

Democratizing Democracy

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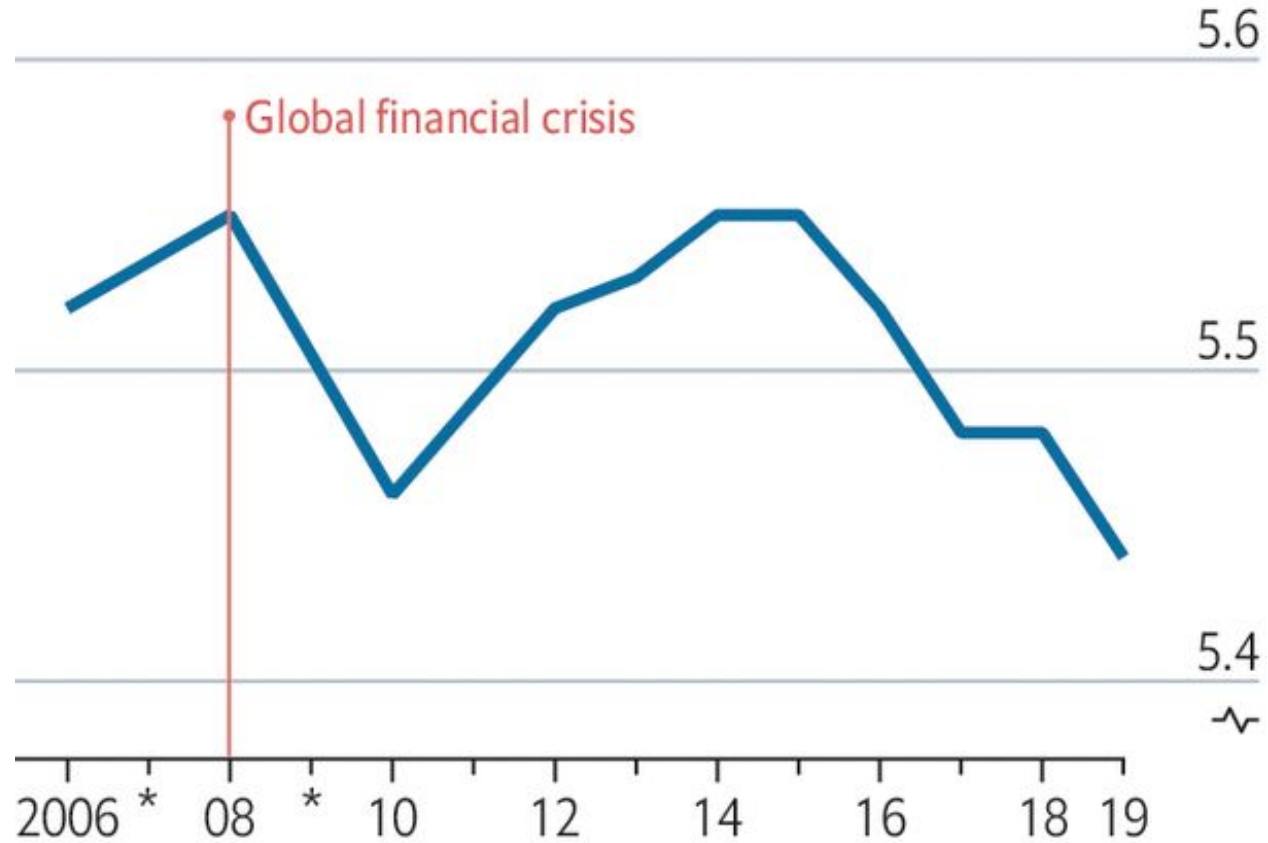
June 19, 2024



People are losing faith in
democracy

On the slide

The Economist Intelligence Unit's Democracy Index
Global average of 167 countries, 10=most democratic



Source: The Economist Intelligence Unit

*No data

The Economist

Reasons for this: 3 Cs

- **Clientelism** politics of patronage, exchange of goods and services with a sub-group for political support. Can result in an emphasis on private goods over public goods.
- **Corruption**
 - a) High cost of elections results in theft of public funds to fund elections
 - b) Using political office as a means for private gain
- **Capture** Control of the electoral, and governmental, process by elites and special interests.

Overwhelming evidence, around the world, for each of these

How Do We Make Democracy More Democratic?

I will focus on four themes (there are many more) drawing on my work in India:

- Deliberation
- Incentivizing Politicians
- Democratizing Data
- Added Value of Local Democracy



Deliberative Democracy

Aggregation of Preferences vs. Consensual Transformation of Preferences



Indian *gram sabhas*

- Largest deliberative body in human history
- 2 million villages
- Over 800 million people
- 73rd Amendment Requires at least 2 a year



Oral Democracy

Vijayendra Rao and Paromita Sanyal,
Cambridge University Press, 2019

(Free Open Access)

Panchayat Policies in South India (2004)

Kerala - High Quality

- People's campaign
- Nested planning "seminars"
- Match between plans and funds
- Widely lauded
- Panchayats have 40% of the state budget
- Almost 100% literacy

Karnataka - Medium Quality

- Panchayat pioneers
- Gives gram sabha powers over public funds and private benefits
- Parliamentary style selection of president
- Strong differences between north and south


Tamil Nadu – Medium Quality

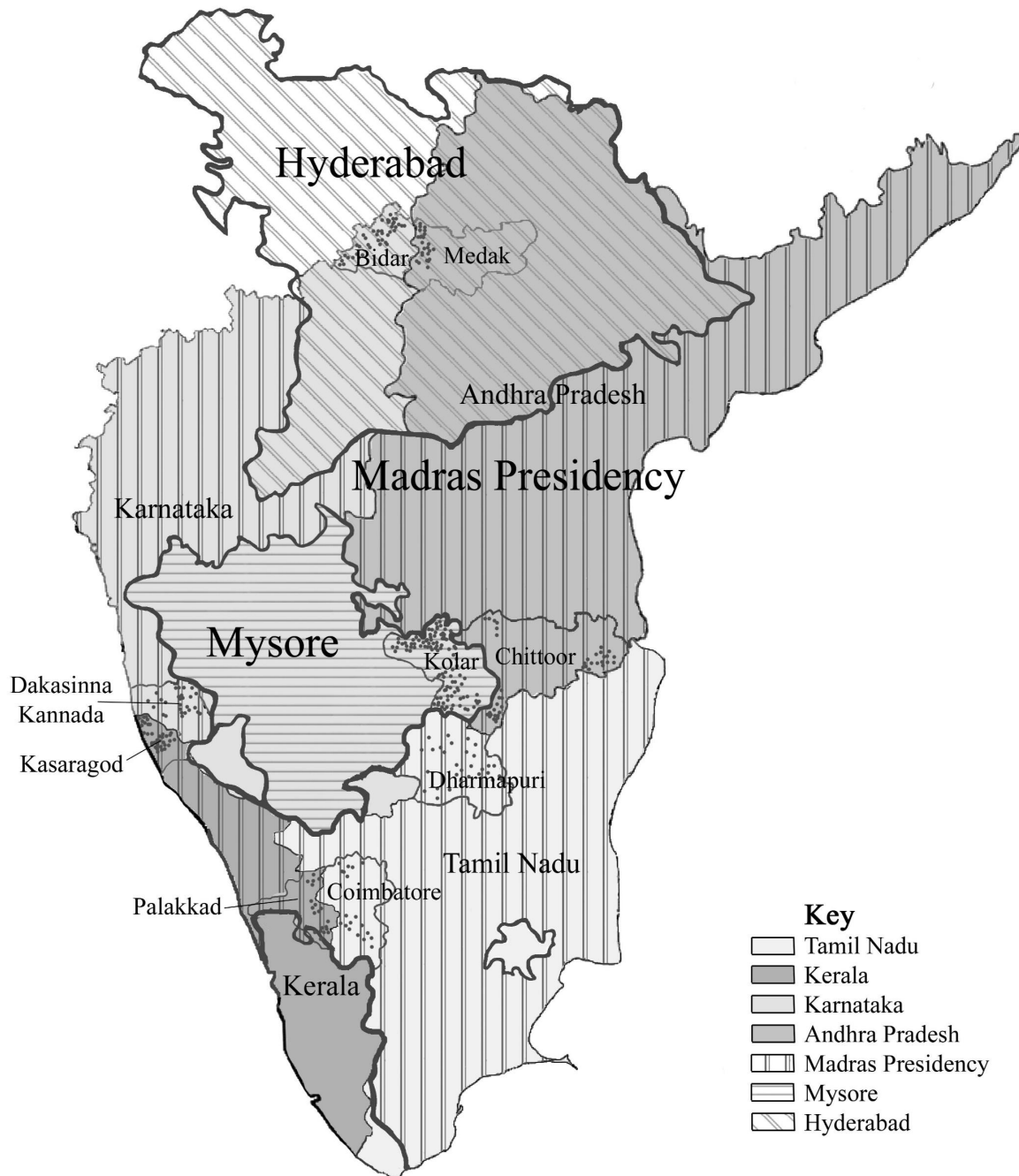
- More interventionist state
- Gram Panchayat petitions officials as the "union" level for budget
- Role of self-help groups
- Used for information dissemination
- Incentives for better performance
- Direct election for president

Andhra Pradesh - Low Quality

- Technocratic
- Top-down
- Hauled to supreme court for not holding elections

Data and Methodology

- 298 Gram Sabhas recorded between 2003-2004
 - Transcribed and translated from four South Indian languages
 - Natural Experiment
 - Role of Literacy
 - Focus on discourse – equality of agency
- 



South Indian states at Independence - 1947

- Madras Presidency
- Hyderabad
- Mysore
- Bombay Presidency
- Travancore
- Cochin

Re-organization of states along linguistic lines – 1956

- Andhra Pradesh (Telugu)
- Karnataka (Kannada)
- Tamil Nadu (Tamil)
- Kerala (Malayalam)

District Comparisons

- Bidar (Karnataka) / Medak (AP)
- Chittoor (AP)/Dharmapuri (Tamil Nadu)
- Coimbatore (Tamil Nadu) / Palakkad (Kerala)
- Dakshina Kanada (Karnataka)/Kasaragod (Kerala)

Key Findings

LOW CAPACITY

CHITHOOR (AP)
State: Complaint collector
Citizens: Passive petitioners

MEDAK (AP)
State: Complaint collector
Citizens: Passive petitioners

MEDIUM CAPACITY

DHARMAPURI (TN)
State: Social reformer
Citizens: Civic deliberators

BIDAR (KA)
State: Scrutinizer
Citizens: Elite stewards &
Rude citizens

COIMBATORE (TN)
State: Social reformer
Citizens: Militant deliberators

DAKSHINA KANADA (KA)
State: Informant
Citizens: Pragmatic deliberators

HIGH CAPACITY

PALAKKAD (KL)
State: Planner
Citizens: Benefit invigilators

KASARGOD (KL)
State: Planner
Citizens: Benefit invigilators

And...

- Literacy has little effect on the quality of deliberation
- Having a gram sabha reduces misallocation and corruption (Besley, Pande & Rao 2005)
- Gram sabhas represent the preferences of the median voter (hence are not dominated by elites) (Ban, Jha & Rao, 2012)





Incentivizing Politicians in Tamil Nadu

Reference: Ghazala Mansuri , Nethra Palaniswamy , Vijayendra Rao , Slesh A. Shrestha, "Money versus Kudos: The impact of incentivizing local politicians in India," *Journal of Public Economics*, August 2023

Key Elements

- *Public incentives* with independent citizen-based performance monitoring
- Compares Monetary Incentives ("Money) for public goods with providing a Certificate of good performance ("Kudos")



Treatment

In April 2015, all Village Panchayat Presidents received an official letter

In control VPs: Letter said that they would be evaluated as usual on the basis of broad criteria like better targeting of transfers and equitable delivery of public goods, and assigned grades A, B or C. No incentives provided

In Treatment VPs: Letter added a statement about the incentives associated with grades A, B or C. Otherwise the letters were identical

Independent Scoring of Performance is Key for Legitimacy

- Committees formed of Members of VPRC to monitor performance of VPs in other districts
- Objective scoring criteria on performance of VP functions
- All monitoring data goes through a 3-step validation process
 - Locally validated through a Social Audit Committee (SAC)
 - Every month data is reviewed by project functionaries, as part of the block, and state reviews
 - ▶ Third-party monitoring firm review the data and reports
 - ▶ Financial statements were audited by Pricewaterhouse Coopers on an annual basis

Incentive Arms in Treatment (2014)

- **Monetary Incentive**

- Reward VP Presidents with a cash grant that can be used for public investments at the presidents discretion
 - Grade A Receives Rs 600,000
 - Grade B Receives Rs 300,000
- Cost of village road \approx Rs 600,000, village well \approx Rs 200,000, road \approx 100,000

Information treatment

- Advertised the achievement of high performing GP presidents to their constituents

- For each GP president who receive A or B grade,
 - Special Gram Sabha (village meeting) would be organized during which
 - President's effort was acknowledged
 - Grade announced by the VPRC
 - President would be presented with the certificate of recognition from the State Government

- In addition, for grade A presidents,
 - An information campaign that highlighted his/her achievement was organized
 - A large poster (of size 23.4 x 33.1 inches)—comparable to a large political advertisement board—was put in the main GP square
 - 100 posters (of size 11.7 x 16.5 inches) of similar design was given to the president to put up in the GP or distribute

Experiment

 புதுவாழ்வு திட்ட கிராம வறுமை ஒழிப்புச்சங்க செயல்பாடுகளை சிறப்பாக வழிநடத்தியமைக்காக

 மக்களே முதுவன்மை

பாராட்டுக்களோம்

திண்டுக்கல் தொப்பம்பட்டி கோட்ட துரை வட்டாரம், ஊராட்சியின் கிராம வறுமை ஒழிப்பு சங்க செயல்பாடுகளை மிகச்சிறப்பான முறையில் வழிநடத்தி புதுவாழ்வு திட்ட இலக்கு ஏழை எளியோர் அனைவரும் பயன் பெற செய்தமைக்காக திரு சாமீதுரை ஊராட்சி மன்ற தலைவர் அவர்களை பாராட்டுகிறோம்.



ஊராட்சியின் தரம்
மதிப்பெண்
73 / 100



ஒரு 100 கிராமங்களில் 27 **C** தரம் பெறப்பட்டுள்ளது

ஒரு 100 கிராமங்களில் 55 **B** தரம் பெறப்பட்டுள்ளது

ஒரு 100 கிராமங்களில் 18 **A** தரம் பெறப்பட்டுள்ளது. அதில் தங்களுடைய கிராமமும் ஒன்று







- President of [District Name] [Block Name] [Panchayat Name] is commended for excellent performance in her/his functions related to the PVP program, and in facilitating access to the program benefits for the poor, vulnerable and others in the village.

Incentivizing Politicians Resulted In

- Increase in access to private transfers
- Increase in access to public goods
 - ▶ More hamlets received new public investments (and IAY scheme)
- No difference between financial and nonfinancial incentives
- Decrease in corruption/nepotism
- Reduced Clientelism – movement away from VP President's hamlet and from his caste

For a little dated but excellent policy overview see the UNCDF Report on Performance-Based Grant Systems, 2010

Democratizing Data

Participatory Tracking in Tamil Nadu*

** V. Rao, N. Palaniswamy, S. Sakhamuri, RV Shajeevana, C. Xia, "Democratizing Data: Participatory-Tracking in Tamil Nadu, India," (mimeo)*

Step 1: Develop Questionnaire

- Community Based
 - Uses women's networks
 - Tested by community members with community members
 - Finalized questionnaire should take no more than 30 minutes
-

What makes this questionnaire different?

- Overlap in themes covered
 - NSS: 17 %
 - LSMS type survey: 70 %
 - Covered a range of themes:
 - Well-being, Livelihoods, Economic Welfare, Food Security and Nutrition, Empowerment, Access to public services and programs, Political Participation
 - Differed in framing and emphasis
-

A sample of questions

Food and Nutrition

How much do you spend on the purchase of vegetables in a month?

Does the person who eats last get enough to eat?

Marriage

What was your age at the time of your marriage?

Was your decision taken into account at the time of your marriage?

Did you marry your relative?

Empowerment

Who makes decisions on assets and loans in your family?

Do you decide on what clothes to wear based on your own preferences?

Have there been any instances of violence against women in your village?

Digital Participation

Can you use a mobile phone on your own?

Can you read and send text messages?

Step 2: Data collection and management

- Participatory
 - Implemented and managed by CBO members
 - PVP project staff- Coordinating role
 - Other Key features
 - Tablet based
 - Data Quality and Validation
 - Designed for users with low digital literacy
-

Step 3: Data visualization

- Empower respondents to analyze and act on their own data

உங்களது காட்சிபடுத்துதல் பக்கத்திற்கு வரவேற்கிறேன். இங்கே நமக்கு ஒரு கிராமத்தை வரைபடக்காட்சி மூலம் அறிந்து கொள்ளும் வகையில் சித்தரிக்கப்பட்டுள்ளன. இங்குள்ள வரைபடக்காட்சிகளில் இடம்பெற்றுள்ள ஒவ்வொரு வரைபடத்தையும் அழுத்தும் போது அந்தந்த கிராமத்தின் வரைபடத்திற்கான முழு தகவலையும் ஒப்பிட்டு பார்க்க இயலும். வரைபடத்தை பார்த்த நிமிடத்திலேயே பலமானது அல்லது பலவீனமானது என்று மிக எளிதாக அறியமுடியும். அந்தந்த பகுதியின் சுகாதாரத்தை பொருத்து வரைபடங்கள் பல்வேறு கலர்களில் அமைந்திருக்கும். ஒரு குறிப்பிட்ட வரைபடத்தில் சிறந்த சுகாதாரம் மற்றும் அதன் கலர் பிரகாசமாக தென்பட்டால் அங்கு பதிலளித்தவர்கள் அதிகம் மற்றும் சிறந்த பதில்கள் தரப்பட்டுள்ளன என்பது பொருள். நீங்கள் மேலே உள்ள மெனுவை பயன்படுத்தி எந்த பகுதியை வேண்டுமானாலும் தேர்வு செய்து படக்காட்சியையும் மற்றும் ஒவ்வொருவரையும் ஒப்பிட்டும் பார்க்க இயலும்.

all | none







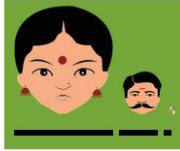



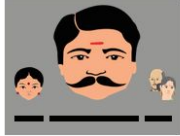

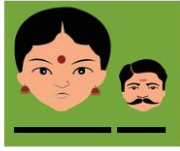

Origin

- Give Citizens the ability to collect and analyze their own data
 - Census of program participants
 - Pilot of 32000 households in one district (Theni)
 - Pilot conducted in 2013-14
-

Pilot PVP: Data visualization

Face forces

Who has the dominant voice in household decisions? Dominant parties are represented with larger faces.

	Agamalai - Tribal	H9 Manalathukudusal
<p>Is your opinion accepted related to your child's education and marriage?</p> 		
<p>Who makes the decisions regarding your clothing?</p> 		
<p>Who makes the decisions regarding the number of children?</p> 		
<p>Who makes the decisions regarding when to visit your parents house?</p> 		

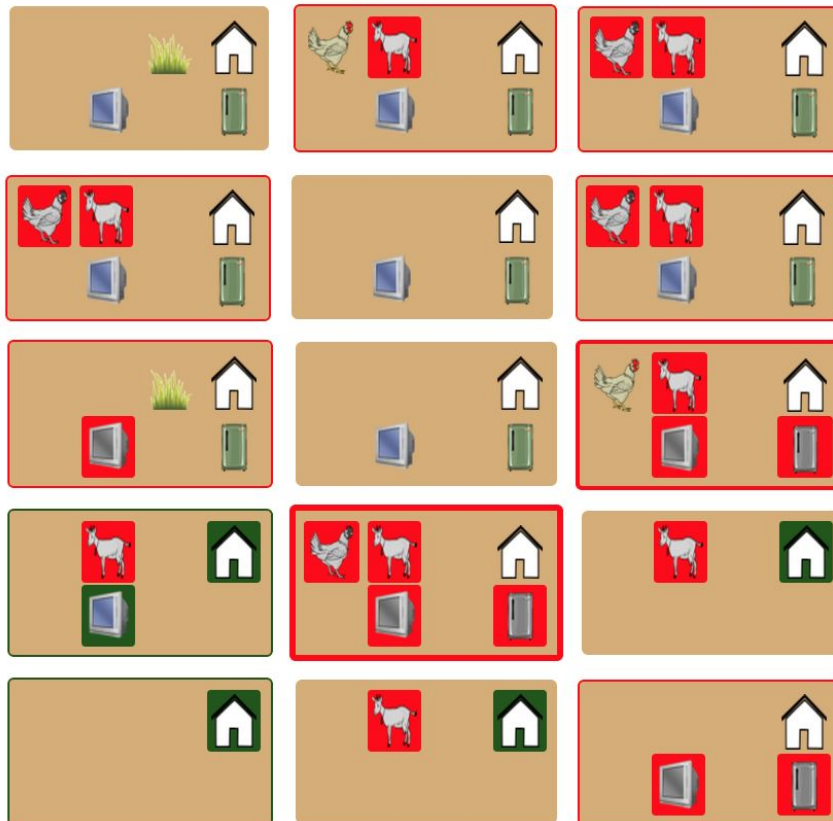
Pilot PVP: Data visualization



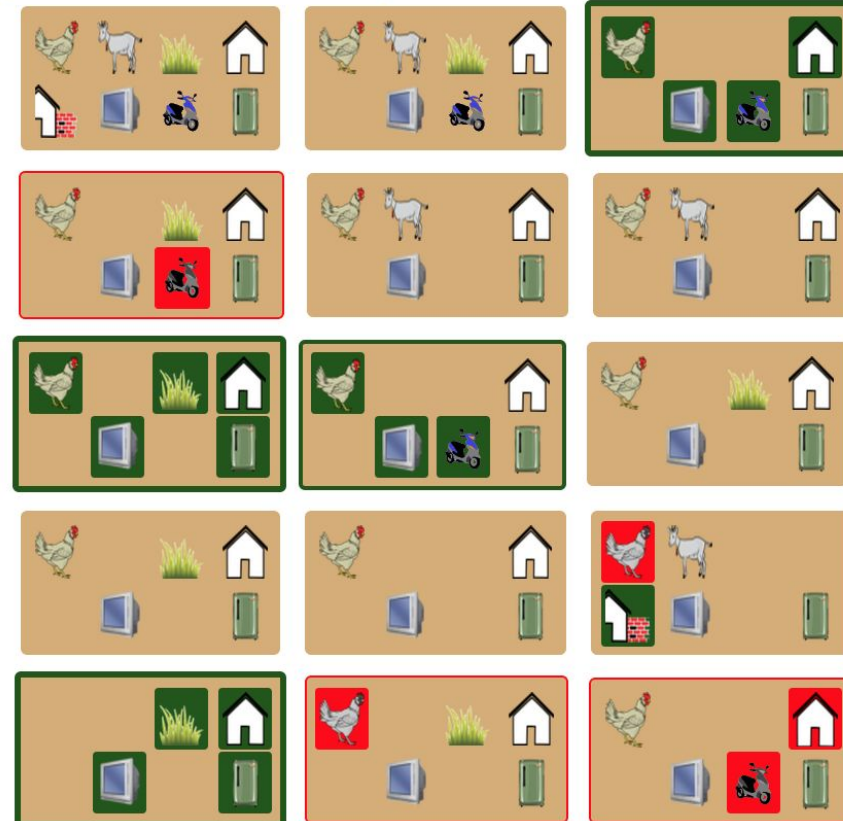
Asset change

The change in assets of families in the village are shown. Green items have been gained in the last five years. Red items have been lost. Unshaded items were in possession both five years ago and now. Click to see different families.

Agamalai - Tribal



H9 Manalathukudusai

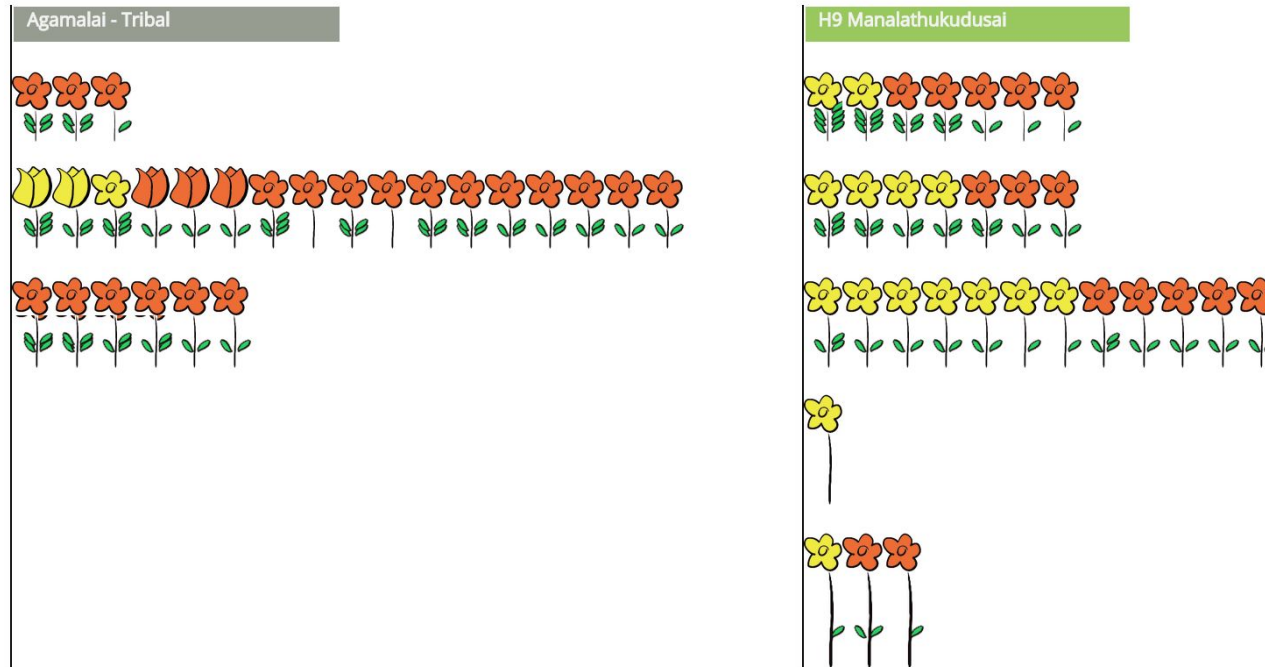


Pilot PVP: Data visualization

Flowers and marriage

Each flower depicts a bundle of indicators pertaining to marriage. One flower represents one married woman. The height of the flower corresponds to the age at marriage where shorter flowers are women that got married at younger ages. The color of the flower represents whether the marriage was with a blood relative (red) or not (yellow). The type of flower represents whether the woman gave consent (bloomed) to being married or not (unbloomed). The number of leaves represent the number of children in marriage. Click to see different women in the area.

This visualization may be used to see relationships in the data. For instance, are there many short, unbloomed flowers? Are red flowers usually consensual or not? Does consensuality increase or decrease with age?

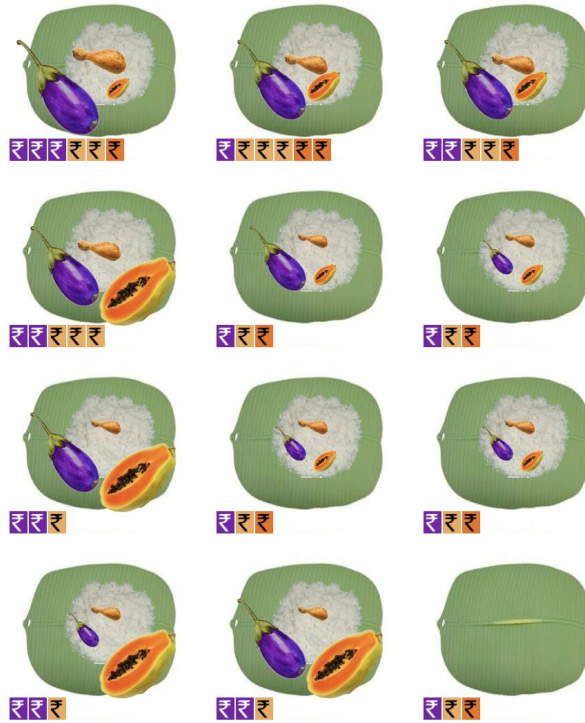


Diet and nutrition



The diet of families from the village are shown. The size of food items on the plate indicate the frequencies at which people consume vegetables, meat, and fruit -- larger items are consumed more frequently. Colored rupees indicate how much money was spent on each type of food. An empty banana leaf indicates that the last person did not have enough to eat. Click to different families.

P1 Agamalai



P1 Silamarathupatti



Step 4: Data Feedback





Elected leaders OR Appointed Administrators?

Reference: Abhishek Arora, Siddharth George, Vijayendra Rao and MR Sharan, "The Added Value of Local Democracy: Evidence from a Natural Experiment in India," World Bank Policy Research Working Paper, WPS 10555, August 2023

- Important question across history: debated since Ancient Greece
- Strikes at the heart of the value of democracy
- Intrinsic value is undeniable:
 - Political and social participation has intrinsic value
- But what is the instrumental value of democracy?
 - How does having elected leaders change material well-being of citizens?
- Empirically hard to answer
 - Cross-country studies are inconclusive

In this paper:

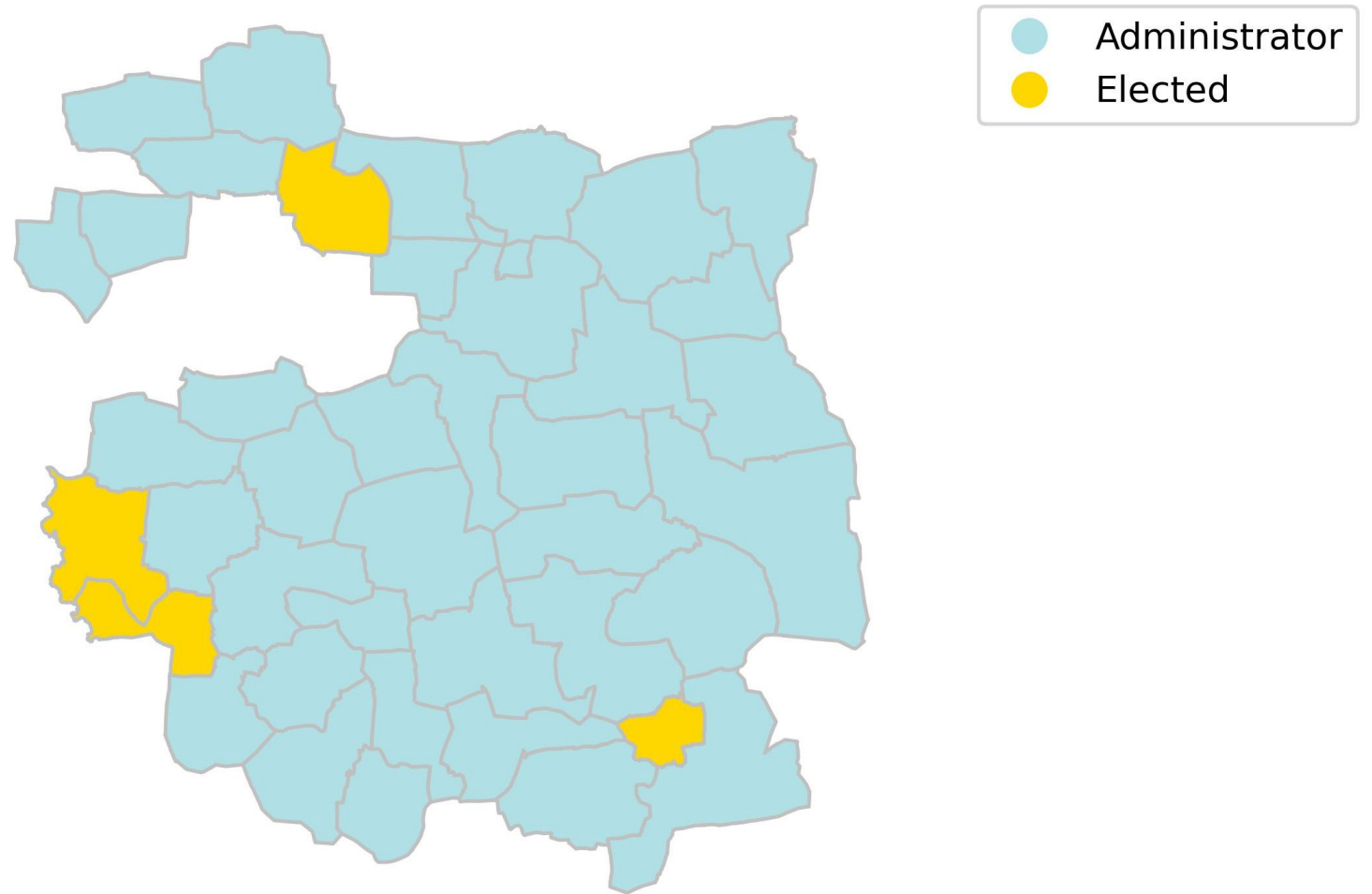
- We study elected vs appointed leaders
- In Karnataka
- Using covid-induced postponement of elections in GPs in 2020
 - Most GPs transitioned to appointed administrators
 - Some continued to have elected leaders
 - This allows us to empirically examine the value of local democracy



**Simultaneously,
elected officials and
bureaucrats headed
Panchayats in
Karnataka: Allows to
compare
elected/non-elected in
the same Taluk**

Elected Gram Panchayats in a Taluk (Sub-District)

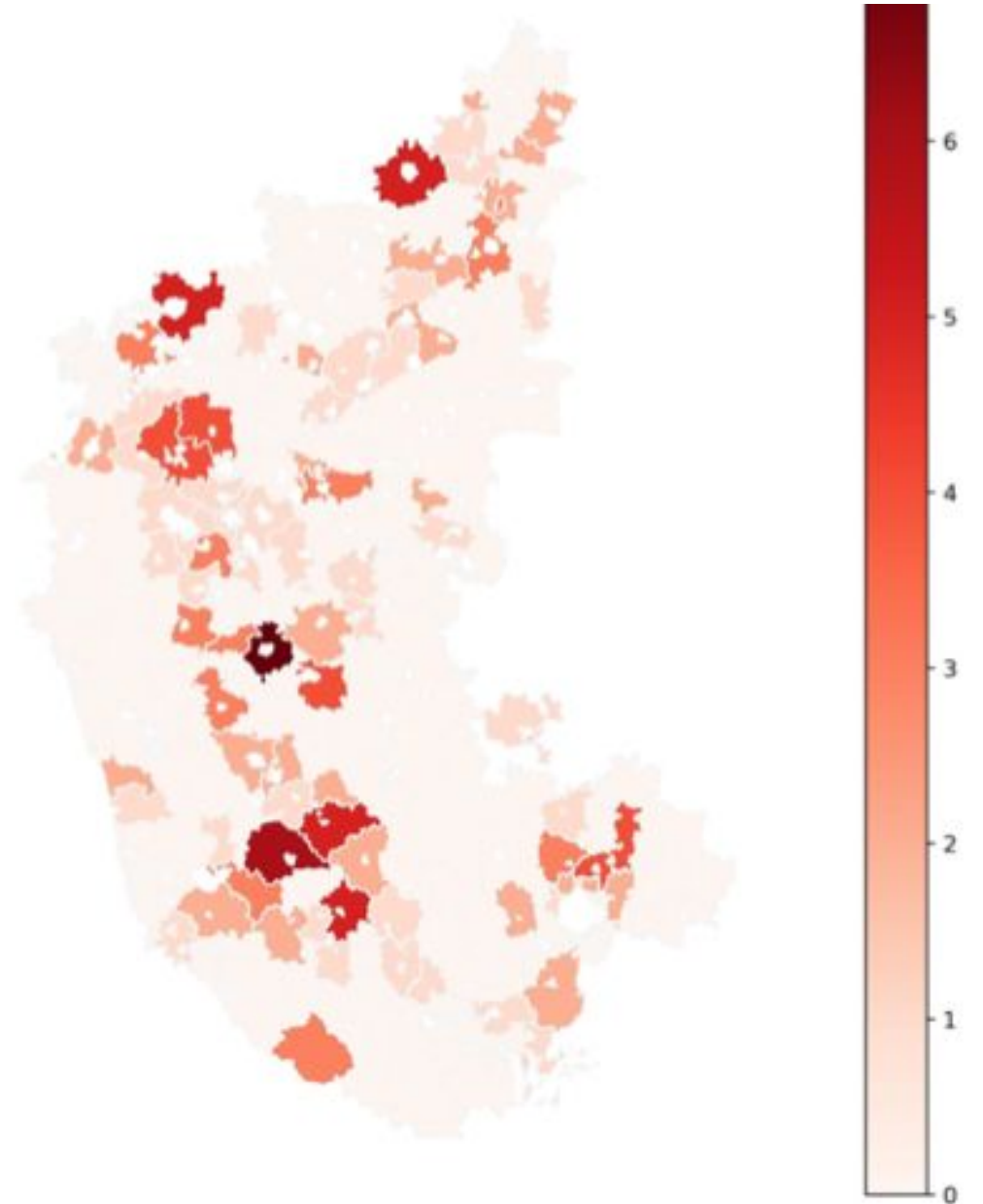
DAVANAGERE



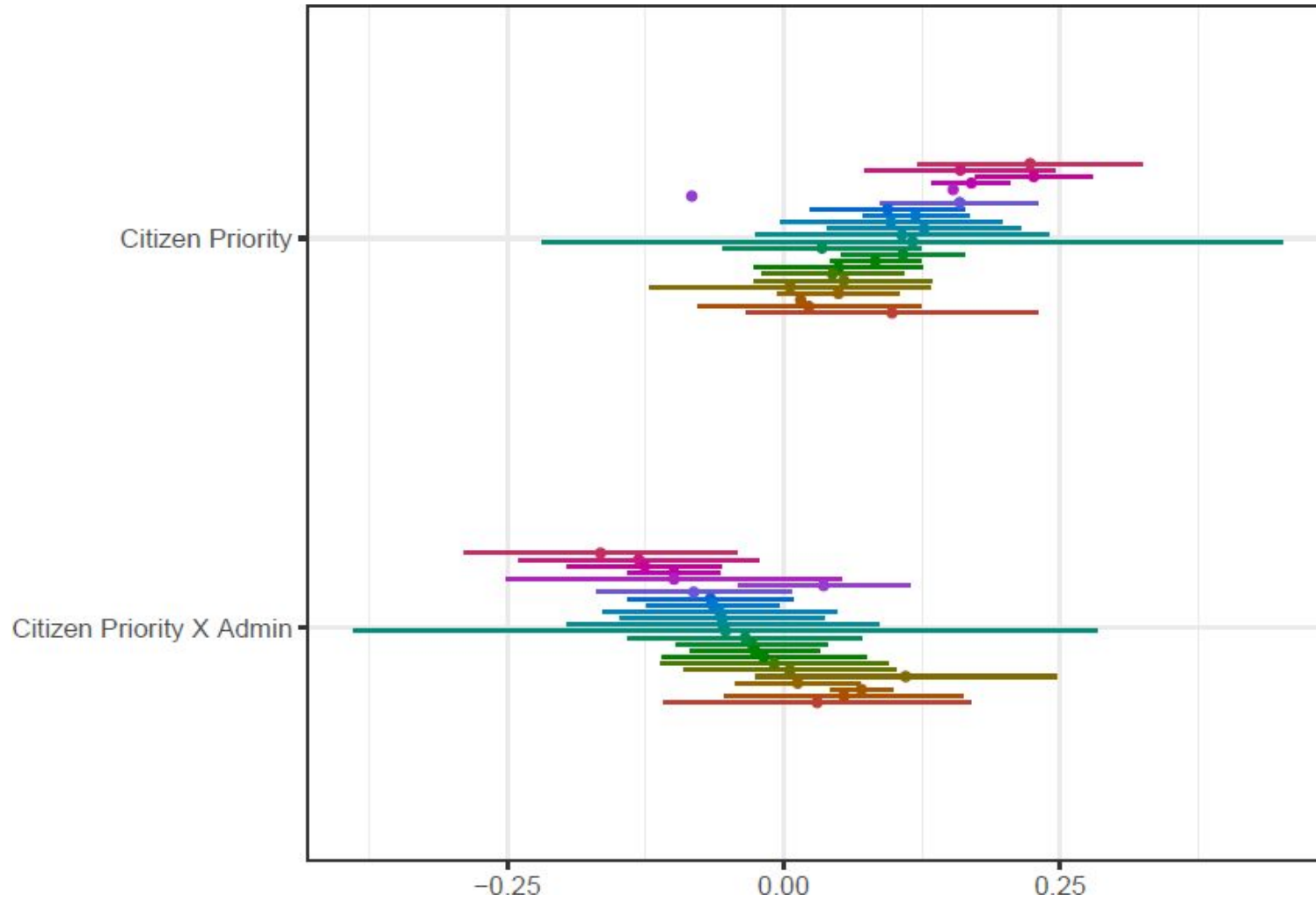
Simultaneously, elected and administrators headed Panchayats in Karnataka

Allowing us to compare elected
and appointment leadership in the
same taluk

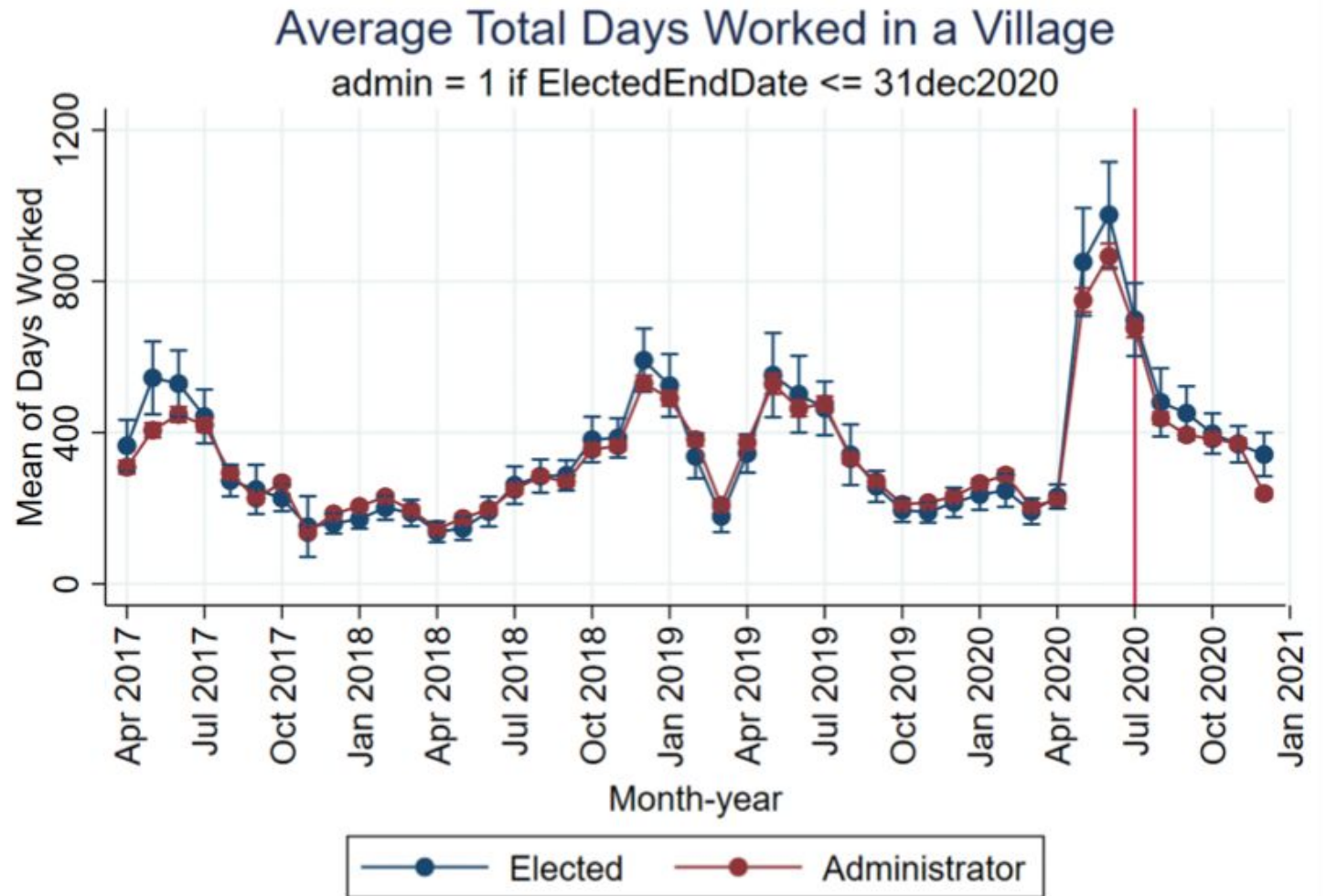
Elected Gram Panchayats in a Taluk



Citizen better represented in elected panchayats



Understanding citizens' economic needs: MNREGA during covid



Some Implications for Nepal

- LOCAL DEMOCRACY IS BETTER THAN RULE BY BUREAUCRATS.
 - Takes time to mature. Be Patient, but work to make it better.
 - Essential to Deal with Climate Resilience.
 - Technical Decisions Should Be Left To Technical Experts
- Create Credible Rating System of Municipal Government Performance
 - Citizen Generated Data with Report Cards (Our work in Dhankuta and Itahari)
 - External Scoring by Independent Committees
- Use these Scores to Incentivize Local Government Officials
 - Higher Salaries, More Budget, Kudos (Certificates, Awards).
 - Low-Cost and High Return
 - But scoring system must be credible
- Empower Tole Development Organizations (TDO/TDC) and Ward Committee Meetings: Decisions have to be based on Nested, Participatory Planning and Monitoring (Exist on Paper but not in practice)
 - Dhankuta/Itahari Work