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Differences in Democratic Deepening

Tending to paddy seedlings in his nursery, Dharam Singh straightens up to survey neighbor Neeru Das' field and explains to me how owning a pump set to irrigate the farmland can change life for the better.[1] We are in the east Indian village of Laguadasgram, so isolated that its inhabitants have to trek and then raft across the Mahananda River to reach the marketplace. In the past two weeks, however, Dharam Singh has ventured 13 miles farther to beseech the block officer in Barsoi to sanction a loan for a portable diesel-powered pump set.[2] Transplanting the seedlings for the *kharif* autumn crop is almost upon him. Last kharif, after a wealthy farmer leased a pump set in exchange for 200 kilograms of rice, Dharam Singh was left with a meager income. Neeru Das, on the other hand, had better proceeds from his farm, with a pump set given by the *gram panchayat* (elected village council).

The panchayat has been unobliging to Dharam Singh, and now, its member has directed him to the block office. So far, his visits to Barsoi too have been unsuccessful, with the block officer absent on three occasions.[3]

[1] Names of the villagers are fictitious to preserve their anonymity. Field research in the villages, done in June and July 2012, included open-ended interviews with villagers and *gram panchayat* members (gram panchayats are elected village councils), participant observations in panchayats, and a random sample survey.

[2] A block is an administrative unit in India. For administration, the country is divided into districts (640 administrative districts as per the 2011 Census). Nested within the districts are blocks; and within the blocks are gram panchayats. The Barsoi block, a part of Katihar district, has within it twenty-nine panchayats, including Laguadasgram. A state government-appointed Block Development Officer (BDO) is responsible for coordinating and implementing development programs within each development block.

[3] Bureaucratic absenteeism and apathy are predicaments to which the villagers in India are accustomed (Banerjee et al. 2004; Devarajan and Shah 2004; Jeffery and Jeffery 2010).

Besides the pump set, there is a crucial distinction between Dharam Singh and Neeru Das: they belong to different villages and states. The mud ridge that separates their paddies is also the political boundary dividing Laguadasgram panchayat in Bihar from Gouri panchayat in West Bengal. Difficult to tell apart, the villages exist cheek by jowl, both cut off from the rest of their states by rivers.[4] Yet, they have developed – and represent – political systems that are worlds apart.

On any weekday, a clutch of disparate people could be seen in and around the matter-of-fact Gouri panchayat office: villagers with petitions, officials discussing various development programs, and local politicians debating policies and political strategies. The panchayat implements and identifies the beneficiaries of several central and state government-sponsored development and welfare programs, including a cash-for-work program for the rural unemployed, an old age pension scheme, and a loan program for the poor to build houses. On its own, the council builds and maintains village roads, bridges, and ponds that serve as flood proofing during the monsoon season, and assists farmers with irrigation pump sets, subsidized fertilizers, and seeds. Above all, the panchayat convenes *gram sansads* (village meetings), publicized in advance through roving loudspeakers, where the villagers deliberate on council policies and the allocation of funds for various needs, question their rationale, seek amendments to them, make recommendations, and review the performance of elected panchayat members.

Not everyone in Gouri is satisfied with the panchayat, of course. The village is humming with rumors about political chicanery and financial impropriety, with some villagers accusing the elected panchayat members of distributing the spoils of office only to those who vote for them.[5] But, there is no doubting the presence of vibrant grassroots democracy in the village. In a sense, the Gouri panchayat is a microcosm and an extension of the Indian democratic state – with its attendant welfarist impulses, myriad development programs, lively elections, partisan politics, and corruption.

Dharam Singh also has a greater worry since the villagers warned him that the block officer is corrupt.

[4] The Nagar River cuts off Goaldaha, Neeru Das' part of Gouri panchayat, from the rest of West Bengal.

[5] Given the partisan divisions in Gouri, only 51 percent of the sixty-seven villagers whom I surveyed reported satisfaction with the panchayat's performance, even when 85 percent of them agreed that the panchayat has done some good work in the village. The survey followed a random stratified sampling procedure, with stratification based on predetermined age categories: 18–39, 40–54, 55+; each category has approximately a third of the sample.

Village administration and life in Laguadasgram stand in sharp contrast to those in Gouri. There is no sign of local democracy at work in Laguadasgram. The panchayat office is a padlocked deserted building; its verandah providing shelter from the fiery summer sun for stray dogs. No villager that I talked to could recall ever going to the panchayat office to avail government services or welfare benefits. Instead, they travel to the Barsoi block office. With authority resting with the state government-appointed block officer, the Laguadasgram *mukhiya* (elected panchayat president) too makes journeys to Barsoi for himself and, occasionally, on behalf of the villagers. Elected panchayat members have some responsibilities in the village, such as identifying the beneficiaries of the cash-for-work scheme and a few other welfare programs at the behest of the block officer or some district official. But, neither they nor the villagers are in doubt as to where to go to get things done – the block office in Barsoi. Being the nodal development office for twenty-eight other panchayats besides Laguadasgram, a clutter of people much larger than the one at the Gouri panchayat office can be seen on any regular day at the Barsoi block office.

1.1 THE PUZZLE

India amended its constitution in 1992, mandating that the constituent state governments set up elected gram panchayats in rural areas and decentralize governance to them. Until then, administration of vast stretches of rural India was carried out through government-appointed officials in districts, blocks and villages, with ultimate administrative and financial responsibility resting with the state governments. This administrative arrangement had prompted a federal commission on decentralization in the late-1970s to observe that "the essence of Indian polity" is "[d]emocracy at the Central and state levels, but bureaucracy at all lower-levels."[6] Recognizing this democratic deficit and its shortcomings in the economic and political development of villages, the constitutional

[6] Regular competitive elections to choose representatives were limited to the federal and state governments in the country; elections to local governments were held irregularly in most states (in some cases, they were not held for over two decades), and the power rested with unelected bureaucrats even when elections were held. Quote from E. M. S. Namboodiripad's dissenting note to the Askoka Mehta Committee Report. Namboodiripad was a chief minister of Kerala and an advocate of democratic decentralization. Askoka Mehta Committee was one among the many official commissions that recommended decentralization in the country. The commission submitted its report in 1978. Quoted in Kaushik (2005, p. 103).

amendment sought to make elected panchayats "units of self-government" below the state-level.[7] These panchayats, instead of the state-appointed bureaucrats, would be the local governments responsible for meeting the developmental needs of rural India.

In the new scheme of governance, it is especially the people in remote and underdeveloped villages such as Laguadasgram and Gouri who stood to benefit.[8] But, little seems to have changed in Laguadasgram or other villages in Bihar with the amendment. Negligible decentralization in the state has left Laguadasgram residents and 92.3 million other villagers in the state still seeking solutions to their developmental problems in block and district offices in distant towns and cities.[9] Meanwhile, West Bengal's substantial decentralization has enabled its citizens in Gouri and elsewhere in the state to find answers to their development concerns from panchayats in their own villages.[10]

Two distinct political systems thus exist on either side of the West Bengal–Bihar border.[11] On one side, devolution has enabled panchayats

[7] The amendment widely known in India as the Panchayati Raj Amendment is the 73rd amendment to the Indian constitution. Making village panchayats "units of self-government" in rural areas is a stated objective of the amendment: http://indiacode.nic.in/coiweb/amend/amend73.htm (Accessed on July 10, 2010).

[8] Both Laguadasgram and Gouri are about 15 miles from their block offices in Barsoi and Raiganj (the distances exacerbated by rivers that cut them off from the rest of the block), and are backward regions in their respective states with literacy rates about 25 percentage points – two and a half standard deviations – below the average rural literacy average rural literacy rates in Bihar and West Bengal. As per the 2001 Census, about 39 percent of the 27,000 Gouri villagers were literate, and 19 percent of the 11,000 Laguadasgram residents were literate.

[9] The rural population based on the 2011 census (88.7 percent of the people in Bihar live in rural areas). Bihar state government reports reveal that decentralization to gram panchayats has been nominal: Elected panchayats have no decision-making power and no revenue of their own; instead they depend on financial transfers from the state government. See, the Principal Accountant General (Audit)'s local audit reports (GoB 2008). See also: http://bipard.bih.nic.in/Downloads/Panchayati%20Raj/Democratic_Decentralization.pdf (Accessed on March 12, 2014).

[10] In 2004, for instance, the Gouri panchayat collected about 88,000 rupees in tax and non-tax revenues and spend about 110 rupees per villager. Data collected from the Department of Panchayats & Rural Development in 2007. Furthermore, West Bengal has devolved to panchayats twenty-seven of the twenty-nine governmental functions listed in the constitutional amendment. See, Status of devolution of functions to panchayats (Government of India): www.pib.nic.in/archieve/others/2012/dec/d2012121302.pdf (Accessed on March 12, 2014).

[11] Besides Gouri and Laguadasgram, my field research covered a few other villages along the state border. The villages I covered are Bahin, Bhatun, Harishchandrapur, Jagadishpur, Kharba, Maraikura, Rampur and Sitgram in West Bengal; and Bansgaon, Bighaurhat, Harnaroi, Karanpur, and Lagua in Bihar. Unlike in Gouri and Laguadasgram, my

to sort out the set of policies that meet local needs. Intimate village settings and spirited local elections make elected members stay informed about – and be responsive to – local interests. With citizens' involvement in gram sansads, panchayats approximate the rudiments of participatory democracy. On the other side, panchayats are powerless and sidelined. The bureaucrats, who carry out administration from district and block centers, are accountable only to their bosses in the state capital; governance thus remains distant from, and fairly unresponsive to, villagers. On one side of the border, people identify government with elected panchayats in their villages; to their counterparts on the other side, the most recognizable face of government is an unelected block officer in a distant town. Democracy has struck deeper roots and extended to remote villages on one side, while it has remained stunted at the state-level on the other side.

Although village governance on either side of the state border concerns the contrasting political systems of Bihar and West Bengal, it also encapsulates the political differences that exist across India. Comparable differences distinguish villages elsewhere in the country as decentralized states abut less decentralized ones along its length and breadth.[12] This political pattern is so rendered by the varied responses the states took to the constitutional amendment. For instance, while West Bengal held elections to panchayats as the amendment was coming into effect, Bihar delayed local elections for another eight years until the state high court directed it to do so. By the end of the 1990s, panchayats in Andhra Pradesh were spending about 600 rupees per villager every year, even as their counterparts in Uttar Pradesh were spending only 25 rupees. Meanwhile, Kerala transferred all twenty-nine government functions listed in the amendment to elected panchayats; Haryana transferred none. Following the amendment, some states empowered elected panchayats to deepen democracy,

research in these villages was limited: It involved open-ended interviews with small groups of villagers to find out what sort of work the panchayats undertook in their villages, meetings with elected panchayat members to learn how much decision-making authority has been devolved, and visits to the panchayat offices to observe their functioning.

[12] For instance, some 1750 miles southwest of the Bihar–West Bengal border, similar differences can be seen in gram panchayats along the border that separates the states of Kerala and Tamil Nadu. I observed that gram panchayats in Kerala (Kunnathukal, Parassala, and Vellarada in Trivandrum district) have more administrative and financial responsibilities devolved to them than adjoining panchayats in Tamil Nadu (Choozhal, Devicode, and Puliyoor Salai in Kanniyakumari district). I did this research along the Kerala–Tamil Nadu state border in May 2007.

even as others disregarded the amendment to carry out administration through bureaucrats. As a result, democracy and governance in some Indian states reach out to citizens even in remote areas to address their concerns and meet their demands while villagers in other states travel to distant bureaucratic hubs to seek even the most basic government benefits and services.

Experiences with decentralization in countries around the world suggest that the uneven pattern in the devolution of power to lower levels of government is hardly unique to India. In fact, decentralization is asymmetric across countries, and across time and subnational units within several countries. To get a sense of these differences, consider the following: Though comparable in size and the level of economic development, Germany collects three times as much in revenue and spends twice as much through subnational governments as does France.[13] In the Philippines, mayors and councilors to cities and municipalities are chosen through competitive multiparty elections, whereas the state government appoints unelected officials to manage local governments in nearby Malaysia.[14] Mayors in the Brazilian municipalities of Porto Alegre and Belo Horizonte have shared more power and resources with civil society to promote vibrant grassroots participatory democracy than mayors in Recife or São Paulo (Souza 2001; Wampler 2004). In Malawi, the central leaders set up elected local governments in 2000, but soon afterwards suspended local elections and recentralized power (Kaunda 1999; Tambulasi 2011).[15]

Some governments devolve power to lower levels; others do not. Some central leaders share power with elected local governments and create conditions for grassroots democracy to flourish, while others centralize

[13] Germany and France have comparable population sizes and levels of economic development. As per the World Bank data in 2013, the population of Germany is about 80 million (per capita GDP approximately $40,000) and of France is 66 million ($36,000). Subnational governments in Germany collected 33 percent of the country's revenue in 1997, when France's subnational governments collected only 13.5 percent; and subnational expenditures in Germany accounted for 40 percent of all spending that year, when France's subnational spending was 17 percent (IMF 2001).

[14] For a discussion of state-appointed local government officials in Malaysia, see Tennant (1973).

[15] Malawi did not hold the next local election until April 2014. Asymmetric decentralization seems a standard practice in several countries, regardless of size, ethnic heterogeneity, or type of political systems – the characteristics that are usually associated with the devolution of power (We will examine these characteristics more systematically in Chapter 5). For instance, see: on Bolivia (Rowland 2001), on Brazil (Selcher 1998, 1989), on Canada (Gagnon 2001), on Germany (Benz 1999), on Indonesia (Aspinall and Fealy 2003), on

power and stifle local democracy. In some contexts, democratic governance is replicated in every village and neighborhood to address local concerns and demands, while in other environments unelected bureaucrats are the face of government at local levels. In this book, I develop a theory that seeks to account for these differences, explaining why some governments decentralize and why some do not. My view is that to understand democratic deepening, we should first examine the context in which the decision to decentralize – or, to continue with it – is taken. Drawing on the differences in the level of democratic decentralization in Indian states, I highlight the factors that shape a central leader's decision to decentralize. I demonstrate how some contexts facilitate central leaders to undertake decentralization while others hinder it.

1.2 EXPLAINING DEMOCRATIC DEEPENING

Democratic deepening in this book involves the extension of democratic governance to subnational levels: Governments at higher levels decentralize administrative authority and financial resources to popularly elected governments below them. The main thesis of this book is that *democracy deepens when central leaders share power with elected local politicians to use their intimate knowledge of voters to mobilize political support.*[16] Local politicians, due to their smaller domains and more frequent interactions with people, know more about voters than do the central leaders.[17] Central leaders seek this local voter information, when detailed knowledge about individual voters is needed to improve their reelection prospects and when the cost they have to incur for using such information is low. Therefore, circumstances that raise the salience of local information to the central leaders and lower the political cost of using it promote democratic

Japan (Jacobs 2003), on Russia (Libman 2010; Obydenkova 2005), and on Tanzania (Kirby and Murray 2010).

[16] In this book, *central leaders* and *local politicians* are relational concepts used to refer to the relations between leaders at higher and lower levels of government. The relations encompass those between the executive of a country and subnational executives at the provincial, municipal, or village levels; and between provincial executives and executives at the municipal or village levels. I use central leaders and local politicians to refer to both individual leaders and their governments; I do not make a distinction between the two.

[17] This informational advantage may be greater in small and intimate settings such as Indian villages, where the local politicians live alongside the voters. However, informational asymmetries regarding the voters exist even between national level leaders and provincial politicians since the latter have smaller domains and interact more frequently with the voters than do the national leaders.

deepening, while those that make it politically costly to utilize and unimportant to the leaders' political career hinder democratic deepening.

The conditions that heighten or lower the importance of local information to the central leaders vary over time and across countries. Historically, landlords helped leaders in several countries secure electoral victories without the latter having to collect local information. Thus, politicians in pre-war Japan won elections with the support of the landlords: " ... if the landlord would support you, the votes of the farmers within his domain would, as a matter of course, come with his support. There was no need to deal directly with the individual farmers ... votes could easily be gathered" (Curtis 1971, p. 42). Likewise, in Chile, the landlord-backed Conservative Party won successive elections since "the rural population could be counted on to support their candidates because the population largely depended upon the large landowners for subsistence" (Scully 1992, p. 52). Leaders can also win elections without reaching out to individual voters in places where ethnic voting exists. For instance, illiterate voters in Ghana reported that their voting decisions are taken by their tribal chiefs or collectively as ethnic groups (Birmingham and Jahoda 1955, p. 149). In India too, studies document how caste groups have mobilized politically to become voting blocs (Chandra and Parmar 1997; Michelutti 2004), and how candidates from particular ethnic groups expect their co-ethnics to vote for them (Brass 1986). In such cases of patent and reliable bloc voting, leaders may not have to reach out to voters individually to know their preferences.

In this study, as we shall see in detail in Chapter 4, the circumstances shaping the political salience of local information in India at the turn of the twenty-first century are socio-economic in nature. Specifically, the uneven socio-economic changes – born out of long-term structural changes in the country – have rendered large numbers of people in some states in vulnerable economic circumstances. In an effort to manage these vulnerabilities and protect their sources of livelihood, people in such states tend to vote as blocs, in concert with others, often under the influence of intermediaries such as ethnic leaders and coworkers. The presence of influential intermediaries and bloc voting diminishes the need for local information for the central leaders' reelection efforts. The leaders in these states decentralize less, therefore. In contrast, in states where long-term structural changes have produced relatively secure socio-economic circumstances, people tend to vote freely, making up their minds on their own, and information on individual voters is vital for the central leaders' continued stay in power. In such settings, central leaders decentralize and recruit local politicians

who can use their local knowledge to deploy resources and fine-grained strategies to influence the voters and electoral outcomes.

However, empowering local politicians with resources and decision-making authority to mobilize electoral support can also entail political costs to the central leaders. Ambitious local politicians could turn against the central leaders once devolution has empowered them, by joining an opposition political party or by launching a new party to advance their career prospects. For central leaders in multiparty states, this concern is serious: The presence of several political parties – some of them with indistinguishable ideological or policy positions – offers local politicians greater opportunities for defection than in two-party states. Furthermore, the small vote-share required for parties to become electorally viable in the fragmented electoral scene of multiparty states is favorable for ambitious politicians to form new parties. In contrast, in two-party states, where two adversarial parties dominate politics and elections, the chances of defection are fewer. The differential potential for political defection makes the central leaders in multiparty states warier of, and, therefore, restrained in, devolving power to local politicians than their counterparts in two-party states.

The main thesis of this book thus rests on two components: the costs and importance of local information to the central leader's political survival. The interaction between the two components creates different informational contexts that are hypothesized to shape democratic deepening in predictable ways. In contexts where local information is important for the central leader's political survival and can be used relatively risk-free, we can anticipate democracy to deepen to the local level. But, where political risks due to potential local defection are great and/or local information is not vital to improve the central leader's chances of reelection, democracy fails to take deep roots.

To find out how in reality the different contexts relate to the differences in democratic deepening, I draw on empirical materials from Indian states following the 1992 constitutional amendment. The amendment serves as a unique starting point to gather data on devolution. From a wide array of governmental sources and the secondary literature on decentralization in India, I draw eight indicators covering the electoral, financial, and decision-making processes of devolution to develop a composite index of democratic deepening in Indian states. The details of this index are presented in Chapter 2. This index serves as the primary empirical referent for examining the theoretical implications of this book as well as to probe the empirical plausibility of several alternative explanations for decentralization such as party ideology and structure, state capacity, and local

institutional strength. Besides the index, I also use a variety of methods – including ethnographic studies in villages, case studies of states, interviews with villagers, local politicians, and state-level politicians, village and countrywide random sample surveys, and several statistical models to examine the empirical validity of the informational thesis.

Even so, it should be made clear that the central premise in this book, that devolution of governance is inherently a political decision shaped by political considerations, is hardly new. In a study of Andean countries, Kathleen O'Neill (2005, p. 18) had argued that decentralization is a "rational act of political parties seeking to maximize their electoral possibilities." Likewise, according to Garman et al. (2001) and Treisman (2001), central leaders of Latin American countries and Russia transferred resources to local politicians in return for their political support. Nakano (2009) argues that decentralization was a political strategy the French and Japanese opposition political parties adopted when they came to power to expand their popular support. Studies on decentralization in other parts of the world too resonate with the importance of politics in the decision to devolve power to subnational governments (Mardones Z. 2007; Montero 2005; Ndegwa and Levy 2004; Ribot and Oyono 2005; Riker 1987; Stepan 1999; Willis et al. 1999).

I build on this general insight that the decision to devolve power is a political one and we should examine the context in which the decision is taken to gain a better understanding of decentralization. But, at the same time, this book extends the discussion on the politics of decentralization to examine two related considerations. First, it casts democratic decentralization as a consequence of the voter-related informational asymmetries that exist between central leaders and local politicians. The book identifies the specific conditions under which the informational asymmetries become politically salient for the central leaders to undertake decentralization. Second, it examines the conditions that make decentralization politically safer for the central leaders to pursue without fearing local defection. In this, the book distinguishes itself from the literature that assumes political parties as disciplined unitary actors – where local politicians are loyal agents of their central leadership – while pursuing decentralization.[18] Recognizing instead that party discipline is variable, it examines the source of this variation in the party systems prevalent in the states.

[18] In the literature on decentralization, a prominent response to deal with local defection has been to assume that the local politicians are members of disciplined political parties and, therefore, will remain loyal to their parties (O'Neill 2003, 2005; Riker 1987). In fact,