

Participatory Democracy in Action: Survey Evidence from South India*

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Abstract

We use household and village survey data from South India to examine who participates in village meetings called by elected local governments, and what effect these meetings have on beneficiary selection for welfare programs. Our main finding is that it is the more disadvantaged social groups who attend village meetings and that holding such meetings improves the targeting of resources towards the neediest groups.

JEL Classification: H40, H42, O20

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1 Introduction

How to structure democratic institutions to ensure a fair and efficient allocation of public funds is a central issue in the political economy of development. The new governance agenda has emphasized citizen empowerment as a tool for improving the workings of democratic institutions.¹ But such terms can easily be dismissed as empty rhetoric unless embodied in workable institutional solutions.

The idea that encouraging citizen participation can improve the workings of a democracy is also echoed in the political science literature. One role for participation emphasized in that literature is to improve the flow of information into the political process beyond that available by electing representatives. Thus, Verba et (1995) characterize political participation as “information rich” acts and observe that:

“From the electoral outcome alone, the winning candidate cannot discriminate which of dozens of factors, from the position taken on a particular issue to the inept campaign run by the opposition ..., was responsible for the electoral victory.” (page 10).

This paper studies an institution aimed at encouraging political participation among the poor and improving the quality of governance in an Indian context – *Gram Sabha* meetings. These are village meetings called by the elected local government (*Gram Panchayat*) to discuss resource allocation decisions in the village.² There are two main ways in which such meetings

¹See, for example, World Bank (2000).

²The 73rd Constitutional Amendment Act of India in 1993 made it mandatory for Indian states to hold elections for Gram Panchayats and to give them policy-making powers.

may improve the workings of government. First, relative to elected representatives, these meetings may better reflect citizens' preferences on issues such as how to target resources to the neediest groups. Second, by providing a forum for monitoring the actions of elected representatives they may reduce agency problems in politics, and the extent of corruption.

While holding Gram Sabhas is compulsory, their frequency and content owes a lot to the discretion of elected officials.³ Moreover, even a well-attended meeting may have no bite on policy decisions. Here, we exploit a large household and village survey of local governments in the four South Indian states to examine of participation in Gram Sabhas, and whether having a Gram Sabha affects beneficiary selection for welfare programs.

While there is much interest in how participation improves the quality of governance in the developing world (see, for example, Manor (2004)), evidence on the determinants of participation at the household level is thin, especially compared to the extensive studies available for the advanced democracies. Moreover, the literature is replete with concerns about elite dominance of democratic institutions.⁴ This raises the specter of participatory institutions being a veil which have little impact on the well-being of the poor. Here, however, we find that it is the most disadvantaged groups who attend village meetings and that holding such meetings improves the targeting of resources towards the neediest groups.

Our findings contribute to a broader debate about the role of decentralized governance in improving the quality of government in the developing world. The merits of decentralization have been widely debated – see, for

³State or District administration officials can also affect this by choosing not to attend, and therefore making the Gram Sabha less attractive to hold.

⁴See, for example, Bardhan and Mookherjee (2000) and Platteau and Abraham (2002).

example, Bardhan (2002) and Triesman (2002). However, it is clear that many institutional details, even within decentralized governance, can be important. The use of village meetings of the kind studied here is one. It is important to understand how these institutional differences affect the way in which government operates.

The paper is organized as follows. The next section describes the context for our study and our data. Section three contains the analysis, and Section four concludes.

2 Context

Our focus is on the lowest level of self government in India, the Gram Panchayat (GP). Each GP covers between 1-5 villages. The Gram Sabha is a village-level body consisting of persons registered in the electoral rolls of a GP. It was intended to be a supervisory body that audits and regulates the functioning of the GP. Specifically, it is supposed to ratify the GP budget, and identify and approve of beneficiaries for welfare schemes implemented by the GP. To achieve these tasks, most Indian states require that the Gram Sabha meet (roughly) four times a year.

Between September -November 2002 we conducted a village and household survey of 522 villages and over 5000 households in the four South Indian States of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu . For administrative purposes Indian states are divided into districts, and then blocks. For each state pair we selected two districts which shared a common state boundary. The district pair belonged to the same political entity during the 200 years of British colonial rule, prior to 1956 when all Indian states were reorganized along linguistic lines. This allows us to estimate state differ-

ences while controlling for common colonial history. For each district pair we selected the 3 most ‘linguistically similar’ block pairs (that is, 3 blocks in each of the two districts). We defined linguistic similarity in terms of the mother tongue of individuals living in the block, and computed it using 1991 census block level language data.⁵ In total, we had 18 block pairs. In each block we randomly sampled 3 GPs, and per GP up to 3 villages. In Kerala, we sampled wards rather than villages as ward size approximates village size in other states.

In every village, we conducted group meetings in which we obtained information on the last Gram Sabha meeting, and also village-level demographic and economic variables. In a random sub-sample of 259 villages we conducted twenty household surveys, and obtained information on Gram Sabha attendance and household beneficiary status.

Table 1 reports descriptive statistics. The average village has 328 households, of which 34 percent are landless. Twenty percent belong to the traditionally well of upper castes and 28 percent to the historically disadvantaged scheduled castes and tribes (hereafter SC/ST). According to the 1991 census literacy rate in our sample villages averaged 41 percent, but as is well known was much higher in Kerala villages. Seventy five percent of the villages had at least one Gram Sabha meeting in the last year, and in 22 percent of these meetings beneficiary selection was discussed.

In our household data-set we observe that while over 50 percent of the respondents had heard of a Gram Sabha only 20 percent had ever attended a Gram Sabha meeting. We also collected information on a household’s ben-

⁵The historical and administrative similarity of linguistically matched blocks was checked using princely state maps and the Report of the States Reorganization Committee (for details on sampling procedure, see Besley, Pande, Rahman and Rao, 2004b).

eficiary status, as defined by whether it has a ‘Below Poverty Line’ (BPL) card. The GP, in collaboration with state government officials, is supposed to identify (via a census) households with income below the poverty line, and to give these households a BPL card. Possession of this card makes the household eligible for an array of government schemes, ranging from subsidized food through the public distribution system to free hospitalization. The list of BPL households, and subsequent selection of beneficiary households under various schemes is supposed to be ratified in Gram Sabha meetings.

3 Analysis

The analysis is in two parts. We first study the determinants of holding a Gram Sabha meeting and who attends. We then look for evidence that holding a Gram Sabha meeting affects public resources allocation.

3.1 Determinants of holding a Gram Sabha and who attends

To study which villages have Gram Sabha meetings we estimate a linear probability regression of the following form:

$$S_{vbs} = \alpha_b + \gamma_s + \delta x_{vbs} + \varepsilon_{vbs}$$

here S_{vbs} is an indicator variable denoting whether village v in block pair b and state s had a Gram Sabha in the past twelve months, α_b are dummies for matched block pairs (18 in total) and γ_s are state fixed effects. The variables x_{vbs} are village level characteristics (number of households, literacy rate in 1991, fraction landless, fraction SC/ST, fraction upper caste

and whether the position of Pradhan is reserved for a women or SC/ST). We cluster the standard error at the GP level.

The results are in Table 2, column (1). More populous villages are more likely to have had a Gram Sabha meeting, and villages with a higher literacy rate are weakly more likely to hold Gram Sabha meetings. Interestingly, after conditioning on matched block pair effects, we don't observe significant state differences in the decision to have a Gram Sabha.

In Columns (2)-(5) we use our household data to examine who has heard of, and who attends Gram Sabha meetings. Columns (2) and (3) estimate regressions of the form:

$$g_{ivbs} = \alpha_b + \gamma_s + \delta x_{vbs} + \lambda c_{ivbs} + \varepsilon_{ivbs}$$

here g_{ivbs} indicates whether individual i (in village v in block pair b in state s) has heard of the Gram Sabha in column (2), and whether he/she has ever attended a Gram Sabha meeting in column (3). The variables c_{ivbs} denote a vector of respondent characteristics (whether respondent is an SC/ST, female, illiterate, landless, upper caste, to comes from a wealthy household as measured by durables ownership).⁶

Village literacy rate is positively correlated with both hearing of the Gram Sabha and attending it. We find evidence of significant state effects, with respondents from Kerala more likely to have both heard of Gram Sabha meetings and participated in them. However, in the case of individual characteristics we observe significant differences in who has heard of and who attends Gram Sabha meetings. Moreover, various measures of economic and social disadvantage have a differential impact on the propensity to attend

⁶The equation is estimated allowing for clustering of the error terms $varepsilon_{iv}$ at the village level.

Gram Sabhas. Women and illiterates are less likely to both hear of and attend these meetings. In contrast, SC/STs and the landless are more likely to attend Gram Sabha meetings but no more likely to have heard of Gram Sabhas. In contrast, the wealthy and upper castes are more likely to have heard of Gram Sabhas but not to attend.

In column (4) we show that the effect of individual characteristics on participation is robust to the inclusion of village fixed effects. Again, landless and SC/ST respondents report themselves more likely to attend a Gram Sabha. Finally in column (5) we examine whether village literacy, in addition to affecting overall participation in a Gram Sabha meeting, also affects the propensity of the disadvantaged to attend. We estimate the participation regression with village fixed effects and include the interactions between village literacy rates and measures of individual economic and social disadvantage. Illiterate, landless and SC/ST individuals, but not women, are more likely to participate in higher literacy villages.

These findings are notable for two reasons. First, there is some suggestion of a political externality from living in a more literate community. Second, Gram Sabha meetings seem to be a forum used by some of the most disadvantaged groups in the village – landless, illiterates and scheduled castes/tribes. This suggests that these groups find the Gram Sabha useful and that Gram Sabha meetings may play some role in moving policy in a direction favored by these groups. We now look for evidence of the latter.

3.2 Does participation matter?

There are many who argue that participation in the political process has an intrinsic benefit. It builds trust in government and legitimizes state action.

Unfortunately, our data do not permit us to look at these issues. However, we are able to look at the possibility that participation in Gram Sabhas yields instrumental (i.e. policy) benefits. These could be community wide or by targeting resources to more specific groups. Here, we will focus on the latter, examining whether targeting of public programs are related to whether a Gram Sabha meeting has been held in the past twelve months.

We focus on an important specific policy administered at the village level – access to a below poverty line (BPL) card. Beneficiary selection for such cards is influenced by the GP. As discussed earlier, possession of this card gives a villager access to an array of public benefits. We estimate a household regression which exploits within village variation in individual characteristics to examine whether the targeting of BPL cards differs depending on whether the village had a Gram Sabha in the last year. Our key equation is:

$$b_{iv} = \beta_v + \xi c_{iv} + \theta (c_{iv} * S_v) + \varepsilon_{iv}$$

here β_v is a village level fixed effect and ε_{iv} is adjusted for clustering at the village level. The coefficients on household characteristics c_{iv} represent the way in which access to BPL cards is targeted at the household level. Our main interest is in the coefficients on θ which interacts household characteristics with whether a Gram Sabha meeting was held in the past twelve months – the indicator variable S_v . If θ is significantly different from zero, then this suggests that some household types are favored in villages that hold Gram Sabha meetings.

The results are reported in Table 3. In column (1) we report the baseline regression which does not include any interaction terms, $(c_{iv} * S_v)$. This shows, not surprisingly, that BPL cards are targeted towards landless, illiterate and SC/ST households. In column (2) we include interactions between

measures of disadvantage and whether the village had a Gram Sabha meeting. We find targeting of landless and illiterate individuals is more intensive in villages that have held a Gram Sabha meeting. Moreover, these effects are economically significant. Relative to an illiterate individual in a village that does not have a Gram Sabha meeting, an illiterate individual in a village that does have a Gram Sabha meeting is 9 percentage points more likely to receiving a BPL card in a village that held a Gram Sabha. We find similar evidence for landless and SC/ST individuals.

These results do show persuasively that there is heterogeneity in targeting BPL cards across villages. Moreover, it would be tempting to attribute this to whether a Gram Sabha meeting is held. However, some caution is warranted. In column (3), we interact the characteristics that represent disadvantage – illiteracy, landlessness and schedule caste/tribe – with the village literacy rate instead of whether the village had a Gram Sabha meeting. All three of these interactions are significant. However, the point estimate of the effect evaluated at the mean literacy rate is substantially smaller than the effects in columns (2)-(4). But this does raise the possibility that holding a Gram Sabha meeting is correlated with other village characteristics that are important in shaping the way in which public resources are targeted. Unfortunately, this is not an issue that we can resolve. However, these encouraging results on Gram Sabhas clearly deserve further careful investigation.

4 Concluding Comments

While this paper focusses on a specific institution – the Gram Sabha – the results contribute to a wider debate on how institution design can shape

public resource allocation and how the poor can increase their voice in public institutions. It is frequently remarked that poverty is much more than material deprivation and that the poor may receive much less voice in the political process. Moreover, a good deal of cynicism attends initiatives to strengthen that voice.

In this regard, our results sound a more optimistic note. The illiterate, landless and SC/STs are significantly more likely to attend Gram Sabha meetings than other groups. Moreover, there appears to be more targeting towards these groups where Gram Sabha meetings are held. The results are also suggestive of some externalities from literacy in the political process at the village level.

Less optimistically, it is clear that Gram Sabhas are not a forum for women in their current form. Women respondents are around 20% less likely to attend a Gram Sabha than men. Whether this has significant consequences for public resource allocation needs further investigation. But it is clear the representativeness of Gram Sabhas is likely to be affected by this. Other tools such as gender reservation in Panchayat representation may go some way towards remedying this.⁷

Going forward, it is important to refocus debates on decentralization more clearly on the institutional form that this takes. To this end, the kind of study undertaken here should be useful in assessing the way in political institutions are used. There are grounds for viewing participation as important in its own right. However, it may also have instrumental benefits to groups who participate. Either way, it is clear that household surveys have much potential in studying these issues.

⁷See Chattopadhyay and Duflo (2004) and Besley et. al. (2004c).

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Table 1: Descriptive Statistics

	Overall	Andhra Pradesh	Karnataka	Kerala	Tamil Nadu
<u>Village level data</u>					
Total households	328.10	305.50	365.80	401.10	227.40
Fraction of households which are landless	0.34	0.25	0.23	0.48	0.41
Fraction of households which are SC/ST	0.28	0.23	0.41	0.21	0.22
Fraction of households which are Upper caste	0.20	0.13	0.32	0.12	0.19
Literacy Rate in 1991	0.41	0.24	0.37	0.63	0.35
Fraction of villages which had a Gram Sabha in last year	0.76	0.71	0.68	0.98	0.67
Fraction of Gram Sabhas at which beneficiary selection was discussed	0.22	0.21	0.33	0.30	0.02
<u>Household level data</u>					
Heard of Gram Sabha	0.53	0.29	0.42	0.93	0.37
Ever attended Gram Sabha	0.20	0.11	0.14	0.40	0.13
Possess a BPL Card	0.22	0.32	0.10	0.30	0.25

All variables based on survey data, except the village literacy rate which is from the 1991 Census of India

Table 2: Gram Sabha: Occurrence and Attendance

	Village had		Household data: Gram Sabha		
	Gram sabha	Heard of	Attended		
	(1)	(2)	(3)	(4)	(5)
Literacy Rate in 1991	0.328 (0.246)	0.323*** (0.118)	0.235*** (0.073)		
Total number of households	0.093*** (0.030)	-0.001 (0.014)	0.006 (0.010)		
Fraction landless households	0.044 (0.086)	-0.017 (0.047)	-0.067** (0.032)		
Fraction upper caste households	-0.079 (0.116)	0.056 (0.047)	-0.011 (0.032)		
Fraction SC/ST households	0.03 (0.104)	0.021 (0.041)	-0.019 (0.029)		
Pradhan position reserved	0.01 (0.042)	0.043** (0.020)	-0.003 (0.015)		
Village Had Gram Sabha		0.026 (0.023)	0.030** (0.014)		
Illiterate		-0.129*** (0.015)	-0.027** (0.012)	-0.030** (0.013)	-0.103*** (0.028)
Illiterate*literacy rate in 1991					0.183** (0.078)
SCST		0.001 (0.019)	0.021 (0.016)	0.034** (0.017)	-0.029 (0.040)
SCST*literacy rate in 1991					0.139 (0.097)
Landless		-0.012 (0.014)	0.041*** (0.012)	0.030** (0.012)	-0.073** (0.029)
Landless*literacy rate in 1991					0.232*** (0.066)
Female		-0.214*** (0.014)	-0.182*** (0.012)	-0.187*** (0.014)	-0.086*** (0.030)
Female*literacy rate in 1991					-0.242*** (0.076)
Upper caste		0.035** (0.018)	0.013 (0.016)	-0.004 (0.017)	-0.007 (0.018)
Wealthy		0.057*** (0.016)	-0.049*** (0.014)	-0.035** (0.015)	-0.027* (0.016)
Andhra Pradesh	-0.018 (0.091)	-0.171*** (0.048)	-0.168*** (0.035)		
Karnataka	-0.089 (0.063)	-0.153*** (0.033)	-0.156*** (0.032)		
Tamil Nadu	0.019 (0.061)	-0.161*** (0.037)	-0.188*** (0.029)		
Fixed effects	Block pair	Block pair	Block pair	Village	Village
Observations	476	4445	4935	5455	5240
R-squared	0.22	0.39	0.17	0.25	0.25

Standard errors in brackets clustered at GP level in column (1) and at village level in all other regressions. Wealthy is a dummy for consumer durable ownership. Columns (2)-(4) also include respondent age and age squared as controls. * denotes significant at 10%; ** significant at 5%; *** significant at 1%

Table 3: Gram Sabha Occurrence and Beneficiary Selection

	Received BPL card		
	(1)	(2)	(3)
Illiterate	0.028* (0.015)	-0.042* (0.026)	-0.057* (0.030)
Illiterate*Gram Sabha held in last year		0.091*** (0.030)	
Illiterate* literacy rate in 1991			0.206*** (0.072)
SCST	0.150*** (0.020)	0.094** (0.042)	-0.03 (0.044)
SCST*Gram Sabha held in last year		0.062 (0.047)	
SCST* literacy rate in 1991			0.430*** (0.097)
Landless	0.075*** (0.016)	0.018 (0.030)	-0.098*** (0.035)
Landless* Gram Sabha held in last year		0.067* (0.035)	
Landless*literacy rate in 1991			0.386*** (0.081)
Female	-0.011 (0.010)	-0.009 (0.010)	-0.005 (0.010)
Upper caste	-0.028* (0.017)	-0.028* (0.016)	-0.036** (0.017)
Wealthy	-0.082*** (0.014)	-0.079*** (0.014)	-0.066*** (0.014)
Fixed effects	Village	Village	Village
Number of observations	5455	5364	5039
R-squared	0.4	0.4	0.42

Robust standard errors, clustered by village, in brackets. All regressions include respondent age and age squared as controls. * significant at 10%; ** significant at 5%; *** significant at 1%