

**Human Development Report Office**

OCCASIONAL PAPER

Background paper for HDR 2002

Basic Social Services for All?  
Ensuring Accountability Through

Santosh Mehrotra

2002/8



# **HUMAN DEVELOPMENT REPORT 2002**

## **Basic Social Services for All? Ensuring Accountability Through Deep Democratic Decentralisation**

**Santosh Mehrotra**  
**Senior Economic Adviser**  
**UNICEF Innocenti Research Centre, Florence**  
**E-mail: [smehrotra@unicef.org](mailto:smehrotra@unicef.org)**

## **CONTENTS**

### **Introduction**

- 1. Three extensions of the Capability Approach**
- 2. Capability-enhancing accountability and the nature of the State**
- 3. Making deep democratic decentralisation work**
  - *Moves towards democratic decentralisation in India*
  - *Elementary schools: Cake for the rich, fodder for the poor*
  - *Democratic decentralisation to realise schooling for all – the case of Madhya Pradesh*
  - *Schooling: The synergy of collective voice and state action in Rajasthan*
  - *Health: accountability to the community in Sub-Saharan Africa*
  - *The Right to Information – the steel-frame of deep democratic decentralisation*
- 4. Democratic decentralisation is spreading**
- 5. History is in our favour**

### **Concluding remarks**

## **Introduction**

Sen (2000) suggests that there are three arguments in favour of democratic political freedoms and civil rights: their direct importance for basic capabilities, including that of political and social participation; their instrumental role in enhancing the hearing the people get, including their claim to economic needs; and their constructive role in the conceptualisation of the needs. We suggest that the constructive role can be easily subverted by what we called the conspiracy of silence about issues, which are central to transforming the lives of the poor. The instrumental role of enhancing the hearing of people can also be effectively blunted if the hearing merely leads to populist rhetoric, and government spending plans to deliver services relevant to the poor, without actual delivery of quality services.

Sen recognises that there is a danger of overselling the effectiveness of democracy. He notes that India's success in eradicating famines is not matched by that in eliminating regular under-nutrition, or curing persistent illiteracy, or inequalities in gender relations. 'While the plight of famine victims is easy to politicise, these other deprivations call for deeper analysis and more effective use of communication and political participation – in short fuller practice of democracy' (p. 154). It is to this concern – the abiding problems of the ineffective delivery of basic social services (primary health care, reproductive health services, elementary schooling, safe drinking water and sanitary means of excreta disposal) and what governments need to do to trigger collective voice and local action - to which we turn our attention in this paper. It is this local action which, from the evidence, ensures effectiveness of service delivery.

The first section makes three extensions to the Capability Approach, and explains why this extension is necessary in the context of ensuring better accountability of state-delivered basic social services. The second section looks at the problem of why accountability is as weak as it is, and discusses it in the context of the nature of the colonial and post-colonial state. Section 3 moves on to examine the empirical evidence on the effectiveness of accountability through mechanisms of deep democratic decentralisation. In order to keep the discussion focused, we do this in the context of one basic service – that of ensuring schooling for all the children. However, the argument applies as much to the delivery of other basic services, and evidence is provided where available. A critical ingredient giving teeth to deep democratic decentralisation is the right to information, which is also discussed in this section. Section 4 examines the spread of decentralisation in the developed and developing world in the last decade. The fifth section finds historical evidence from the now industrialised countries of the role of democracy and decentralisation in ensuring schooling for all in the 19<sup>th</sup> century.

### **1. Three extensions of the Capability Approach**

For Sen, a person's 'capability' refers to the alternative combinations of functionings that are feasible for her to achieve. 'Capability is thus a freedom' (p. 75).

Functionings are things which a person may value doing or being – *simple* ones like being able to read and write, being well-nourished and being free from avoidable disease, or *complex* ones like being able to take part in the life of the community and having self-respect.

Our suggestion is that a group of simple functionings – being adequately nourished, being able to read and write, being free of avoidable disease - are synergistically linked to the more complex functionings in real life. For instance, the functionings (being educated up to elementary level) are very difficult to achieve without being able to participate in society. In the abstract, they are possible to realise separately, but in practice, it is often impossible for the poor to realise even simple functionings without the complex one of participation.<sup>1</sup>

Unless democracy permeates to the lowest level of the powerless poor, and is made effective by their collective action, even elementary functionings will be impossible to realise.<sup>2</sup> Democracy at the macro-level is what has always concerned Sen; the India versus China contrast is always referred to. Without democracy at the national level, micro-level democracy is inconceivable.<sup>3</sup> However, without the demand for effective services at the community level coming from ‘collective voice and collective action’, the supply of services will remain of poor quality and thus ineffective.

We suggested above that simple functionings such as literacy and numeracy might be impossible to achieve without the complex one of being able to take part in the life of the community. The capability set must include the freedom, and in fact, the *realised* functioning of participation. However, participation by who? The Capability Approach – as currently formulated – is so focused on the *individual’s* capabilities and functionings that it tends to ignore the powerlessness of the poor individual to realise those functionings, even if a distant government was willing and able to finance/provide services which are the basis of key functionings. In fact, an individual’s functioning of participation rarely amounts to more than voting in elections once in five years. A poor individual’s ability to participate more than once in five years is limited by her powerlessness.

---

<sup>1</sup> The relationship holds in the opposite direction as well i.e. with the functionings of literacy and good health, individuals tend to become more effective “participants” in society. That, however, is not the subject of this paper.

<sup>2</sup> After the Russian revolution (1917) and the Chinese revolution (1949) simple functionings improved for the vast majority of the peasant and working classes even in the absence of formal democracy in the Western sense. However, two points are fundamental here. First, even though formal democracy did not exist in either the Soviet Union or China, the voice of the poor was being articulated by the Bolsheviks (in whatever distorted form after the first decade) and by the Chinese Communist Party. Second, in the 21<sup>st</sup> century, with the collapse of central planning and ‘democratic centralism’ of the Soviet variety, the way forward to articulate the voices of the poor has to be different from the Russian/Chinese authoritarian method – a subject beyond the scope of this paper. It has to be through deep democracy, which goes beyond multi-party elections in a Western democratic sense.

<sup>3</sup> For instance, it is unlikely that under a military regime (e.g. Pakistan 1999-2002) democratic decentralisation is going to make much headway, even though efforts at devolution (in Pakistan the efforts have been similar to those in India in the 1990s) are made.

Meanwhile, intermediaries exploit the distance between well-intentioned governmental action from the centre and the village where the school (or health centre) is located, to foil the objectives of the centre. In fact, without the state ‘enabling’ collective action, which emerges as a counterweight to the intermediaries, the delivery of services, and hence the functionings, cannot be realised. Sen rarely mentions the need for such collective action. Yet, only hierarchical control of functionaries is rarely effective under such circumstances. Since the poor have little choice of ‘exit’ (in the Hirschman (1970) sense), ‘voice’ alone works.

So far, however, Sen’s discourse around the complex functioning of participation has been largely concerned with democracy at the national level (or state level in large federal states), multiparty politics and the role of the opposition in such democracy. Democracy at the macro level rarely translates into power for the poor. If it did, we would have more evidence of pro-poor economic growth and dramatic improvements in human development indicators in those Latin American, African and East European countries which went democratic over the 1980s and 1990s. After all, over a hundred countries now have democratically elected governments, almost twice as many as at the end of the 1980s (World Bank, 1999). The capability approach is essentially an evaluative one, and thus can be and has been used for normative purposes. If specific functionings (or their elements and concomitant indicators) are defined, then it is possible to measure the distribution of those functionings (or elements) in the population.<sup>4</sup> However, the purpose there is largely evaluative. An essential element in making the approach operational – in the sense of being helpful to the policy-maker – is to define the conditions that would lead to the realisation of the functionings. We suggest that the complex functioning of participation has to be contextualised *at the level of the community* to have operational use. Unless thus extended, none of the simple functionings are likely to be realised, even in democratic states.

The state delivers development services in most developing countries in a top-down, bureaucratic manner through sectoral line ministries down to the local level. But this manner of service delivery defeats one of the greatest sources of technical efficiency in the utilisation of resources – the synergy of interventions in the various social sectors. Without the state making conscious effort to ensure synergy between interventions in the spheres of health, education, water and sanitation, reproductive health, and nutrition within a geographic location, these latent synergies will not be realised.<sup>5</sup> But the state is incapable of delivering these services effectively as long as it operates vertically. Inter-sectoral action is best triggered through ‘voice’ at the local level, with village level planning. This synergy between interventions across sectors is likely to be an added benefit to the effective delivery of individual public services – if collective voice at the local level puts pressure on local-level functionaries to respond to local needs and

---

<sup>4</sup> For instance, Brandolini and D’Alessio (1998) use such components like education and skills (with their typical indicator years of education, level of education reached), health and access to health care (indicator: contacts with doctors and nurses), and so on. These are used in the Swedish Level of Living Surveys.

<sup>5</sup> For a detailed discussion of these synergies within basic services, and the synergies between basic services, income-poverty reduction and economic growth, see Mehrotra and Delamonica (OUP, forthcoming).

demands, instead of delivering services merely based on resource allocation determined at a higher, bureaucratic level of decision-making.

To sum up this section, in our elaboration on the Capability Approach we would argue for three extensions in order to make the approach operational. First, we believe that Sen's distinction between simple and complex functionings is too watertight; in real life, there is mutual interdependence between simple and complex functionings that Sen does not recognise. Second, Sen's formulation of the Capability Approach focuses exclusively on the individual, ignoring the collective capability. Third, Sen's articulation of democracy as a desirable condition for enhancing human capabilities is mistakenly conceived only at the national level, when what matters most for genuine participation is local participation, only realised through deep democratic decentralisation. To bring all three points together, we suggest that the complex functioning of participation the approach postulates needs to be contextualised *at the level of the community – collective voice and collective action* – to have operational use. Unless thus extended, none of the simple functionings (e.g. the ability to read and write) are likely to be realised, even in democratic states.

## **2. Capability-enhancing accountability and the nature of the State**

Accountability is a top-down notion. It assumes – rightly – that the government structure is a hierarchical one. In a hierarchical bureaucracy, accountability usually implies answerability to higher echelons of government. At the highest level of government are presumably politicians, elected every five years or so, and hence only made accountable at quinquennial intervals. Underlying the notion is an assumption that government functionaries deliver a service – inefficiently and corruptly – and if made 'accountable' they will be more effective and less leakage of government funds would occur, and a higher fraction of government assistance would reach the people – rather than be 'absorbed' by the administration. However, the notion of accountability is flawed because it posits the government as a 'structure-in-itself' and for-itself – distinct from the body of citizens who pay for its creation and, in democracies, voted them to power. Without the citizenry's quiescent sufferance there would be no structure-in-itself.

Accountability of government functionaries which enhances the capabilities of its citizenry, we would suggest, is only possible when there is deep democratic centralisation of the state. The current post-colonial state structure, however, is highly centralised, inherited from colonial administrations. The purpose of colonial administration was its own preservation, and the preservation of its status of distinctness and aloofness from the people they ruled. The function of the colonial administration was to maintain law and order, and ensure a minimum level of infrastructure services in urban areas (where their functionaries usually lived) – e.g. water, electricity. These functions were to be maintained so that the objective of surplus extraction for the metropole would continue smoothly and unhindered. Meanwhile, the surplus extraction made it possible for the functionaries of the colonial state to enjoy a standard of living in the colony that was

roughly commensurate with that in their homeland – and much higher than that of the vast majority of the natives they ruled.

The post-colonial state inherited the same functions but added on developmental ones to the hitherto minimal one associated with surplus extraction. The developmental ones grew systematically over at least three decades from 1950 to 1980. The provision of physical infrastructure grew to include the provision of a social infrastructure (health, education). Not satisfied, it further involved the creation and the acquisition of productive facilities and services (banking, insurance, and trade). The monopolies and public sector enterprises created by this expansion of developmental activities also created a fertile ground for rent-seeking by politicians, bureaucrats and lower level functionaries. The scope for rent-seeking grew so much as to make it plausible to argue that the state by the late 1970s had turned predatory, while still being developmental.<sup>6</sup> Surplus extraction by the post-colonial state was now no more for an external government – be it based in Paris, London, Lisbon, Madrid, Amsterdam, Tokyo or Rome – but rapid economic growth - compared to economic stagnation in colonial times - enabled rent-seeking to thrive.

This is hardly surprising given that the structure-in-itself of the post-colonial state was merely superimposed on the existing colonial state structure. The existence of democracy might have replaced the hitherto authoritarian state – a certain plus. But the structure's separation from its citizenry survived.

What changed dramatically was the nature of the personnel in bureaucratic/political leadership. The colonial bureaucrat had relatively little reason to be a rent-seeker at a personal level; his primary objective was to facilitate surplus extraction for the metropole. But very soon comparisons were being made among the post-colonial citizenry between the moral uprightness of the colonial administrators, and their post-colonial successors. The colonial administrators could afford to be morally upright even in the absence of democracy, let alone deep democratic decentralization and accountability to the people. The political role of the colonial state was surplus extraction, not personal enrichment. When the senior-most administrators were known to be upright, there was little scope for middle and lower level state functionaries to be engaged in personal aggrandisement. But the post-colonial state's rapidly expanding developmental role and the growth in the state's fiscal base created the scope for government leaders – both in the legislative as well as the executive branches – to engage in personal enrichment.

Democratic elections provided the environment for a vicious cycle to be set in motion. Electioneering required finances, and since candidates were not funded by the state, the mobilization of funds for fighting and winning elections created a fertile ground for industrial groups and/or landed interests to finance political parties. Electioneering

---

<sup>6</sup> This story largely applies to much of South Asia as well as to Sub-Saharan Africa, naturally with certain variations on this broad theme (on South Asia, see Bardhan, 1984; Wade, 1985,1989; on Sub-Saharan Africa, see Tendler, ). The story is more complicated in much of East Asia (on the latter, see Khan, 2001) and Latin America (see Amis, ).



became an increasingly expensive business. Once funds were raised and spent, debts were incurred – both moral and financial. If military juntas overthrew democratically elected governments (in any case flawed elections) they inherited the rent-seeking from their civilian predecessors. Those debts had to be re-paid – by raising more money. Mechanisms emerged to mobilize resources both through legal (e.g. taxes) or illegal means and distribute those resources legally (e.g. through subsidies) or illegally (through patronage). So the making of appointments in the police, the education system, the publicly owned utility companies became a ‘business’. Appointments, transfers, promotions all could be bought and sold for a price. Once a bureaucratic post had been ‘bought’ in a purely financial transaction, the out-of-pocket costs by the candidate appointed had to be fully recouped; and thereafter profits made – the citizenry was the final source of funds. Most payments were made from unaccounted-for sources – creating a fertile ground for the spreading of the black economy.

An aspect of the authoritarian corruption-free colonial state was its monopoly of information. The Official Secrets Act was the means for withholding sensitive information which, in the eyes of the colonial state, could be used by the nationalist leaders – struggling for political freedom and independence from the colonizers – against the state. The same Official Secrets Act has, however, continued to exist in the post-colonial period, despite the introduction of democratic five-yearly elections to nascent legislatures and parliaments after independence. Unless Official Secrets Act are replaced by legislation giving citizens the right to information, the voice of the people cannot be articulated. ‘Voice’ is based on information, and as long as information (and state documents containing information) are the monopoly of state functionaries, the latter can continue to act with impunity in the secure knowledge that the higher echelons – themselves corrupt – will protect them. In fact, if the higher-ups in the hierarchy do not protect the ones lower down – the ones who have the most dealings with the public – the game would be over.

What is needed is a state that is genuinely ‘embedded’ in the larger society (instead of being separate from it), and which has a relationship of reciprocity and mutual interdependence. That kind of state will not be a structure in-itself and for-itself. For only when it ceases to be such that the notion of ‘accountability’ would become redundant. It is not as though the state is not currently ‘accountable’. To a whole series of networks (the capitalist, the landed, the labour aristocracy) the two key sets of personnel – bureaucrats and politicians – are to some extent already accountable. So the structure-in-itself is indeed embedded in networks in society. But the kind of accountability we are talking about is that at the community level of the lowest-level functionaries of the state – both elected functionaries (i.e. politicians) as well as civil servants (e.g. nurse/mid-wife, school teacher, water engineer). Without that accountability, services cannot be delivered effectively. Without that accountability, nor can the synergy of interventions in health, education, nutrition and water and sanitation be realised.

The international financial institutions launched their neo-liberal ‘roll-back the state’ campaign after the fiscal deficits of overly stretched developmental states grew to

unmanageable levels. The IFIs have attempted to cut the state's functions right down to a similar (though not same) level as that of the colonial state. Underlying this neo-liberal notion of the minimalist state is a notion of market failure – the state should only intervene where there is likely to be market failure (e.g. basic health, basic education, and infrastructure). This notion of the state is keenly informed by the literature on government failure. Government failure, in this view, had characterized the pre-1980 state in most developing societies in both its taking on functions in the productive/service sectors of the economy, and in not undertaking the required regularly functions in an even-handed manner (which could have enabled capital accumulation to occur in the private sector). However, state structures which were inherited from the colonial state - created for entirely different objectives - were bound to suffer from 'government failure'. The mere imposition of Westminster-style parliaments in new states was not going to transform structures meant for surplus-extraction and law-and-order maintenance into democratic forms of functioning – least of all in largely illiterate societies.

### **3. Making deep democratic decentralisation work**

#### ***Moves towards democratic decentralisation in India***

At least in India there has been a recognition that central planning of the kind for which the national Planning Commission is responsible has not worked. This recognition has led to the constitutional amendment to create district-and-below elected bodies that can engage in micro-planning. The Planning Commission recognises a district (in India usually a district has a population of 2 million) as the lowest unit of planning in all sectoral plans including education. The 1993 constitutional amendments (73<sup>rd</sup> and 74<sup>th</sup>) gave a statutory basis to district planning by providing for the constitution of a District Planning Committee to consolidate the plans prepared by village panchayats (elected councils of at least five persons from the village) and town municipalities and to prepare a draft development plan for the district as a whole. This is clearly a welcome development, but the process runs the risk of replicating the 'top-downness' of planning of an earlier era. To deepen the process what is needed is collective voice, to enable collection action by the community at the lowest level – thus creating a synergy with the district-level planning process. This is what we mean by deep democratic decentralisation. What is required is a way for micro-level planning at the community level to articulate with and directly influence the outcomes of macro-planning at the district level.

The 1993 Constitutional Amendment (72<sup>nd</sup> and 73<sup>rd</sup>), mandated the creation of elected councils in every state at and below the district level – known as the *panchayati raj* institutions (PRI).<sup>7</sup> Empowering the PRIs to play the designated role clearly means a different role for the bureaucracy and other political interests. Whereas the National Policy on Education (1986) had created the District Boards of Education, now with the election of the PRIs (after 1993), the government's democratic decentralisation went a

---

<sup>7</sup> Each state is divided into administrative units called districts, which are further divided into blocks, which in turn are comprised of a number of villages. The elected councils – which had existed in the 1950s and had become moribund – have been made mandatory at each of the 3 administrative levels.

step further: Village Education Committees and Panchayat Committee on Education at the block level (in addition to the District Board) were set up.

Clearly institutions will not grow immediately into their full potential and start performing, unless they are nurtured, supported, with adequate funds and powers to perform their functions. Only a positive partnership between the PRIs and state governments will ensure that the tasks of school effectiveness, and other local development challenges, will be confronted.<sup>8</sup>

The involvement of PRIs in education since 1994 when they were constituted has been uneven across states. The high-achiever state Kerala – which already had high education and health indicators before PRIs became widespread – has moved vigorously in making PRIs central to development planning, including education.<sup>9</sup> Similarly, Madhya Pradesh – which we discuss in detail later – has attempted to give them a central place, while other states have shown varying responses. In West Bengal – with a Communist Party government in power for over 20 years and where PRIs functioned, unlike the rest of India, even before the 1993 Amendments – education has been organised under the *nominated* district primary education councils for many years. Instead of constituting a body from elected representatives, the state government continues with the nominated councils (Raina, 2000). Similar parallel systems, of village and other committees exist under many other educational programmes and projects in other states, sometimes producing a bewildering situation at the grassroots level. In fact, when other sectors are taken into account, such bodies have probably grown even more in all states. In other words, while the constitutional measure – an enabling action – to mandate the creation of PRIs was taken by the central parliament, it is the follow-up by the state governments to *empower* the PRIs that will result in effective ‘voice’ becoming possible. What we will show is that where that ‘voice’ has been made effective, the results are impressive.

We demonstrate this with the example of two states in India which have been known to be under-achievers in primary schooling and literacy. These two states – Madhya Pradesh and Rajasthan – have made remarkable progress in the decade between Census 1991 and Census 2001. How voice has played a role in this development is discussed below. But in order to place in perspective the achievement of these two states, a few remarks on the state of schooling in much of the educationally backward states – which is reminiscent of much of South Asia or Sub-Saharan Africa – is discussed.

### ***Elementary schools: cake for the rich, fodder for the poor***

India has the largest populations of illiterates in the world, the illiterate population in year 2000 being larger than its total population was at the time of independence from British rule, over half a century ago (1947). Yet, at the same time, today 750 firms in the Silicon

---

<sup>8</sup> For an analysis of the unevenness of the powers vested with PRIs in different states, see a World Bank document: Overview of Rural Decentralisation in India, New Delhi, September, 2000.

<sup>9</sup> For a discussion of Kerala, see Sen (1989), and Krishnan (1997).

Valley, California were started and are owned by Indians; 36 per cent of Microsoft staff are Indians; India exploded its first nuclear device in 1974 largely based on indigenously developed technology. How does this situation come about? How do such apparently contradictory phenomena coexist in one country?

In federal India, spending on education is a prerogative, according to the Constitution of India, of the state (i.e. provincial) governments; 85 per cent of all public education expenditure in India is undertaken by the state governments. The remainder is the responsibility of the central government. On average, under 50 per cent of state expenditure on education has gone to elementary education (grades 1-8) through much of independent India's history; contrast that to 68 per cent going to *primary (grades 1-5)* in South Korea in the early 1950s onwards. The central government has, simultaneously, financed the creation of elite institutes of technology, institutes of management, and so on, which provide world class education, where entry has been highly restricted through national competition, and even more interestingly, where education was until recently nearly free. Those capable of entering these elite institutions of higher education come exclusively from fee-paying private elementary schools, where the medium of instruction is English. Public schooling, provided mostly by state governments, has not succeeded in 50 years since independence in providing universal *access* to schooling, so that net enrolment at primary level in the country is only 82 per cent. In addition, public schools are of such low quality that a third of children enrolled are known to drop out.

Significant proportions of primary schools (grades 1-5) - often with a minimum of 150 children - have only one or two teachers; hence, multi-grade teaching is a matter of necessity. Teachers are well paid, but with little peer pressure, teacher absenteeism is a widespread problem.<sup>10</sup> Knowledge of subject content of most teachers is questionable. All the evidence from learning achievement tests is that minimum levels of learning in language and math are not achieved by a majority of children.

### ***Democratic decentralisation to realise schooling for all – the case of Madhya Pradesh***

It is not sufficient for the State to merely take enabling action to *create* democratic institutions at the local level – as it has done for all states in the country. For collective voice to be enabled, and to translate into collective action by the community, state governments have to empower PRIs, as the state government of Madhya Pradesh (henceforth MP) has done. MP is one of the six states in India (Bihar, Uttar Pradesh, MP, Rajasthan, Andhra Pradesh and West Bengal) which account for two-thirds of the children out of school.<sup>11</sup> In other words, it is one of the states where the literacy rate has been well below the national average, along with the other states mentioned. However, in the 2001 Census of India (a decennial event), MP showed an increase of 20 percentage points in its literacy rate, the highest increase of any state (along with Rajasthan) during

---

<sup>10</sup> Teacher absenteeism is a widespread problem in other South Asian Countries and over much of Sub-Saharan Africa. Schools cannot function if teachers often have second jobs.

<sup>11</sup> These are the also the states chosen by Unicef to study the problem of financing of basic education, along with Assam and a relative high-achiever, Tamil Nadu. See Mehrotra et al (forthcoming).

the period 1991-2001. Clearly, the MP government was doing several things right. What were they?

MP was the first state to put the PRI system into effect (after the constitutional amendment was passed by the Indian parliament in 1993). In contrast, Bihar (which has had the worst educational and social indicators in the country, comparable to those in much of Sub-Saharan Africa) was the only state, which had not had its PRI elections until 2001. A working PRI system was in place in MP in 1994. It provided a facilitating structure for direct community action. The government converted selected programmes, of which primary education was one, into a mission-mode. Instead of academic institutions conducting a sample survey, this democratic decentralisation opened an opportunity to undertake a door-to-door survey through elected people's representatives to discover the names of children in and out of school.

Ironically, this survey was carried out as part of the DPEP programme<sup>12</sup> - which drives the point home about the difference between taking *enabling action* by the state, and *empowering the community*. While most states in India took the enabling action of creating the PRI system, none took as much empowering action as Kerala<sup>13</sup> and MP. What makes a difference is not merely voice through Village Education Committees – which exist, at least nominally in all states, but which functioned unevenly – but actual involvement of parents and mobilising the interest and enthusiasm of the local community.

The panchayat leadership was seen by the MP state government as key players. There were three differences. First, instead of using the school teacher for data collection, the responsibility was widened to a local group including the local panchayat representatives and literacy activists. Second, the idea was not just to collect information of which children were in school (from school statistics), but which children (5-14 year olds) from the village were not in school. Third, the objective in surveying children was not one of statistics collection but to lead the motivational campaign to persuade parents to send their children to school (Gopalakrishnan and Sharma, 1999). It was, in other

---

<sup>12</sup> The District Primary Education Programme (DPEP) has been run on a decentralised and participatory basis, but with many of the top-down elements being retained (see Bashir and Ayyar, 2001). MP also had the largest number of districts covered by DPEP of all Indian states, and hence received a considerable proportion of total DPEP funds disbursed by the central government.

<sup>13</sup> Kerala – already in the mid-1990s a high-achiever in health and education indicators – has implemented a real programme for peoples' participation in the wake of the action to decentralise governance through the PRI. Under the People's Development Planning process in Kerala, each village council (or Panchayat) has made its own Ninth Five-Year Plan (1997-2002). In fact, it also took the unprecedented decision to make available 40 per cent of the Ninth Plan funds directly to panchayats for the implementation of these plans, which include education. Often state governments make a policy statement regarding the powers of the panchayat, but administrative rules and procedures that determine actual practice by the bureaucracy are left untouched. In Kerala, however, an exhaustive study was conducted of the existing administrative laws that need to be changed so that the rules and procedure allow panchayats to exercise their powers without conflict with other authorities.<sup>13</sup> The study identified over a thousand rules that require amendment. More recently, Madhya Pradesh state government has been doing the same.

words, intended to consolidate community management of the primary education system in the state.<sup>14</sup>

A remarkable conclusion – with significant policy implications – emerged from the participatory survey. It is well known that government school-based statistics of enrolment are grossly exaggerated, showing inflated enrolment. In fact, the implication of the high government school-reported enrolment statistics is that those children not in school are in fact drop-outs; no wonder the drop-out rate seems so appallingly high in most states (at least based on government data). However, most ‘out of school’ children contacted through the survey described themselves as ‘unenroled’ and not ‘dropped out’. The policy implication is that, in addition to the problem of dropout (which, though not non-existent, may be much smaller than believed hitherto), the major problem is that children have *never* gone to school.

In other words, access to schools itself is a problem – despite the government claiming that the norm of provision of one school within a one kilometre distance has been met for 95 per cent of India’s children. It also knocks the bottom out of the massive central governmental effort – with significant budgetary allocations – to provide Non-formal Education (NFE centres) to the millions of dropouts around the country since 1979. If children never went to school, how could they drop-out; and if they never dropped-out, then why provide NFE centres for them? What is needed is formal primary schools for them!<sup>15</sup>

The policy response of the state was to introduce a scheme to guarantee primary schools to all hamlets – not just all villages (given that a village consists of a number of discrete hamlets). Under the scheme (called the Education Guarantee Scheme), if forty parents in a locality (only 25 in a tribal area) seek a school for their children, routed through the village panchayat, the state government is committed to provide, within 90 days, a lower-paid teacher’s salary for the purpose.<sup>16</sup> The village panchayat can appoint

---

<sup>14</sup> One outcome of the survey was the development of a Village Education Register as a basic record of educational statistics of each village to be maintained in two copies at the village panchayat and the school. The survey was also used as a basis of cohort monitoring for completion of primary schooling.

<sup>15</sup> Concerned about the so-called high dropout rate in the country despite growing enrolment through the first three decades after independence, the central government in 1978 started a country-wide programme for creating NFE centres, both in villages without a government primary school as well as those with one. They were supposed to mop-up the children who had dropped out, enabling them through 2-3 hours a teaching a day to reenter the formal primary school. However, the NFE centres have had not little or no impact in increasing enrolment in MP (and elsewhere). Data (collected during the campaign-based survey in MP suggest that enrolments and dropout rates in villages with NFE centres remain the same or higher than those without them. In fact the share of children out-of-school in villages where there is only a NFE centre is higher than those with only primary school. In other words, despite their much lauded operational flexibility, the NFE centres have not been more successful in enrolling children than the formal primary schools with their more rigid timetable and structure. Worse, more girls are out of school in villages with NFE centres than in villages with a primary school, so that even in respect of special targeting of girls (under the central government scheme, 90 per cent central assistance goes to girls’-only NFE centres) the NFE scheme is a disaster (Sharma and Gopalakrishnan, 1999).

<sup>16</sup> One of the main reasons for the success of the EGS is its cost-effectiveness. In regular (non EGS) schools, teacher salaries account for over 90 per cent of costs at the primary level. School teachers in

the teacher from within the community, and it has also to make arrangements for space where the children can organise the children into classes.

The results have been remarkable. While 80,000 schools had opened in the fifty years since independence in MP as part of the regular government primary school system, 30 000 new schools were created within three years of the schemes announcement (after January 1997). What is particularly important is that it led to a huge increase in enrolment of tribal children – the very children who had among the lowest enrolment rates among vulnerable groups. It also led to a larger than proportionate increase in girls' enrolment.

Several features of the scheme have to be noted, and offer profound lessons for other similar situations around the world. First, the scheme offers a guarantee from the state to provide a school on demand from the community, but a guarantee that is not legal. This is of interest to those who have argued vociferously for making primary education compulsory by law. In India, there has been an ongoing political battle over a parliamentary bill, which proposes to make access to elementary education a fundamental right of every citizen, thus making it mandatory for the state to provide it, and also making the right justiciable in a court of law.<sup>17</sup> In fact, as Sharma and Gopalakrishnan (1999) argue, the enforcement of legal provisions could create more legal action than education, diverting resources towards litigation rather than educational investments.

Second, the expansion of schools and enrolment is the outcome of a mutually dependent action by the government and the community. The community's demand for a school ('collective voice') is the initial premise of government action.<sup>18</sup> Even the provision of a school is a reciprocal action with the community recommending the teacher from among its local people and the government remunerating and training her,

---

regular schools are strongly unionised and an important political force, and receive salaries which are high relative to per capita income (Mehrotra, 2001; Kingdon, 1994). However, EGS schools teachers are paid only a third or less of what regular school-teachers are paid.

<sup>17</sup> Wiener (1991) argued that in order to reduce child labour in India it is essential to make primary education compulsory in India, just as it was done in many European countries in the 19<sup>th</sup> century. However, in India state governments are permitted to legislate that elementary education is compulsory, and many have done so. There is no evidence to suggest that the states that have compulsory elementary education have any better educational indicators than those which have not. In fact, the international evidence points to exactly the same evidence. See Mehrotra (1998).

<sup>18</sup> The community's agency in EGS is critical to its success. This is best illustrated in contrast to another national scheme, in this case of the central government, the NFE (mentioned above) now finally abandoned by the government in 2000 after 21 years on account of its being almost entirely dysfunctional. The proposal for a new NFE centre came from the state government's education department, and after the government's approval, the district panchayat issued the order. The demand did not come from the village panchayat. The assessment of materials needed in the NFE centre was by the education department and he passed this information on to the district panchayat. The role of the panchayats was confined to ratifying official proposals, looking upwards for further sanctions. In contrast, EGS vests the budget with the village panchayat, and then extends the responsibility laterally towards the community. The dysfunctionality of the NFE is symptomatic of the ineffectiveness of the entire system of basic education. The fact that it took 21 years for the government to finally abandon the scheme is a telling example of the pitfalls of the bureaucratic path to development.

the community providing space for the centre, the government providing educational and other contingency materials.

Third, the fact that the teacher comes from the community ensures two things: accountability of the teacher to the community, and of the community as parents to the teacher. Above all, it addresses the endemic problem – underlying the ineffectiveness of schools – of teacher absenteeism. One of the perennial bane of the rural school in India generally, and in the northern states in particular, is teacher absenteeism, together with the problem of arriving late to school and leaving early. The teacher can get away with such behaviour when he does not belong to the community, and is only accountable to a distant inspector of schools belonging to the government's department of education. If he is accountable to the panchayat, monitoring becomes so much easier.

Sen has always spoken of the agency role of women in the development process – justifiably so. The constitutional amendment to revive the PRIs requires that at least one-third of the members of the village council are to be women. So far women have tended to play a minor role, even in the village council, being seen as proxies for their husbands. The fact that many of these women may be illiterate does not strengthen their position. Over time, however, it is possible that they will mature into more active agents – especially as active members of parent-teacher organisations and village education committees.

Sen rarely speaks of the community and its agency role. However, the real difference in the case of the campaign mode of data collection by the panchayat leadership is precisely the agency role being played by the community. Collection of education data as done at present is indicative of the centralised nature of governance and its management of primary education. When accountability structures function in a centralised system of governance, they work vertically upwards towards the higher echelons of the bureaucracy, and never horizontally towards the community.

### ***Schooling: The synergy of collective voice and state action in Rajasthan***

Like MP, another state that made remarkable strides during the 1990s is the north-western state of Rajasthan. Literacy rates between Census 1991 and Census 2001 rose by as much as 21 percentage points (from 41 to 62 per cent), slightly higher than MP. This is again remarkable because like MP, Rajasthan is known to be a backward state in respect of every human development indicator. Now the only two states that continue to live upto their BIMARU (or sick) status in respect of schooling are Uttar Pradesh (with a population the size of Russia or Brazil) and of course, Bihar.

The processes that led to this heart-warming achievement in Rajasthan are rather similar to those in MP. What started as projects – Shiksha Karmi in 1987 and Lok Jumbish in 1992 – became state-wide processes. Both these projects began before the creation of the PRIs down to the village level. In other words, unlike in MP, where the process began well after the creation of PRIs (constitutional amendment of 1993), in Rajasthan the process began earlier but has been deepened by the PRIs. First, as in MP,



school-mapping carried out with full community participation is a feature. It was adopted as a means of offsetting the weaknesses of central planning which for over four decades failed to ensure universal access to schooling. The state has a difficult topography, with large parts of it being a desert. In fact, what school-mapping does is to substitute macro-planning by a central body located in the state capital by micro-planning by the affected community itself. It not only identifies the children out of school – as opposed to counting those in school as is done in the administrative recording system with highly inaccurate and usually inflated enrolment rates – but it also ensured community mobilisation. In other words, it goes beyond the traditional approach to school mapping, which approaches it as simply as an exercise in locating schools based on quantitative criteria (Singh, 2000). Instead, it is a means of generating demand for schooling in communities where the vast majority of parents are illiterate, and hence it is not taken for granted in such households that the child will necessarily go to school when attaining school-going age. In such a situation, only participatory diagnosis of the problem, analysis and then mobilisation can lead to schooling becoming a people’s movement for schooling (Ramchandran, 1998; Ramchandran and Sethi, 2001).

The government encourages the creation of a core team responsible for school mapping. The attempt is to ensure that each core team has at least 50 per cent women members. A lynchpin of the core team is the shiksha karmi or locally recruited school teacher (unlike the majority of schools in India where teachers are appointed by the state administration to a civil service to transferable teaching posts within the state). Women’s groups are also formed to strengthen the core team. A family to family survey about child participation in schooling is followed by the preparation of a Village Education Register. The latter provides the basis to plan enrolment of children in schools. The register pertains to each family in the village, so that their participation in schooling can be monitored. Regular attendance is encouraged through persuasion by the core team or the Village Education Committee.

The Village Education Register, Retention Register and Village Education Plan are seen as peoples’ documents which are not kept in government custody. This allows the community to have complete access to these, unlike land records. This is an important issue, and we return later to discuss the people’s Right to Information.

The Village Education Committees are critical to the programme. Members to the VEC are selected in the village council. Village-level bodies have been known in the past to be dominated by the power-elite (usually landed, upper-caste, men); hence they are required by the government to give representation to all hamlets part of the village, most castes, women and even parents of children not of school-going age. The VEC performs a whole series of functions, described in Box 1.

Box 1. Functions of Village Education Committee	
i)	Participation in household survey and school mapping.

ii)	Enrolment of all children in 6-14 years age group from their locality or habitation.
iii)	Taking decisions in regard to location and timings of schools.
iv)	Monitoring participation of children in day schools to ensure that children do not remain absent and if they do, using their influence to get them back to school.
v)	Ensuring availability of textbooks and teaching – learning materials with all children, especially those belonging to poorer sections of society.
vi)	Making regular visits to schools to ensure their regular functioning.
vii)	Obtaining contributions in cash and kind from the community to improve the physical infrastructure and environment of the local school.
viii)	Assisting in organization of national day celebrations, sports tournaments and extracurricular activities.
ix)	Advising and motivating teachers, also bringing lack of performance to the notice of higher authorities.

Source: Singh (2000).

This is a programme essentially to provide access to schooling by ensuring the creation of a school in school-less communities or by making an existent but dysfunctional school function again. This requires the hiring of two locally available teachers to substitute for the regular primary school teacher who is frequently absent. It also requires opening of new schools in school-less habitations.

It is important to emphasise that this programme is not run by an NGO. It is implemented by a board, an autonomous agency under the control of the state education minister. After the setting up of the elected panchayat structure it has developed links with elected representatives at different levels.

What the experience of Rajasthan and Madhya Pradesh demonstrates that in two of the most low-income of Indian states, with the worst social indicators in the country, it is possible to bring about a transformation in schooling for the poor – provided the local government functionaries are mobilised in a participatory manner, and government structures are made to respond to collective pressure from the people.

### ***Health: accountability to the community in Sub-Saharan Africa***

Mobilising voice in the health sector has also helped to rejuvenate health services. For instance, serious disruption to public health systems occurred during the 1980s in most Sub-Saharan countries, when a severe international economic recession and financial indebtedness led to structural adjustment measures in many countries and a marked reduction in the state's role in the provision of services (Chabot et al, 1995). One approach to this crisis lay in the greater mobilisation of community resources in the development of local health services, recognising that patients seeking care were already beginning to pay considerable sums of money for treatment of various kinds. This was the situation in which the Bamako Initiative arose in 1987 – leading in many countries to

a reasonably successful example of voice in ensuring access to affordable essential health services for an increasing proportion of people (Jarrett and Ofusu Amaah, 1992).

The Bamako Initiative, implemented to varying degrees in half the countries in Sub-Saharan Africa and fewer countries in Latin America and Asia since the late 1980s, has shown that organised communities can help sustain local public health services, not only by contributing financial resources, but by having 'voice' in the management of services. The strategy of the BI is to revitalise public health systems by decentralising decision-making from the national to the district level, instituting community financing and co-management of a minimum package of essential services at the level of the basic health units. The aim is to improve services by generating sufficient income to cover some local operating costs such as the essential drug supply, salaries of some support staff, and incentives for health workers. Funds generated by community financing do not revert to the central treasury but remain in the community and are controlled by it through a locally elected health committee. From mere recipients of health care, consumers become active partners whose voices count.

After ten years of implementation of the Initiative, community action in most rural health centres in Benin and Guinea has not only enabled nearly half the population to be regular users of the services, but has also raised and sustained immunization levels close to Year 2000 Health for All target levels (Levy-Bruhl et.al., 1997). Charging a modest fee to users is seen in some cases to be the most affordable option for the poorest segments of the population who otherwise have to access more expensive alternatives, although it is less clear whether mechanisms exist to protect indigent members of the community. Much of the success has been in ensuring the supply of affordable essential drugs that are readily available in the health centres, under the scrutiny of the committees. Another factor has been the improved attitude of health workers, traditionally one reason for people, especially women, not to use the service.

Recent assessments have shown that community participation in the Bamako Initiative has actually not been as well-defined as originally thought, and that significant community empowerment has not taken place. 'Induced' participation, pushed in many cases by donor demand and often based on political decisions or bureaucratic simplicities, tends to accentuate elite groups in communities, marginalizing women and the spontaneous organizations that are already formed to cope collectively with local problems.

However, even with a relatively weak voice exercised by households and communities, significant outcomes have been achieved. It would appear that voice needs to be associated with the retention and use locally of locally-generated resources and that these go to improving the health service and achieving sustained outcomes. Greater emphasis, however, needs to put on working with existing local organizations and motivating their participation in the running of services.

To close this discussion of local organisations: in a classic study of 150 local organisations from developing countries, Esman and Uphoff (1984) gave scores for rural

development performance. It was found that local organisations were the most successful with the highest scores when the organisation was started by local leaders. The scores were lowest when the initiation was by government.<sup>19</sup> But when outside agencies, either government or NGOs, focused their efforts on building local capacity rather than creating local organisation to implement external programmes, the scores were nearly as high when local organisation were started by local leaders.

### ***The Right to Information – the steel-frame of deep democratic decentralisation***

If deep democratic decentralisation is to succeed, it can only do so armed with the Right to Information – and the abolition of the Official Secrets Act. At least in all South Asian countries the Official Secrets Act was operative in almost every country under British colonial rule. Laws to promote secrecy instituted by the British to suit their own agenda of preserving a authoritarian regime, intended for surplus extraction, have been adopted by post-colonial states to promote vested political interests.

The right to information is recognised in the UN Declaration of Human Rights, 1948. Article 19 of the declaration says: ‘ Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers’. Sweden was one of the first countries with laws providing freedom of information. Similarly the right to information is also recognised in laws passed in Finland, Norway, Denmark, Canada, Australia and the US. Thus in Sweden in each department all incoming and outgoing mail are out in a special press room for an hour every morning for reporters to examine. If any reporter wants further information on a case, she only needs to walk down the hall to examine the department’s files (Sachar, 1999).

The first problem is that in most low-income countries the right to information has not been recognised in law. In India, Pakistan and Sri Lanka civil society actors have succeeded in the past few years to provide government with a blueprint for right to information legislation. In Pakistan, the draft ordinance was passed in a highly watered down form by the caretaker Leghari government in the mid-1990s and then allowed to lapse by the new government. The ordinance suggested by civil society groups failed on account of bureaucratic resistance since it gave broad access to bureaucratic decisions, including questions of loans and exposed loan defaulters. Nepal has the right to information guaranteed as a fundamental right in the Constitution but it has not been used much on account of the ignorance of people about their rights. In India three states (Tamil Nadu, Goa) have passed laws on the right to information while others have tried to enforce it in some form through executive instructions and guidelines.

---

<sup>19</sup> Some similar arguments emerge if the cooperative movement is examined. In India, cooperatives have become parastatals. They have had an overdose of state patronage and nearly absolute control by the Registrar. A cooperative is supposed to have voluntary membership; all its members should be its user-owners; a cooperative should be democratically managed by those who derive their authority from members and are fully accountable to their members. But in fact none of these conditions in reality (Saxena, no date).

The further problem in a largely illiterate village in a low-income country is how the poor will muster up the courage to seek out information – assuming that a Right to Information was recognised in law.<sup>20</sup> The biggest fear of the village level functionary is the possibility that one day the ordinary person in the village will be given the right to ask questions and demand information on how the money for government programmes has been spent (Roy, 1999). Deep democratic decentralisation coupled with the actual use of the right to information would be the best mechanism for ensuring accountability of government functionaries. In other words, it is not just that government programmes for basic services (health, education, water and sanitation) and poverty alleviation have to be delivered through directly and democratically-elected village and local councils. To ensure the accountability of local functionaries, the community needs to have access to all relevant documents pertaining to those projects and programmes. Box 2 shows the kind of transparency that is expected of local councils in India after the creation of PRI system.

**Box 2. India: Demanding Accountability from Village Councils**

‘Each state should consider passing orders highlighting three different aspects of transparency. First, the panchayati raj institution (PRI), especially the gram panchayat, should display all vital information pertaining to development projects, especially receipt of funds and how they are being spent, in the panchayat offices or on a prominent board outside the school, for the information of the public. Second, all relevant records should be open to inspection, and third, members should also be able to obtain photocopies of documents pertaining to the development projects as also matters of general public interest by paying a nominal charge. Particularly, all bills, muster rolls, vouchers, estimates and measurement books, also the criterion and procedure for selection of beneficiaries, and list of beneficiaries should not only be available for inspection, but photocopies of these documents should be given on demand.’

Source: N.C. Saxena, Secretary Rural Development, Government of India, in a letter to all Chief Secretaries in state governments, 4<sup>th</sup> July 1997.

#### **4. Democratic Decentralisation is spreading**

There is a strong correlation between per capita income and the share of local government in total government expenditure and revenue (Somanathan, 2001). This suggests that richer countries have been generally more successful in devolving power to local governments. It could be that this happens because the demand for government services rises more than proportionately with income. In any case, this is consistent with

---

<sup>20</sup> Thus in Kerala, not only has the state decided to allocate 40 per cent of plan funds for the village councils, the right to information has been added to the panchayat raj legislation. However, as Goetz and Jenkins (1999) rightly note, if there is limited uptake of the provision in literate and politically conscious Keralans, this is unlikely to work anywhere else.

our argument that the accountability of politicians is increased if the electorate can punish or reward performance separately for local and national/state levels.

The good news is that democratic decentralisation is growing in many parts of the developing world. In Latin America, with the exception of a few small countries, virtually all legislative and executive authorities are now elected in 13 000 units of local government. Through much of Latin America popular and indigenous organisations, often based on traditional forms of association, give voice to the poor and deal with immediate needs in health, education, and public infrastructure. In the Philippines, Bolivia and Brazil decentralisation laws require local governments to incorporate grassroots organisations in their deliberations and to give such organisations a role in administering services and projects (Manor, 1999). Participatory budgetmaking in Porto Alegre, Brazil, demonstrates that having local communities make decisions on the use of municipal resources can be very effective in local development (World Bank, 1996). New government forums can increase the voice of marginalized groups especially if ethnic minorities are geographically located in one area. For instance, as a result of the Popular Participation law in Bolivia municipal councils were created where Quechua and Aymara representatives can contribute to decisions on allocating resources (Garau, 2001). Community participation is occurring in planning (e.g. Rebuilding and Development Programmes in Cape Town), water production (e.g. Haiti and Yaounde), and environmental issues (e.g. implementation of Local Action Agenda 21 programmes in Uganda and Bolivia).

Decentralisation is spreading in developed countries as well. There is regionalisation occurring in Europe (Somanathan, 2001; Garau, 2001). In the UK there has been a devolution to Scotland and Wales and creation of regional development agencies in England. Greater powers will be devolved to regions in Italy after a referendum on whether or not gives greater powers to the regional governments in 2001. Spain too has experienced similar trends.

In urban governance there have been efforts at government reforms at the metropolitan level. Garau (2001) suggests that the reasons for these reforms have changed since the 1970s. There is still the logic of functionalism; in other words, the metropolis is still regarded as an important functional territory for infrastructure building and the provision of urban services. But there are additional rationales now: the need to implement policies to protect the environment; foster social inclusion; and strengthen the fight against violence. Strong local government units have been created e.g. the new Greater London Authority, the Verband Regio Stuttgart, and Metro Toronto; and somewhat less powerful structures in metropolises of South Africa.

In the last decade there has been a massive shift in development thinking in favour of decentralisation of government. The World Bank, as part of its public sector reforms, as also of its neo-liberal bias against the state, particularly tried to encourage decentralisation of service delivery through much of the late 1980s and 1990s. However, as one could have known from the beginning, decentralisation would work if it helped to neutralise the power of the local elite in the decision-making process. If it merely

substitutes the power of the national elite by the power of a local elite, decentralisation cannot give voice to the people. Elementary facts such as these have taken long to penetrate in large technocracies like the World Bank. However, that such ideas have had their influence is clearly suggested by the World Development Report 2000/1 ('Attacking Poverty'), presaged as it was by participatory poverty assessments in dozens of countries: 'To benefit poor people, it [decentralisation] must have adequate support and safeguards from the centre and effective mechanisms of participation' (p.106). Clearly, in some ways the form that decentralisation has taken in a state like MP is reform in the right direction, but does not in fact go far enough.<sup>21</sup>

An argument often made is that the poor are not prepared for democracy, and that building democratic institutions takes time. For instance, the World Development Report 2001 states: 'Civil and political liberties, along with competitive elections, are powerful instruments for holding governments accountable for their actions. To translate this potential into reality, many institutions need to be in place to ensure that democratic processes function as they should – among them, independent media to monitor electoral and administrative processes, an independent judiciary to uphold the constitution and rule of law, and strong parliamentary institutions with the capacity to monitor the executive through such mechanisms as public accounts committees. *Building these institutions takes time...*' (p.113) (emphasis added). But does it really?

Indeed, it does take time for institutions to take root and acquire a life of their own, independent of their creators. However, institutions can exist for a long time, and yet not act in the interests of the poor – as for instance, the judiciary in many Latin American countries has often acted in the interest of authoritarian regimes that appoint the judges. Or for that matter, in state level legislatures in the larger, federal South Asian countries, where land is a provincial subject, state governments have habitually prevented land reforms from being enacted – except in West Bengal or Kerala (where the Communist Party of India was in power). Clearly, where the political commitment exists, the priorities of the poor are tackled first. Where the democratic framework already exists at the national (or state) level, democratic decentralisation at the lowest level should take priority. It is at the lowest level of government that the incentives for participation work best, and when participation and voice is strong, and the government responsive, basic service delivery is likely to be effective. The evidence in the preceding section shows that in all the cases discussed deep democratic decentralisation has shown results in less than a decade.

What role might non-governmental organisations have in such democratic decentralisation? NGOs can indeed help to mobilise and empower communities – where they exist. More often than not, the coverage of NGOs is rarely broad enough to make a difference. The evidence from over 60 participatory poverty assessments is that NGOs are few and far between (Narayan et al, 2000). Many of them are engaged in innovative activities – but on a small scale. Scaling up those innovative, pro-poor activities to a national or state level can only be the job of governments. For example, there are some

---

<sup>21</sup> The MP government has already moved further than the measures analysed in this paper. Gram swaraj or direct democracy will become a reality in the year 2001 (Manor, 2001; ..., 2001).

NGOs engaged in extremely useful, innovative activities in elementary education in several parts of India. Unfortunately, it requires the financial muscle and institutional infrastructure of the state to take those activities to scale.

## **5. History is in our favour**

History is in favour of democracy and decentralisation. Thus Lindert (2000) argues that before the 20<sup>th</sup> century there is so little social spending of any kind (i.e. tax-based public spending on health care, low-income housing subsidies, education, pensions, welfare and unemployment compensation) mainly because political voice is so restricted. Voting rights were restricted by law limiting the franchise to those who owned some land, earned some minimum income, or paid some minimum value of direct taxes. It has been argued that the social spending share of the economy was restricted in 1780-1880 in OECD countries; rose much over the 1880-1980 century, especially after World War II; and its share has remained roughly constant in the industrialised countries since 1980. As voting rights became less restricted, a shift occurred towards progressive taxation, enabling social spending to grow.

In fact, the interests of those with voice explains why Prussia and laissez-faire North America pioneered the public schools financed from taxes and why Britain fell behind (despite the latter being regarded as the workshop of the world). Lindert (2000) suggests two reasons – which derive from the political economy of these regions. First, there was a systematic influence of the spread of voting rights upon primary schools enrolments (as on social transfer spending as a share of GDP). Countries where a majority of adults (North America, Australia, France) voted had many more children in school than either non-democracies or countries where only a wealthy minority could vote (e.g. Britain, US South). Nearly universal white male voting rights in the US and Canada set the stage for local tax-based funding of a largely public school system, and similarly in Australia and New Zealand. Britain was an educational laggard mainly because electoral reform was slower in Britain and because Parliament kept central control of school finance. After the Third Reform Act (1884/85) the vote was extended from 31 per cent (Second Reform Act, 1867/68) to about 63 per cent of the U.K. Until then the reliance on central government and private sources for school funding delayed the expansion of schooling. France was a laggard until mid-19<sup>th</sup> century. The 1848 Revolution gave voting rights for all men, but the Emperor was ambivalent on the education front for two decades thereafter.

A second cause of the spread of schooling was decentralisation. Prussia/Germany and Northern America (Canada, Northern USA) left the decision of how much tax to pay for schools up to the localities. Even though the German national government was undemocratic, local governments raised the taxes and locally elected and appointed officials ran the schools. This was unlike the case in Britain, and other industrialising countries, where education lagged behind. The British Parliament had created barriers to local government initiative by requiring a locality to get a Parliament loaded in favour of church and landed interests to approve new local taxes for schools. Scotland, which was



permitted to depend more on local taxation, did much better than England in school enrolments (Lindert, 2001). In France commitment to education suddenly increased after the defeat at Prussian hands in 1870. What also helped was the law of 1867, which forced communes to raise more local taxes if they wished, and mandated more local schools for girls. The communes responded by raising their local revenues.

There are some implications for prospects for social spending and access to basic services in developing countries from this historical experience. The transfer of power from metropolitan countries to post-colonial governments in Asia and much of Sub-Saharan Africa was accompanied by universal suffrage. Nationalist parties, which had led the anti-colonial movement, naturally were the first to come to power. However, democracy was quickly subverted in many of them, superseded by one-party dominant states. Only in the late 1980s and 1990s some semblance of democracy was restored in several of the African states. Unfortunately, the emergence of democracy had been preceded by an effective collapse of the state, hand in hand with a collapse of output, incomes and public spending through the 1980s. Similarly, there have been few Latin American countries with democracies in the last half-century, though military/authoritarian governments have given way in the 1980s and 1990s to democratically elected regimes. Yet, the sharp decline in output and incomes in the 1980s, and the growing income inequality and poverty incidence in much of Latin America even in the 1990s have further stratified these societies.<sup>22</sup> Politically, while national governments might be democratically elected, policies are populist and methods of implementation are authoritarian; deep democratic decentralisation is now the way forward.

### **Concluding remarks**

We began with Sen's three arguments in favour of democratic political freedoms and civil rights: their direct importance for basic capabilities, including that of political and social participation; their instrumental role in enhancing the hearing the people get, including their claim to economic needs; and their constructive role in the conceptualisation of the needs. We have suggested that most democratic developing states offer the *possibility* of the first, but in fact it does not translate into effective voice in decision-making on issues affecting the daily lives of the poor. The once-in-five year exercised right to vote is not participation.<sup>23</sup> Given that the vast majority of the poor in most low-income countries are illiterate and for all practical purposes voiceless<sup>24</sup>, and their access to the 'free' media is limited, democracy also does not play the instrumental

---

<sup>22</sup> For evidence on worsening distribution of income in Latin America, see ECLAC (2000), and Cornia (2000).

<sup>23</sup> Soviet citizens had that right to vote too – that could not be defined as the complex functioning of participation. Even more importantly, Soviet citizens had realised the simple functionings in the absence of the complex functioning of participation. In authoritarian but centrally planned states that was possible; in democratic capitalist countries that is unlikely.

<sup>24</sup> A billion people in the world are illiterate, and if we accept the \$1 a day poverty-line, 1.2 billion are poor – suggesting that there is considerable overlap between the illiterate and the poor.

role of ensuring hearing of their needs.<sup>25</sup> The conceptualisation of their needs is more often carried out by well-intentioned, well-educated bureaucrats, neither fully sharing nor understanding the life experiences of the poor, functioning through vertically-operated sectoral line ministries. Thus, while national democracy offers much potential or scope for articulating the needs of the poor for basic social services, in such an environment the potential for the poor to acquire simple functionings is rarely realised except in a highly distorted manner. Deep democratic decentralisation creates the basis for participation, the collective voicing of needs and collective action to force the government to deliver services effectively.

---

<sup>25</sup> If anything, the media is dominated usually by an urban elite, who rarely write about or raise development issues, and are often more driven by concerns of national security, law and order, sports, and international news. See Dreze (1999) for an excellent analysis of the media and its neglect of development (including education) issues in India.

## Bibliography

Aggarwal, Y. (2000), *Public and Private Partnership in Primary Education in India. A Study of Unrecognized Schools in Haryana*, National Institute of Educational Planning and Administration, March.

Bardhan, P. (1984), *The Political Economy of Development in India*, Oxford: Basil Blackwell.

Bashir, S., and Ayyar, R.V. (2001), "District Primary Education Programme", Article submitted to the Encyclopaedia of Indian Education to be published by the National Council of Educational Research and Training, New Delhi.

Brandolini, A. and d'Alessio, G. (1998), "Measuring Well-being in the Functioning Space", Bank of Italy, mimeo.

Chabot, J., Harnmeijer, J.W., and Streetland, P.H. (Eds.), (1995) "Africa Primary Health Care in times of economic turbulences", Royal Tropical Institute, The Netherlands.

Dreze, J., and Sen, A. (1989), *Hunger and Public Action*, Oxford, Clarendon Paperbacks.

Dreze, J. (2000),

Esman, M., and Uphoff, N. (1984), *Local Organizations: Intermediaries in Rural Development*, Ithaca, N.Y.: Cornell University Press

Fine, B. (2001), Economic and Political Weekly

Garau, P. (2001), "The Changing Context and Directions of Urban Governance", Paper.

Goetz, A.M., and Jenkins, R. (1999), "Right to Information and Panchayati Raj" in *The Right to Information*, Lokayan Bulletin, Contemporary Articles, Vol II, 16.2, September-October, New Delhi.

Gopalakrishnan and Sharma, A. (1999), *Education Guarantee Scheme*, Government of Madhya Pradesh, Bhopal.

Government of India (1998), "Early Childhood Care and Education in DPEP-I", Draft Paper, Department of Pre-School and Elementary Education, National Council of Educational Research and Training (NCERT), New Delhi.

Hirschman, A.O. (1970), *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizationa and States*, Cambridge, Ma., Harvard University Press,

Jarrett, S.W. and Ofusu-Amaah, S. (1992), “Strengthening Health Services for MCH in Africa: The First Four Years of the Bamako Initiative”, *Health Policy and Planning*; 7(2): 164-176.

Khan, M.H. (2001), “The New Political Economy of Corruption” in Fine, B., Lapavitsas, C., and Pincus, J., (Eds.) in *Development Policy in the Twenty-first Century. Beyond the post-Washington consensus*, London and New York: Routledge.

Kingdon, G.G. (1994), *An Economic Evaluation of School Management Types in Urban India – A Case Study of Uttar Pradesh*, D. Phil. Thesis, University of Oxford, Oxford.

Krishnan, T.N. (1997), “The Route to Social Development in Kerala: Social Intermediation and Public Action”, in *Development with A Human Face. Experiences in Social Achievement and Economic Growth*, Mehrotra and Jolly, Oxford: Clarendon Press.

Levy-Bruhl, D. et al (1997), “The Bamako Initiative in Benin and Guinea: Improving the Effectiveness of Primary Health Care”, *International Journal Health Planning Management*, Vol 12, suppl.1, S49-S79.

Lindert, P.H. (2000), ‘What Drives Social Spending, 1980-2020’, mimeo, University of California: Davis.

Lindert, P.H. (2001), “Democracy, Decentralization, and Mass Schooling Before 1914”, Working Paper Series No.104, Agricultural History Center, University of California, Davis, California.

Manor, J. (1999)

Manor, J. (2001)

Mehrotra, S., and Delamonica, E. (forthcoming), *Public Spending and the Poor. Enhancing Capability and Promoting Growth*, Unicef, Innocenti Research Centre.

Mehrotra S., and Jolly, R. (1997), *Development with A Human Face. Experiences in Social Achievement and Economic Growth*, Oxford: Clarendon Press.

Mehrotra, S. and Buckland, P. (2001), “Managing Schoolteacher Costs for Access and Quality in Education in Developing Countries: A Comparative Analysis”, *Economic and Political Weekly*, November.

Mehrotra, S., and Jarrett, S. (2002 forthcoming), “Improving Health Services in Low-Income Countries: Voice for the Poor”, *Social science and Medicine*.

Narayan, D. (2000), *Voices of the Poor. Can Anyone Hear Us?*, Washington, D.C.: World Bank.

PROBE (1999), *Public Report on Basic Education in India*, Delhi: Oxford University Press

Raina, V. (2000), *Year 2000 Assessment. Education for All. Decentralisation of Education*, New Delhi: Ministry of Human Resource Development, Government of India and National Institute of Educational Planning and Administration.

Ramachandran, V., (1998), “The Indian Experience” in *Bridging the Gap Between Intention and Action. Girls’ and Women’s Education in South Asia*, UNESCO.

Ramachandran, V., and Sethi, H., (2000), *Rajasthan Shiksha Karmi Project. An Overall Appraisal*, Swedish International Development Cooperation Agency (SIDA), New Education Division Documents No.7.

Roy, B. (1999), “The Politics of Waste and Corruption” in *The Right to Information*, Lokayan Bulletin, Elements from the History of Struggle, Vol.1, 16-1, July-August, New Delhi.

Sachar, R. (1999), “Right to Information – The Constitutional Aspect” in *The Right to Information*, Lokayan Bulletin, Contemporary Articles, Vol II, 16.2, September-October.

Saxena, N.C. (no date), *Policy and Legal Reforms for the Poor in India*, National Research and Resource Centre, LBS National Academy of Administration, Mussoorie – 248179, Paper no.1.

Sen, A. (1985), *Commodities and Capabilities*, Oxford University Press.

Sen (1989)

Sen, A. (2000), *Development as Freedom*, Oxford University Press.

Sing, A. (2000), “Participatory Micro-Planning for Universal Primary Education” in Year 2000 Assessment. Education for All, Ministry of Human Resource Development, Government of India, and National Institute or Educational Planning and Administration, New Delhi.

Somanathan, E. (2001), “Empowering Local Government. Lessons from Europe”, Economic and Political Weekly, October 13.

Tendler,.., (....), *Good Governance in the Tropics* ..... And Barry Amis .....

UNICEF 2001

Wade, R. (1985), "The Market for Public Office: Why the Indian State is not Better at Development", World Development 13(4): 467-497.

\_\_\_\_\_ (1989), "Politics and Graft: Recruitment, Appointment, and Promotion to Public Office in India", in Ward, P.M. (ed.), *Corruption, Development and Inequality: Soft Touch or Hard Graft?*, London: Routledge.

Wiener, M. (1991), *Child Labour and the State in India*, New Delhi: Oxford University Press.

World Bank (1996) World Bank (1996a), *India. Primary Education Achievement and Challenges*, South Asia Country Department II, Report no. 15756-IN, Washington, D.C.

World Bank, (1996b), *World Development Report*, Washington DC: World Bank.

World Bank (1999), *Education Sector Strategy*, Washington DC: World Bank.

World Bank, World Development Report 2000/1, *Attacking Poverty*, Oxford University Press