thereby securing 70 per cent of the total resources that had been made available to the Block over the period.

Table 2: Summary of *Panchayat* wise distribution of EAS resources Block 1A, District 1 (95-99) (Amt. in Rs. 00,000; see Annex B for details)

Amount	No. of Pan.	Total Amt.	% of Panchayats (99)	% of (238.42)
Above 10	3	35.43	3.03%	14.86%
5 to 10	16	132.70	16.16%	55.66%
Above 5 Lacs	*19*	*168.13*	*19.19%*	*70.52%*
3 to 5	6	26.43	6.06%	11.08%
0 to 3	21	43.86	21.21%	18.40%
Below 5 Lacs	*27*	*70.29*	*27.27%*	*29.48%*
Nil	53	0	53.54%	0%
G.Tot.	99	238.42	100%	100%
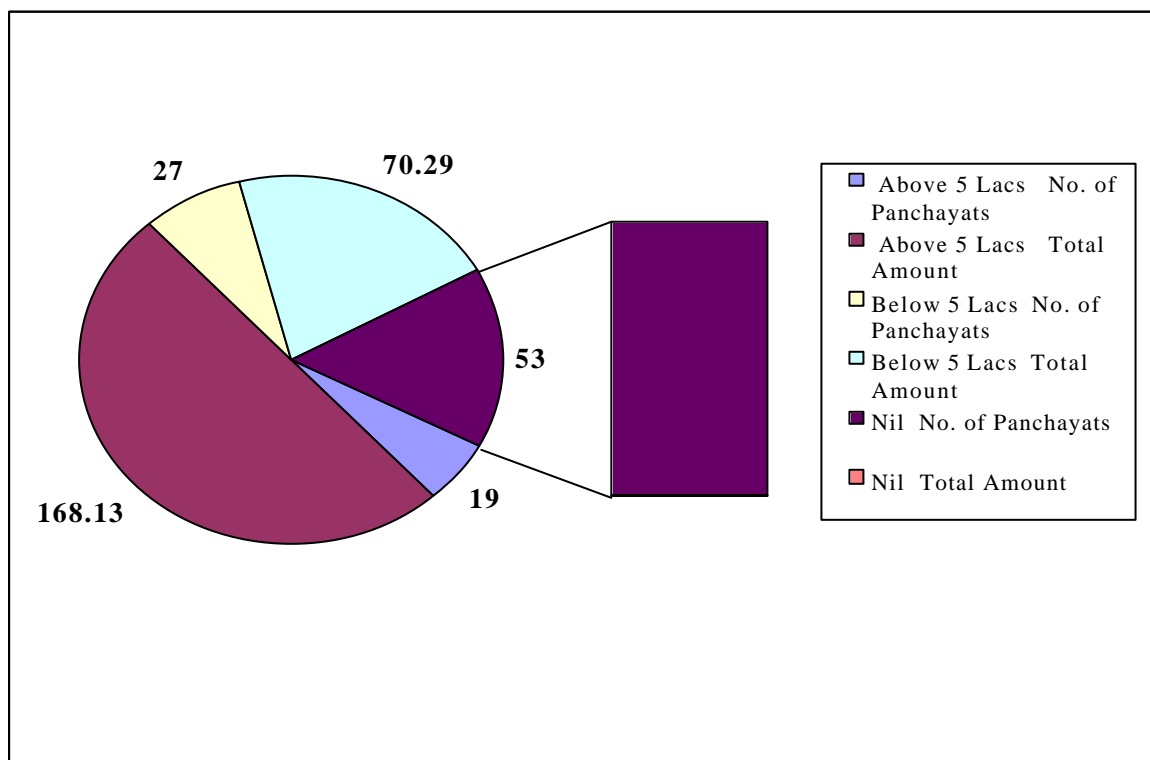
Figure 1: Distribution within Block 1A, District 1 (1995-99)

One *panchayat* in this district was found to belong to this privileged category. When the 'success story' of this *panchayat* was explored in some depth, the ex-*sarpanch* (forward caste *Rajput*), during whose tenure most of the EAS projects had come, was exceptionally candid. His tale (of his success), combined with the facts coming from the other numerous interviews, spoke of the brazen use of contacts, corruption, and machinations within a context of factionalism among the political bosses, MLAs and Ministers, and of their uneven power to influence particularly the district PRIs, and the local state in general.

Once again, the pattern hardly changed in the tribal regions, or when representatives from the backward castes of the society in other parts were in command of, or had a say in, the higher levels of the PRIs. They also indulged in making deals with the *sarpanchas*, even when the *sarpanchas* belonged to the same marginalised sections of society to which they belonged, to secure their cuts in lieu of getting the EAS project sanctioned in their respective areas.

Thus, this highly skewed distribution of projects and resources tells a story of sabotage, rather than deepening, of democracy. Incentives for improving the local economy once again appeared ineffective. What drove the actors in using the resources were their interests in upward networking from below by the *sarpanchas* and clientelism from above by higher level politicians. This, rather than the premises of the agenda, structured the distribution and spread of the EAS resources across the *panchayats* in a district.

Watershed Development: It may be argued that the unanticipated results in the above cases were not so much due to problematic implementation as to weaknesses in programme design, because the incentives were not powerful, and were more collective than individual in character. The implication of such an argument was that, had there been more individual benefits, these would have driven a better management of the programmes.

The Watershed Project offers a convenient test case for this theory. Here the rural elite stood to make the *maximum personal gain* from realising the collective goods offered by the programme, which was aimed at strengthening agriculture, upon which their power and wealth was based. All projects under the programme holistically aimed at recharging the ground water table and enhancing the soil conditions, consequently improving fertility and the productivity of agricultural lands. Since such lands were largely under the control of the rural elite, the potential for considerable individual benefits could have driven them to run the programme effectively and eventually somewhat democratically too.

The incentive structure should have helped the formation of different interest groups. However, what appeared common to all regions was a major lack of community understanding and involvement. The Watershed Committees (WCs) should have been constituted through a participatory process, with each interest group electing chairmen who would represent them on the committee. The WC would then elect a chairman, before obtaining the endorsement of the *gram sabha*.

Yet in practice, the *sarpanchas* controlled the *gram sabhas* and could ensure the selection of themselves or their protégés as WC chairmen. The possibility of making considerable amounts of money, the enhancement in power and status, as well as increased patronage strength seemed to drive the actors more than the programme's incentives, notwithstanding its stronger input of individual benefits. Thus, the legitimacy of the programme stood severely damaged. The community at large hardly felt involved; even the farmers, the greatest potential beneficiaries, appeared disillusioned and uninterested, as the belief was

widespread that the programme was a personal affair of the *sarpanchs* and the officials, who alone stood to gain from it (mostly by corrupt practices). As a result, when asked to make a contribution to the projects that were to be undertaken on their personal or common fields, to build up a community fund for meeting the future needs of repair and maintenance, they used to refuse on the grounds that since *sarpanchas* were making the most out of the programme, such contributions should come from them.

This is not to say that nothing was achieved: the tanks were made, check dams were erected, and even trenches dug on hilly slopes. Yet those were not motivated by the programme's objectives but by other interests. As a result, their design was faulty, quality of construction was poor, and maintenance was almost absent. All this severely crippled the project's capacity to deliver the desired results.

Education Guarantee Scheme (EGS): Recognising the vast geographical spread and difficult terrain of the rural areas, which had constrained the poor living in remote hamlets and villages from accessing education facilities often distantly located, the EGS was introduced as a pioneering programme in the country to address this situation. In brief, its provision was that if a hamlet or a village did not have a government primary school within a kilometre radius, and had 40 school-going children (25 in a tribal region), it could demand that the state open a school, which the state guaranteed to do within 90 days. If the state failed, invoking the provision of the guarantee, the community could start a school of their own by selecting a local educated person (up to twelfth grade) as the *guruji* (teacher), along with providing space for it to run. In such an eventuality, the state was obliged to provide an honorarium to the selected *guruji* (about Rs. 500 monthly in the initial years of the programme, which increased to Rs. 1,000 and Rs. 1,250 subsequently), train her, and provide the reading-writing materials to the children, while leaving the management and control of the school in the hands of the community.

Started in 1997, by mid-2003 about 30,000 schools had been founded under this programme covering about 55,000 MP villages. The government's proud declaration of having achieved the goal of universal access to primary education was largely founded on this effort. Among the many reform programmes studied, this was the only one that largely delivered its outcomes well across all three study districts, notwithstanding serious vitiations in its procedures and processes. There was hardly any evidence of EGS schools coming from a community demand, let alone of community involvement in their oversight. Once again the *sarpanchas*, whether from the powerful groups or the poor, were the main actors driving this programme. They clearly saw a great opportunity in the programme to favour their unemployed kith and kin, or those who bribed them (generally the unemployed educated youth in the rural areas), with the posts of the *gurujis* to let them earn some amount, however little, provided through the honorarium.

Nevertheless, such *gurujis*, who due to their connections with the most powerful families of their areas could have shirked from running the schools without much fear of community control, were found to be working diligently. The poor, whose children most benefited from the EGS schools, and the villagers at large considered the performance of the EGS schools even better than the adjoining government schools, despite the latter having on their rolls superior teachers, who were well paid, trained, and had a secure career. In a number of places, children were shifted out of regular schools to join EGS schools.

That such an outcome could be possible despite capture of a pro-poor programme, largely by the elite, apparently goes against received wisdom. Such a counterintuitive finding demands a deeper analytical examination of the issues of power and capture.

Unravelling the black box of power and capture

The evidence shows that the 'power' of the crafted institutions, expected to robustly derive from their rules and incentives, did not work on the ground, because they could not resist the serious unintended and adverse mutations in the functioning of the NIS and their programmes. However, a simplistic use of an 'elite capture' explanation does not apply in this case,[15] for the following reasons:

  a) Instances of vitiated processes and outcomes of the NIS, irrespective of who was in command: elites or non-elites;

  b) Negation of a commonly assumed linear inverse relationship between elite capture and pro-poor programme outcomes, exemplified by the case of the EGS;

  c) Failure of programme incentives to induce NIS actors, especially elites, to reap direct benefits, let alone collective goods, on offer.

It should be evident from the above, and contrary to the common assumption, that our understandings of how power and interests, ideas and incentives, participation and deliberative engagements, and institutions and agency work in unequal societies, and when and why they combine viciously or virtuously to respectively resist or promote positive institutional changes, are far from complete. In short, the black box of power, capture, and institutional change still needs to be unravelled, in order to move the debate beyond the notion of a linear causal relationship between power and capture towards an exploration of the deeper causalities of their more complex interrelationships. The discussion that follows is an attempt in this direction. I have structured it through raising a set of analytically distinct yet closely interlinked issues, which hopefully reveal multi-causal forces and their interactions that lie under what was seen on the ground in MP.

The first order question: Why did structural pressure not work?

The 'rules of the game' of the NIS should have facilitated local democracy, and in time good governance. Consider a *panchayat*. Hitherto the powerful could exert exclusive control over public issues due to their connections to, and influence over, local offices. But *panchayat* rules demanded that they must involve other elected ward commissioners, mostly from the backward and the SC/ST communities, and face *gram sabhas*, without which decisions about the selection of schemes, granting of old age pensions, recruitment of *gurujis* to the EGS schools, and so forth, were invalid and use of resources illegal. As the rules had the force of a statute, the entire village had oversight, and violations attracted multiple sanctions, these should have constrained dominance by a few and facilitated democracy for the majority in the local arenas.

Yet, it did not. It is often pointed out that the success of decentralised and participatory institutions depend on adequate authority, resources (both funds and functionaries) and accountability. However, this ignores the role of the interplay between the wider institutional

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[15] I refer to the Madisonian principle of 'elite capture' in the Federalist Papers (no.10), which, in essence, states that the lower the level of government, the greater is its proneness to capture by local vested interests, and the lesser the chances that the poor and the minority are protected.

context, 'ideas' behind the institutions, agency's role in reinterpretation and reversal of incentive structure, and perverse institutional play for dismantling the community accountability structure. I begin with the last first to inductively move upwards to discuss the rest.

Three elements were crucial to the PRIs to realise their potential: (a) the rules should be played well inside the PRIs; (b) *gram sabhas* had to work as an effective concurrent enforcement mechanism; and (c) *ex-post* enforcement mechanisms had to play their role, especially when the other elements proved weak.

1. Ex-ante structural blocks to entry and participation of capable actors

The effectiveness of the internal rules of the PRIs was heavily contingent upon the entry of capable representatives from different, but especially the poorer, sections of society. This would have ensured that the rules were understood and played well, and that vitiations, if attempted, would be challenged effectively from within. Such an entry was effectively blocked at the *panchayat* level. Mainly the *laguas* of the powerful, and not the capable actors or natural leaders from especially the poor communities, were made to stand against and win the reserved posts of *sarpanchas* or *panchas*. Not that the capable actors did not exist, but for obvious reasons they were not preferred by the powerful who were fighting a battle by proxy. Such actors avoided competing independently, since these institutions were not visualised as advantageous for their lives or their communities, or they feared the powerful due to an absence of a wider support structure, or were too subordinated to even contemplate such a choice.

However, the problem was more complex. Even when a few competent players got in, either when they had the support of a primarily poor-oriented political party (such as the BSP), or had the courage to compete and win (generally by default due to a highly divisive local politics in the area), once in command most of them were seen to be copying the feudalism of the powerful, rather than destructing it from within for driving democracy. To belong to a marginalised caste group hardly had an impact on this pattern. It was quite evident in the Malwa region, where most of the representatives to the PRIs came from backward caste communities, and yet their shared cultural identities, and feelings of being a humiliated and exploited social group, hardly made any difference in their approach towards running the PRIs, nor to the poor from their own castes. Even in the tribal regions, which have the least unequal society, the pattern was not markedly different; and if such articulate actors occupied less commanding positions, for example as *panchas*, they preferred the 'loyalty' option (through cooptation by the *sarpanchas*) to that of 'voice'.

At the higher levels of the PRIs, the conditions were even more complicated. Here the representatives from the weaker strata of the society were not the *laguas* of the local powerful as their counterparts usually were in the *panchayats*. Individually they were more educated, articulate, and assertive, with the additional strength of networks in the villages and connections to, and support of, state-level politicians (Ministers/MP/MLAs). Yet, this did not result in more democratic deliberation and practice, and a more judicious use of developmental resources.

Hence I argue that even if the rules provide for a sufficient authority structure in the decentralised institutions, it requires strong agency on the part of those involved to play these

out positively. *Ex-ante* structural blocks to entry or transmuted interests of competent players have such an adverse impact on the rules, however well designed, that the task of their rectification through concurrent and *ex-post* enforcement mechanisms is rendered extremely difficult.

2. Perverse 'institutional play' and the muting of the concurrent enforcement mechanism of the *gram sabha*

The concurrent enforcement mechanism of the *gram sabhas*, which had been conceived as the best instrument for solving such *ex-ante* vitiations and designed to revitalise the institutions and ensure that they functioned in the intended way, proved a dismal failure. Everybody agreed that if this had worked as expected, most of the weaknesses observed on the ground would not have arisen. So the question is not whether a robust accountability system was in place or not, as it surely was. Instead, the issue is why it proved ineffective. The research findings suggest the following reasons:

a) Its design was utopian. With the poor hardly mustering the courage to stand against the wishes of the powerful in elections conducted through secret ballots, they were hardly likely to raise voice against them in an open meeting of a *gram sabha*;

b) But *gram sabhas* gave a unique opportunity to the other elites of the rural areas to act for various incentives: for example, elite competition around the control of PRIs; or interest in ensuring good governance around the programmes to benefit them and the area. Even if these more self-directed incentives had driven different actors within the elite group to activate the *gram sabhas*, a consequent indirect building up of local democracy would have been eventually possible, helping the poor to gain some flexibility around their involvement. Indeed, this possibility was perceived as a real threat by the powerful in control of the PRIs. But this was forgone by potential challengers in return for shares in the pilferage, which the *sarpanchas* were only too happy to part with directly, or through their co-option in different committees, so as to pre-empt such a threat;[16]

c) However, this might not have worked all the time or with everybody. A few might nevertheless make a challenge. To ward this off, and also because such challenges were largely perceived as destructive in nature,[17] *gram sabhas* eventually fell into disuse, by reducing them to a managed show or even simply a paper exercise;

d) Additionally, it was widely reported that interests waned over time, reinforcing the above. It is not uncommon to find people flocking to a meeting when personalised, immediate and credible benefits appear to flow from it. If not, deliberations over

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[16] More conspicuous in the Malwa region, where in the WCs if the Congress party supporters had secured the chairmanship they would strategically bring in important opposition BJP party supporters from the rural elite as the other members, and share the spoils with them to sustain their overall hold on the programme in the village, and vice versa.

[17] A number of *sarpanchas* shared the acute problem of facing destructive interference by the competing elites, which tended to find faults in what they had done, and lower their public esteem. During an interview, a *sarpanch* of the Vindhya region put this scenario to us rather caustically: "Have you ever found that in the Parliament or in the Assembly, the winning candidate (MP or MLA) has to sit with all his opponents who had fought against him in the election to deliberate upon matters which he has to decide and be ultimately responsible for? But, we have to face exactly this in a *gram sabha*, if properly organised. All our opponents would be there with their supporters outnumbering my supporters to paint me in black and do not let me function. How can we hold the *gram sabhas* in such a scenario?"

collective good matters, or lofty but vague ideals of village improvement through cooperation, have little staying power.

Thus, notwithstanding the robustness of the rules of the pivotal enforcement mechanism of the NIS, concerned actors could play those in such a deft but adverse way that it ultimately stood muted.

3. Overriding the ex-post community enforcement mechanism

Four *ex-post* enforcement mechanisms can be identified. Two of these (the audit system and governmental sanctions) are vertical accountability systems related to the functioning of the local state, and will not be discussed here. The other two fall within the horizontal community-based accountability system, and are briefly discussed below.

Firstly, employment of the 'the right to recall' could have salvaged the situation. If after three years two thirds of the *panchas* moved a resolution of no-confidence demanding the recall of their *sarpanch*, then the matter could be put to a public vote before the public. The result could ensure removal of a defaulting *sarpanch*. This was revolutionary and MP was the first state to build this provision into the PRI Act. However, this remained in almost complete disuse.[18] This was possibly because *sarpanchas* were alert to this provision, and regularly paid the *panchas* to ensure that two thirds of them always remained on their side and were not weaned away by rivals. Ironically this powerful provision, which was intended to keep a *sarpancha* alert to her tasks, instead resulted in a perverse alertness with successful but unintended outcomes.

Secondly, if everything else failed, elections after five years were expected to come in as last resort to account for the deeds and misdeeds of the representatives. In MP, as only one election in 1999 had been conducted after the initial election conducted in 1994, it was difficult to judge how much this had an impact. However, a few indirect indicators were available. Had the elections sent signals of punishing the guilty and rewarding the performers, the public discourse in regard to the PRIs could have been perceived as changing from bad to good. But, it was the reverse. There are numerous examples that show that initially the common people waited patiently in hope that the *panchayati raj* would eventually benefit their lives too, even when they saw only a few disproportionately benefiting from the system. But following long years of unfulfilled hopes with a minority from their villages and areas continuing to colonise the institutions for their personal benefit, they had become utterly disillusioned, and that sense of disillusionment was widely expressed. This could not have occurred had the elections worked as an effective enforcement instrument.

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[18] In the three research districts comprising of about 200 *panchayats*, I did not come across a single incidence of use of this provision

The second order question: Why did the 'incentive variable' not work?[19]

Institutions must also provide incentives to follow the rules; mere structural pressure does not suffice, and the NIS had been, as claimed, robustly designed around this principle. However, this also remained ineffective. Why?

4. Do 'elite capture' and other incentive theories explain?

Elite capture and its linear inverse relationship with good governance: The evidence presented here refutes this. First, capture usually refers to a state of seizure and subversion of opportunities for the betterment of the poor at the hands of elites. Hence, instances of subversion of programmes of the NIS, that were likely to benefit elites more than the poor, may hardly qualify as such. Second, precisely for this reason it can be expected that an asymmetry of power and consequent capture of the NIS may not demonstrate a linear inverse relationship with outcomes on good governance.

This can be stated in the following way: regardless of the initial capture and control of the NIS by the powerful, once the advantages of the developmental benefits offered by the NIS, and importance of democratising rather than dominating their affairs in order to unleash these, are well understood, vested interests would eventually become reoriented towards promoting good governance and inclusive practices. Other incentives – such as community approval and honour, or serving the citizens well to reproduce power in the NIS and in the society – could reinforce this as well. This would set off a positive chain reaction: incentive for securing developmental benefits and social honour – interest in letting NIS function democratically to unleash them – realisation of the rewards – enhanced interest in promoting good governance and deeper democracy.

The findings on EGS lend strong credence to this. As already observed, despite the capture of the EGS programme by the powerful *sarpanchas*, the resultant possibility of *gurujis* misusing their connections to them to shirk their responsibilities, and almost non-existent community vigilance and control over such teachers, they were reported to be running the schools well, sometimes even better than the government schools. This shows that elite capture can not be used to simplistically explain the incentive failures and poor governance of other programmes. Hence, let us consider a few other explanations.

Mismatch between institutional incentives and actors' preferences: Institutions may be designed well to offer a set of incentives, but with a basic flaw. They may not correspond to

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[19] There is a considerable and growing literature on issues surrounding incentive and organisational performance, the principal-agent relationship (which, *inter alia*, engage with the incentive question), and the role of agency and human motivation. See, for example, James L. Payne & Oliver H. Woshinsky, 'Incentives for Political Participation', *World Politics*, 24:4 (1972), pp.518-546; David E. M. Sappington, 'Incentives in Principal-Agent Relationships', *The Journal of Economic Perspectives*. 5:2 (1991), pp.45-66; ErnstFehr & Armin Falk, 'Psychological Foundations of Incentives', Institute for Empirical Research in Economics, University of Zurich. Working Paper Series Working Paper No. 95. Schumpeter Lecture Annual Conference of the European Economic Association, 2001; Michel Poitevin, 'Can the Theory of Incentives Explain Decentralization?' *The Canadian Journal of Economics*, 33:4 (2000), pp.878-906; Kathleen M. Eisenhardt, 'Agency Theory: An Assessment and Review', *The Academy of Management Review*, 14:1 (1989), pp.57-74; Peter Frumkin & Gabriel Kaplan, 'Neo-Institutional Theory and the Micro-Macro Link', Kennedy School of Government, Harvard University. Working Paper Series, 2000; Paul Pierson, 'When Effect Becomes Cause: Policy Feedback and Political Change', *World Politics*, 45:4 (1993), pp.595-628; Marianne Bertrand & Sendhil Mullainathan, 'Agents with and without Principals', Working Paper, Department of Economics, MIT, 2000; and Stephan Fuchs, 'Beyond Agency', *Sociological Theory*, 19:1 (2001), pp.24-40.

what the affected actors want. However, my research does not confirm this. Given the prevalence of a widespread resentment against the malfunctioning of government offices, measures that promised freedom from the clutches of corrupt junior engineers, defiant teachers, torturous and long journeys to distant offices often to face the insensitivity and apathy of the officials, were indeed welcome. The match of incentives, even if not perfect, was substantial, and finds a succinct but eloquent expression in the words of one district level officer:

> Who study in the village schools? Who use road and check dam? Villagers themselves. Once implementation of these projects is in their hands, they are bound to do it better than us. For they, and not we (bureaucrats), will have the highest concern to see a robust roof of a school building, lest it will collapse to hurt their own children.

It is true that elites and non-elites alike not only wanted good quality school construction but also believed that if that was in their hands it could also be realised well. Hence, if there was any mismatch, then it was more between their beliefs and actions than between institutional incentives and their personal preferences.

Flawed incentive ordering: More explicitly, the NIS offered material incentives, both in the form of collective and of individual benefits. However, material and monetary rewards do not entirely meet human motivational urges, much less when they are not immediate and pecuniary in nature, as in most cases of the NIS programmes. They also need, for example, the satisfaction of social approval, status and honour, reciprocity, and friendship. Despite the explicitness of developmental (material) benefits, these were not wanting in the NIS. In fact, expectations that the *gurujis*, elected representatives, chairmen and members of the WCs, and the like would work day and night for the good of society, when hardly any direct pecuniary benefits in the form of salary or perks were made available, was strongly premised upon the compensation of community recognition and social honour. However, had this been so, increasingly improving programme performance by the NIS, and not it's the reverse, would have been the order of the day.

5. Incentive reinterpretation

Play of agency's reflective capacity in a wider institutional context: So what went wrong with the incentive variable? The findings suggest that the incentives on offer underwent a radical reinterpretation and reversal in nature. The following will help elaborate.

Take the case of the JRY, EAS and the Watershed Programmes. Getting them well implemented would have possibly rewarded actors in control of the PRIs and the WCs. However, what is often ignored or underplayed in the decentralisation and participation debates is that such actors are primarily political actors with ambitions for achieving upward mobility in the political world. Such ambitions do not get fulfilled by stepping into the NIS only. It was therefore unsurprising when a young backward caste woman, with a PhD in political science, who was one of the vocal members of the District PRI in the Vindhya region, informed me how well she had prepared her ground by her work as PRI representative, and also by ensuring that the CM had a personal knowledge of those to expect on the party ticket for the position of MLA in the coming state election in December 2003. In the adjoining district, I attended a big meeting in which thousands of PRI representatives, WC chairmen, and Self Help Group members from all over the district participated. This had been organised by the Chairman of the District PRI, who was said to be keenly contesting the

MLA ticket for the Congress (I) party to replace its existing MLA. Despite the stated goals, the meeting was organised far less for discussing the issues of PRI and development, but much more to impress the CM, who was present, with a show of the aspiring Chairman's organisational and mobilising capabilities.

With such political ambitions, the incentives offered by the NIS were restructured against the template of the workings of the higher level political institutions in MP. Their 'rules of the game' required comprehension and compliance if the ambitions of the new actors were to be realised. The rules in the higher political arena defined how in a party politically ambitious actors rose from below; got tickets for MLA/MP positions; how successful elections were fought; and so on. It was hardly hidden that these required money, upward connections, downward networks, patronage politics, and sycophancy. Even when the higher level politicians spoke about the glory that good NIS performance could bring to the involved actors, they were clever to recognise this as rhetoric, since unless they had the resources and the connections that mattered in the higher but murky world of politics such a glory would hardly let them move up the ladder..

In this wider context, the NIS and their programmes were conjured up differently, as a source of vast opportunities to realise the newly fired ambitions. Resultantly, siphoning off the programme funds, building connections and networks utilising these, and financially insuring against the risks and uncertainties involved in moving up were viewed as offering far more than would securing an honourable life within the confines of a village.

Redefining process had begun early: Such restructuring of the meaning of the NIS had begun even before these had been operationalised. There was quite an excitement in the air, as different respondents told us, particularly about the coming of the new PRIs, not on account of their enabling the people to manage their own development and destiny, but for the greater and more direct opportunities of siphoning off government money it might provide.

This perverse discourse was so pervasive and persuasive that even before a reality check could be made about such potentialities of the NIS, different candidates had entered the fray investing about Rs.20,000-50,000 in the non-tribal regions, and Rs.10,000-20,000 in the tribal regions, for winning the *sarpanch*'s post (the smallest office in the entire PRI structure), not to mention superior posts that obviously required greater investments. Added to this were the purchases of motorcycles and Tata Sumos (jeeps) once victories were attained, as by then the confidence was high that rich dividends would be made on these investments. Those who knew and experienced this grinding discourse showed no surprise upon hearing what an ex-CEO, an IPS officer, of one district *panchayat* of MP had shared with me:

> When he [as the ex CEO] had shown reluctance to comply with the wish of the lady Chairman of the District *Panchayat*, where he was posted, to manage a backdoor selection of a number of her preferred candidates as the *Shiksha Karmis* [contract teachers; this implied at least about Rs. 20,000 per candidate as her rent], she had asserted her claim with these remarks: "But, how would I pay back for the purchase of Tata Sumo that I have already done?"

The power of redefinition drew almost everybody in the game: It is this redefining of the incentive system that helps to understand the rather puzzling fact that even when the poor had, with political support or otherwise, gained a more effective control of the PRIs or other structures, they also largely followed the same strategy. They were even encouraged to do so

by their political mentors. During an interview with the BSP MLA of the block under research in the Vindhya region, she asserted when we discussed this issue: "An honest *sarpanch* would remain *sarpanch* all his life". The implication was clear: if she were to rise further in the party, she had to restructure the localised definitions of incentives and morality that the NIS offered.

This was quite an apt description of the reality, as the MLAs/MPs, as well as the ministers, whether from the tribal, backward, SCs or STs, or the forward castes, were only reinforcing the scenario by what they were doing for their own political advancement. For example, the backward caste *sarpanch* in a *panchayat* in Vindhya proudly showed me the sanction letter of a *panchayat* building project, which he could manage by paying Rs.12,000 to a *dalal* (fixer) of the MLA of the area; and the tribal ex-*sarpanch* in another *panchayat* of the same district candidly told us that with the help of his *panchayat* secretary he could find the right contact, a school teacher, through whom he ensured a payment of Rs.15,000 to the ex-chairman of the District *Panchayat*, later District Congress President, to get a road scheme worth about Rs.200,000 sanctioned under the EAS, which he could afford by (mis)utilizing the JRY funds.

In the tribal Mahakaushal region, where such practices were least suspected, investigations were especially revealing. The chairman of one of the WCs enthusiastically explained to us how highly the ex-*sarpanch* used to rate him as an efficient and trusted lieutenant, which is why he had secured his selection as the chairman of the WC in absentia. At the same time, he also shared his recent frustrations in running the programme, because the same ex-*sarpanch* had begun undermining him. When pressed to unravel this puzzling turnaround of his mentor, he finally had to say the following:

> He [the *ex-sarpanch*] gradually realised what potentials the programme had in store for making money, and has grown repentant over letting such an opportunity go away from his direct control

Thus, it was not surprising to find that the tribal Chairman of the District Panchayat in the Mahakaushal region also did the same, even when the *sarpanchas* who approached him were from the tribal community. Most of them had drafted non-tribal PAs on deputation from the lower bureaucracy, who were known for their reputation of being 'experts' on how to play the game profitably yet safely, in order to help the new public leaders acquire similar expertise.

This also explains the rather puzzling scenario of the easy co-optation of even the competing powerful elites. Rather than seeking to do something different and constructive with their control of the NIS, elite competition was aimed at doing the same things that successful rivals were engaged in, namely mobilising finances and crafting networks to personal and political advantage. If this was achievable even if partially through co-optation, why incur the cost of competition?

Redefinition could result in positive outcomes too: However, in stark contrast stood the result of the redefining of the incentives of the EGS programme. The strong motivation of the *gurujis* to do well came partly from these factors: unemployed as they were, the honorarium, however small, provided them with an income; and the respect of the community resulting

from educating children from its most deprived sections was rewarding, all the more if the teachers themselves came from such a background.

However, almost unequivocally all officials, parents and teachers interviewed revealed something different that had worked decisively, even if the aforementioned incentives had played a background role. What motivated most of these unemployed youth was a strong expectation, almost a belief, that the government would provide them with permanent career posts, if they did well as a *guruji*. This was astonishing, as nothing in the programme's design and the mode of its implementation had even remotely suggested, explicitly or implicitly, that such a possibility existed. Yet such an incentive was believed to exist, or was cognitively structured and attributed to the programme in every region.[20] But in this case, the redefining of the incentive system, entirely unintended by the programme, had a highly positive impact on the programme's outcome.

Conclusion

The empirical findings discussed above and the analysis presented can be summed up in the following five analytical propositions:

> Proposition 1: *Crafting new institutions is rarely a matter of design, but involves difficult dynamics of 'real world institutional reconciliation' between new and pre-existing institutions.*

New progressive institutions can rarely be crafted without encounters with pre-existing and often regressive institutional arrangements. Thus the rules, enforcement structures and incentives embodied by new institutions, however well provided, are not enough on their own unless they can be reconciled with those of the pre-existing institutions in such a way as to preserve the efficacy of earlier institutional arrangements. In other words, positive and effective institutional reconciliation, key to the successful grounding of new institutions, is not a matter of design, but of the dynamics of *how* conflicts and contradictions between new and pre-existing institutional arrangements are resolved in favour of the former.

> Proposition 2: *Institutional reconciliation requires exercise of 'agency' of the actors involved, especially the interpretative processes related to agency.*

The dynamics and outcomes emerging from the introduction of new institutions are determined by the mediating role played by the *agency* of actors involved in the process. Contrary to institutionalist assumptions, the rules and incentives of new institutions do not shape behaviour unilaterally, irrespective of the quality of institutional design and the power of enforcement structures. Actors rarely respond passively to newly crafted institutions. Instead, an active, even pro-active, role is played by actors, who read the new institutional arrangements (especially the incentives on offer) against a template of their past experiences (around the workings of the pre-existing institutions) and future hopes and aspirations. Such

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[20] So intense was this restructuring that when after a few years no induction into government jobs had occurred, the EGS teachers formed a state-wide union, and along with the other contract teachers' unions, started agitating, even going on hunger strike. A number of teachers and officials felt that due to the expectation not getting fulfilled after five years of the programme, there was a perceptible decline in the enthusiasm and commitment of the teachers, which threatened to impair the future performance of the programme.

an exercise of interpretation and reinterpretation of what the new institutions offer is critical to shaping the outcomes of institutional reconciliation.

> Proposition 3: *The interpretative role of agency is proximately influenced by three factors: (a) interests and aspirations of the actors involved; (b) linkages of these with the incentives on offer within the new institutions vis-à-vis those within pre-existing institutions; and (c) the effectiveness (or in-effectiveness) of the enforcement structure embodied in the new institutions.*
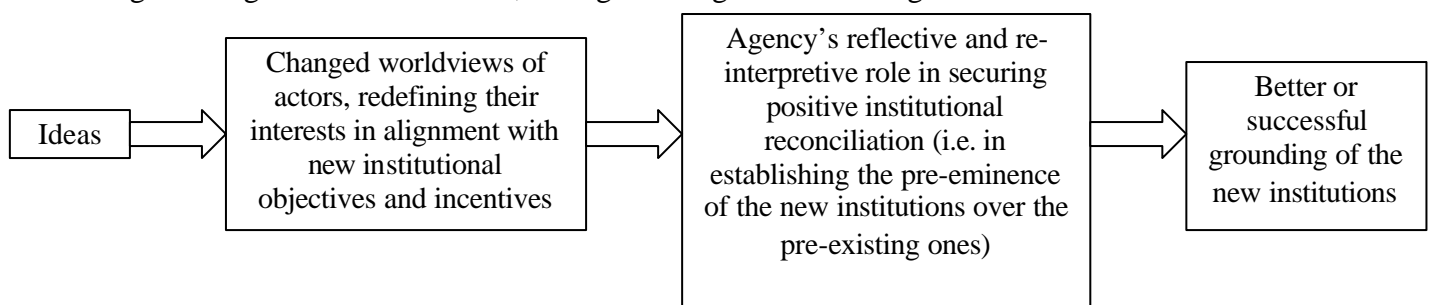
The interpretive process is not a matter of discretion, unexplained choices or absolute free will of the actors involved (though idiosyncrasies play a role too, albeit in small and often indecisive ways). If the workings of the new institutions are hardly seen to be directly helpful in realising the interests and aspirations of the actors involved, and the pre-existing institutions are still seen as more effective means for achieving those, then a positive institutional reconciliation is unlikely. Instead, actors will be strongly inclined to reinterpret and redefine the new institutional workings and incentives in ways that secure a better fit with those of the pre-existing ones, and thus will vitiate the new institutions. Additionally, the ineffectiveness or effectiveness of the enforcement structure of the new institutions will respectively aggravate or mitigate such vitiation. However, if new institutional incentives are viewed as directly and more effectively promoting the interests and aspirations of the actors involved, even with a weak enforcement structure, the new institutions are likely to gain ground over pre-existing ones.

> Proposition 4: *The interpretive role of agents is shaped, though not determined, by ideas.*

However, even interests and aspirations are not entirely given. How well the crafted institutions are ideationally underpinned (i.e. how effectively the worldviews of the actors involved are appropriately (re)-structured to redefine their interests and aspirations, in ways that align well with the premises and the purposes of the new institutions) can, in turn, have a significant impact on the final outcomes of processes of institutional reconciliation. However, it is important to understand that ideas rarely alter the fundamental content of interests and aspirations. But what they can do is significantly transform their form and expression, which can then significantly affect the direction and content of interpretive processes.

> Proposition 5: *The successful grounding of new institutions is most likely to be the result of an interlinkage between ideas, interests and agency rather than the result of institutional design per se.*

Taking all the propositions together, what can be argued is that the interlinkage between ideas, interests and agency, which is more likely to play an effective role in securing a better grounding of new institutions, emerges through the following casual chain:

| Ideas | ⟹ | Changed worldviews of actors, redefining their interests in alignment with new institutional objectives and incentives | ⟹ | Agency's reflective and re-interpretive role in securing positive institutional reconciliation (i.e. in establishing the pre-eminence of the new institutions over the pre-existing ones) | ⟹ | Better or successful grounding of the new institutions |

Figure 2: Deepening the Analytical Understanding of Institutional Change : The Analytical Insights from the MP Research

New Institutions

Rules ← → Enforcement ← → Incentives

Contradiction, conflict

Pre-existing Institutions
with their rules, enforcement and incentives

Institutional Reconciliation

Mediates to secures this

Actors: exercise of interpretative agency

Factors that influence whether the interpretative processes work
progressively or regressively to ground - new institutions

Proximate Incentives offered by the pre-existing institutions → Incentives offered by new institutions ↔ Interest and aspirations of involved actors

Deeper Ideational underpinning: Structuring worldviews of actors

If this dynamics reconciles the contradictions between new and pre-existing institutions in favour of the former, then

If reconciliation are secured in favour of latter, then

Successful   *Unsuccessful or Poor*

Grounding of the new Institutions

Institutionalist assumption: if designed properly, rules, enforcement structure and incentives (institutional outcomes of collective good) shall work well on their own to ensure the grounding of the new institutions

Institutionalist assumption: if designed properly, rules, enforcement structure and incentives (institutional outcomes of collective good) shall work well on their own to ensure the grounding of the new institutions

This improved analytical framework helps to correct the shortcomings of earlier interpretations of institutional change, which are usually presented entirely through the conceptual prism of the inherent strengths of new rules, their incentives (in the form of offered collective goods) and enforcement structures embodied in the new institutions, by bringing in the crucial but missing analytical variables of actors' ideas, interests and aspirations, and their agency. Thus, it offers a fresh and deeper perspective on the vexed issue of institutional change. Introducing these analytical variables allows us to take account of the crucial mediation role they play in the almost inevitable episodes of resistance, backlash and sabotage that occur in the confrontation between new and pre-existing institutions. These variables are brought to centre stage in our understanding of how and why new institutions prove effective (well grounded) in some instances, and perform poorly in others.

This framework alerts us to the errors that reformers commit in crafting new progressive institutions, usually due to a belief in the theoretically exaggerated presumption with which institutionalists work, that if rules, enforcement structures and incentive design are right, institutions should matter, and do so decisively. Actors and their agency are viewed as dependant variables, always responsive to new rules and incentives. However, actors do not allow themselves to be incorporated by new institutions passively, but do so through critical engagement with their premises and possibilities, and this is a two-way process. In it, actors reflectively, and not reflexively, read from a large repertoire of their past experiences, current workings of the wider contexts surrounding and enmeshing their lives, and future aspirations held in conjunction with what is offered by new institutions. In so doing, they define and redefine the premises and possibilities of the new institutions in ways that fit best the pursuit of their interests and aspirations, which, interestingly, can assume content and contours that are hardly anticipated by the reformers, let alone intended.

This is what seems to have happened on the ground in MP, which led the actors to redefine the advantages of the NIS – collective developmental benefits and social rewards – in damagingly alternate ways. In this, use of the projects and their resources for connecting and moving vertically upwards in life and politics (the real interests and aspirations of the actors involved) was viewed as more rewarding than securing the designed advantages within the new institutional arrangements. With this shift or even reversal in the meanings of the crafted incentives, the democratic ambitions of the NIS also stood supplanted through sabotage and suppression. This was inevitable, since these latter practices, and not the former that had become redundant under the changed context, fitted better the realisation of the interests of the actors involved. However, interestingly the vector of such reversals counter-intuitively had a positive impact in at least one case, the EGS, since interpretive processes involved therein secured a good fit between the pursuit of the actors' interests and the programme objectives.

Institutions matter, but only when their ideational underpinning and structural elements help actors pursue their interests and aspirations in ways that also promote the objectives of the institutional reforms. Therefore, reformers must seriously take into account the real world dynamics of institutional reconciliation, which involve interplay between ideas, interests and agency, to ground the progressive institutional changes well. It is high time institutionalists incorporate these as analytical variables in their theorising about institution building, to be able to offer more relevant and robust insights for policy makers and practitioners.

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Annex A

Chairmen of the Watershed Committees, Block A, District 1 (*Mili-basin No. 2A7E2J*)

Micro-W No.	*Panchayat Name*	First Term		Second Term	
		Sarpanch	**WC Chairman**	**Sarpanch**	**WC Chairman**
1	I (Research area)	PT (forward caste *Brahmin*)	*Sarpanch himself*	Mrs. PL (de facto *sarpanch* her husband PT)	*Sarpanch herself* (de facto *sarpanch* her husband)
2	II	AP (backward caste *Patel*)	*Sarpanch himself*	Mrs. KS (a lady member from SC community who was ensured victory by the rival of the previous *sarpanch* AP)	Mrs. KS (Ouster of AP was also ensured as a result of change of power controlling the *sarpanch*. Through Mrs. KS, the WC is controlled by the de facto *sarpanch*, the real power behind Mrs. KS.)
3	III	LP (backward caste *Patel*)	*Sarpanch himself*	?	LP
4	IV and V	Mrs. PD (*Brahmin*)	*Sarpanch herself* (de facto *sarpanch* her husband)	Mrs. PD	*Sarpanch herself* (de facto *sarpanch* her husband)
5	VI	TJP (backward caste *Patel*)	Chairman nominated by the *Sarpanch*.	TJP	Chairman nominated by the *Sarpanch*.
6	VII	PKS (*Rajput*)	*Sarpanch himself*	PKS	*Sarpanch himself*
7	VIII	LM (*Brahmin*)	*Sarpanch himself*	*Sarpanch* is a ST member who is a servant in the house of the ex-*sarpanch* LM	LM (he is the real power; the de facto *sarpanch*, hence continues to be the chairman of the WC also)
8	IX	SKT (*Brahmin*)	*Sarpanch himself*	RLS (a backward caste *sarpanch* controlled by the ex-*sarpanch* SKT)	SKT (he is the real power; the de facto *sarpanch*, hence continues to be the chairman of the WC also)
9	X	SLK from ST community controlled by KPT (*Brahmin*)	KPT (he is the real power; the de facto *sarpanch*, hence the chairman of the WC also)	Lady member from backward caste (KPTcontinues to be the de facto *sarpanch*)	KPT (he is the real power; the de facto *sarpanch*, hence continues to be the chairman of the WC also)
10	XI	BBK from ST community controlled by SSB (*Rajput*)	SSB (same position as above)	MPS (*Rajput*. was rival to SSB and defeated him to become *sarpanch*. But later, a pact was reached between them; as a result SSB continues to be the chairman.)	SSB

11	XII	Mrs. HGT (*Brahmin*)	Mr. HGT (husband of the *sarpanch:* the de facto *sarpanch*)	MDK from ST community. Not directly under control of HGT, but not also in the opposition camp.	HGT
12	XIII	A backward caste *sarpanch* under the control of ANM (*Brahmin*)	ANM (he is the real power; the de facto *sarpanch*, hence the chairman of the WC also)	Mrs. ANM	ANM (husband of the *sarpanch* the de facto *sarpanch*)
13	XIV	SS (*Rajput*)	RPK (A backward caste member under the control of SS. This is only one case when a forward caste *sarpanch* did not become the chairman himself, but ensured his protégée from a backward caste got this position. In spirit, however, *sarpanch* controlled the WC)	DS (*Rajput* defeated SS in the second term and also ensured his ouster as the chairman of the WC to himself become the chairman)	*Sarpanch himself*
14	XV	*Sarpanch* from SC community under control of RLS (*Rajput*)	RLS (he is the real power; the de facto *sarpanch*, hence the chairman of the WC also)	*Sarpanch* from ST community under control of RLS	RLS (he is the real power; the de facto *sarpanch*, hence continues to be the chairman of the WC)
15	XVI	SRS (*Rajput*)	*Sarpanch himself*	TRS (member of the family of SRS)	SRS (the de facto *sarpanch*)
16	XVII, XVIII and XIX	?	JRS (only case of competition due to involvement of three *panchayats*.)	Mrs. JRS (de facto *sarpanch* is her husband JRS)	Mrs. JRS (de facto *sarpanch* is her husband JRS)

Annex B

Distribution of EAS resources to *panchayats,* Block A1, District 1(95-99)

Amt. '00,000	Pan. code	97 Amt.	98 Amt.	99 Amt.	Tot. Pan.	Tot. Amt.
Above 10					**3**	**35.43**
	32	2.66	0	9.9		12.56
	23	7.8	4.48	0		12.28
	2*	**7.74**	**2.85**	**0**		**10.59**
5--10					**19**	**132.70**
	47	0	0	9.9		9.9
	5	0	0	9.9		9.9
	37	0	0	9.9		9.9
	44	0	0	9.9		9.9
	26	0	0	9		9
	33	0	0	8.99		8.99
	24	0	0	8.98		8.98
	25	0	0	8.18		8.18
	43	2.25	2.95	2.89		8.09
	7	0	0	8		8
	35	0	0	8		8
	10	7.67	0	0		7.67
	41	0	0	7.4		7.4
	46	3.5	0	3.5		7
	45	0	0	6.3		6.3
	42	0	5.49	0		5.49
3 to 5					**6**	**26.43**
	39	0	0	4.98		4.98
	18	0	4.88	0		4.88
	8	0	0	4.72		4.72
	6	0	4.7	0		4.7
	38	0	0	4		4
	40	0	3.15	0		3.15
0 to 3					**21**	**43.86**
	1*	**2.99**	**0**	**0**		**2.99**
	31	0	2.99	0		2.99
	3*	**0**	**2.99**	**0**		**2.99**
	12	2.97	0	0		2.97
	30	2.97	0	0		2.97
	16	2.96	0	0		2.96
	22	0	2.95	0		2.95
	11	0	2.91	0		2.91
	20	2.85	0	0		2.85
	27	0	2.73	0		2.73
	19	0	2.28	0		2.28
	17	2.25	0	0		2.25
	28	0	2.23	0		2.23
	15	2.2	0	0		2.2
	36	0	0	2.17		2.17

	21	1.18	0	0		1.18
	14	0	1.14	0		1.14
	9	0	1.1	0		1.1
	13**	0	0	0		0
	29**	0	0	0		0
	34**	0	0	0		0
Nil	**Rest 53 panchayats**	**0**	**0**	**0**	**53**	**0**
G.Total		**51.99**	**49.82**	**136.61**	**99**	**238.42**

*Research *Panchayat*. It will be evident from the Table that Panchyat 2, one of the research *panchayats*, is in the highest bracket (above Rs.1 million). The Table shows that in the year 1997, scheme worth Rs.0.774 million had come to this *panchayat*. This was a road scheme. How was its sanction managed was ethnographically investigated. It is about this scheme that the ex *sarpanch* gave a detailed account of different political machinations that was employed to get it to the *panchayat*.

**These *panchayats* had received no resources under EAS. But their names had appeared on the official sanction register from which these data have been compiled. So recheck is needed. If it is confirmed that they had received nil resource, that will increase the number of *panchayats* with nil resource from 53 to 56.

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The aim of the Crisis States Programme (CSP) at DESTIN's Development Research Centre is to provide new understanding of the causes of crisis and breakdown in the developing world and the processes of avoiding or overcoming them. We want to know why some political systems and communities, in what can be called the "fragile states" found in many of the poor and middle income countries, have broken down even to the point of violent conflict while others have not. Our work asks whether processes of globalisation have precipitated or helped to avoid crisis and social breakdown.

Crisis States Programme collaborators

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Research Objectives

- We will assess how constellations of power at local, national and global levels drive processes of institutional change, collapse and reconstruction and in doing so will challenge simplistic paradigms about the beneficial effects of economic and political liberalisation.

- We will examine the effects of international interventions promoting democratic reform, human rights and market competition on the 'conflict management capacity' and production and distributional systems of existing polities.

- We will analyse how communities have responded to crisis, and the incentives and moral frameworks that have led either toward violent or non-violent outcomes.

- We will examine what kinds of formal and informal institutional arrangements poor communities have constructed to deal with economic survival and local order.

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