CHAPTER-4
RAMAKRISHNA HEGDE'S CONTRIBUTION TO REVITALISATION OF PANCHAYATIRAJ INSTITUTIONS
A Democratic Polity involves the decentralisation or deconcentration of power in a way that the affairs of the local people are managed by means of their positive participation. It signifies marked devolution of power from the higher to the lower levels in a way that the units of local government exercise their authority with the participation of people of that area with occasional control and supervision of the provincial and central government.

The institution of Panchayat Raj is the foundation on which lies the edifice of democracy. Indian democracy cannot become strong unless the democracy at the village level is strong. Mahatma Gandhi therefore was firmly of the view that India's freedom would not be real until her nearly six lakh villages become economically self sufficient or autonomous and politically self governing.¹ India resides in villages, this was not true only about ancient India but holds good even today. Vast majority of our population still lives in our villages and earns its livelihood from agriculture. This vast majority is governed by village panchayats, whose

representatives are elected by adult franchise. These panchayats have been assuming more and more powers and are also being given constitutional status by recent acts and their amendments from time to time. Panchayats have played an important and significant role in ancient India. History bears ample testimony to that of both communities of Hindus and Muslims govern themselves by Panchayat methods. Then the governments did not much interfere in the working of village panchayats. Its only concern was to collect revenues from the villages. As long as a village paid revenue and so long as there was not serious disorder village panchayats enjoyed perfect autonomy. There were various methods of constituting these village's panchayats but the basic principle was that the adult population should be allowed to participate in the composition and the functioning of panchayats.

It was however during the disorder that prevailed in India after the fall of Mughal Empire and the establishment of East India company rule village panchayats lost their independence. In 1882 Lord Ripon was the first Viceroy who took steps to bestow some

independence on villages.\textsuperscript{3} Thereafter some autonomy was given under the Government of India Act of 1919 and 1935. Our local governments in the provinces then made efforts to restore their lost independence and autonomy to our villagers. A new chapter was however opened after independence in 1947 and by Panchayat Acts introduced after 1959 by the recommendations of Sri Balwant Rai Mehta Committee of 1957.

Democracy is never complete unless there is active involvement of the people of the country at all levels of governance. The institutions of democracy at the national and state levels have gained considerable strength since independence. Recognising the importance of democratic decentralisation, Article 40 of the constitution states "the state shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government."\textsuperscript{4} But the institutions at district, block, and village levels have not been able to acquire the status and dignity of viable and responsible people's bodies.

\begin{enumerate}
\item Rani, Midatala & Jayakumar H. Karnataka Government and politics, Chethana Book House, Mysore 1998, p. 84.
\item Constitution of India, Eastern Book Company, Lucknow, 1986, p. 29.
\end{enumerate}
Mahatma Gandhi was of the view that Indian freedom would not be real until her nearly six lakh villages become economically self-sufficient or autonomous and politically self-governing. To Gandhiji, "a network of such rural organisations (i.e., panchayats) functioning in the villages without any connection with the government will be the true foundation's of civil revolt"5 The plea to establish democratically elected local self government was a vital strategic element in the struggle for independence.

The Panchayati Raj institutions seek to realise the goal of decentralised administration and decision making by people themselves at the grass root level. The Panchayati Raj system in the country was not uniform and varied from state to state. In many states, the Grama Sabha which is a collective body of adult people constitutes the foundation of this structure. Besides, there is normally either a three tier panchayat structure at the village, block and district levels or a two tier structure, some states have only a single tier Panchayati Raj at the village level.

However, many discrepancies have crept into these grass root

5. Harijan, 20.1.1940
institutions making them mock units. Even where these institutions function, they came to be dominated by economically and privileged sections of the rural societies and were utilised to save the class and sectoral interests of the vested interests. Various committees had been set up by the government time and again to suggest a modified scheme of PRI's.

The Balwant Rai Mehta study team was appointed in 1957 to study community development and National extension service programmes especially from the point of view of assessing the extent of popular participation and to recommend the creation of institutions through which such participation can be achieved.6

Balwant Rai. Mehta committee suggested the three tier system which was as follows:

1. The panchayats consisting of villages.
2. The panchayat Samitis consisting of blocks.
3. There were however, some variations in the three tier system in their adaptation some states followed two tier system and named third as "District Development Councils" as was in the case of

Karnataka level i.e., single level system. However, most of them adopted the three tier system.

There were different names to these levels, Village panchayats, Grampanchayats and Gram Sabhas. Asan Panchayat, Mohkuma Parishad, Panch Samiti and so on. Some of them are equivalents in the native languages of the states. Some of the first states to adopt the Panchayati Raj were West Bengal, Andhra Pradesh, Rajasthan and Karnataka. The rest of the states followed this very soon. They made changes in their own state enactments to suit the local needs and situation. As Panchayati Raj institutions came to be dominated by the privileged section of society. It limited the utility of Panchayati Raj for the average villagers. In view of this a 13 member committee headed by Ashok Mehta was set up in 1977 to suggest measures to strengthen the Panchayati Raj Institution.⁷

The Ashok-Mehta Committee recommended a two tier set up i.e.,

1. District level

and

2. Mandal level

Covering the population of 15,000 to 20,000 and suggested

the abolition of block as the unit of administration.

An integrated concept for growth and poverty alleviation would continue to be one of the principal areas of emphasis in the Seventh Plan, the government appointed 12 member committee under the chairmanship of Dr. G.V.K. Rao in 1985 to review the administrative arrangements for rural development and poverty alleviation programmes. The Committee recommended that the district should be the basic unit for policy planning and programme implementation. The committee also called for regular elections to the Panchayati Raj institution.

To review the functioning of Panchayats and to suggest measures for their revitalisation, a committee under the chairmanship of Dr. L.M. Singhvi was formed in 1987. It recommended reorganisation of villages to make village panchayats more viable and suggested more financial resources for these institutions. In 1985 the Sarkaria Commission on centre-state relations also noted that many of the local self governing bodies were not effectively functioning mainly because the elections to

these bodies were not held regularly and that super sessions of these bodies were taking place on flimsy grounds. The commission felt that there was a need for uniformity of laws in states, urged to the holding of periodical elections avoiding supersessions.

A sub-committee of the parliamentary consultative committee attached to the ministry of personnel, public grievances and pensions was set up under the chairmanship of Mr. P.K. Thungon to consider the type of political and administrative structure needed in the district for district planning. This Committee felt that a constitutional provision should be made to ensure timely and regular elections to these bodies with their terms lasting for five years. The Zillaparishad should be only a planning and development agency in the district according to the opinion of this sub-committee.

The Constitution (sixty fourth) Amendment Bill, 1989, which though was passed by the Lok-Sabha could not be enacted as it was not passed by the Rajya Sabha. This Bill provided for the constitution of Panchayats in every state at the village, intermediate and district levels with the exception of states which have a

population not exceeding 20 lakh where states may not constitute intermediate level.

In 1990, the constitution (Seventy-Fourth) Amendment Bill was introduced in the Lok-Sabha but could not be taken up for consideration and in the mean time since the Lok-Sabha was dissolved two bills also lapsed. This bill provided for "Gram-Sabha" in each village and it was also proposed that panchayats should be constituted at the village and other levels.

The constitution (Seventy Second) Amendment Bill was passed with near unanimity by the Lok-Sabha on Dec. 22 1992 and by the Rajyasabha on Dec. 23, 1992. After having been ratified by 17 State Assemblies this has emerged as the constitution Seventy Third Amendment Act 1993 came into force from April 24, 1993. This Act accorded constitutional status for Panchayati Raj system in India. Subsequently heralded a new era in local-self government as a land mark of rural upliftment through measures of development and social welfare.

THE EVOLUTION OF PANCHAYATI RAJ SYSTEM IN KARNATAKA

Karnataka was one of the pioneering states in the Panchayati Raj movement in the country. The Karnataka village panchayats and local boards Act 1959 were the first major steps in this direction. The first general election for village panchayats and taluk development boards was held in 1960 and the second election took place in 1968.

The Government of Karnataka (erstwhile Mysore) appointed Kondajji Basappa Committee to look into the viable panchayatiraj system in Karnataka in 1963. The Kondajji Basappa Committee recommended the formation of Zillaparishad, instead of District Development Councils. The congress government though accepted the report in 1964 but failed to implement it.

The Janata Government on the recommendation of Ashok-Mehta Committee and Kondajji Basappa Committee Report announced a two tier system (Mandal Panchayat and Zillaparishad) in the gazetteer on June 23, 1983 A Committee comprising of some members of Assembly and councils was appointed This committee met for 29 times and conducted study tour in West Bengal,

Maharashtra, Gujarat and Andhpradesh. The Report and recommendations were submitted on January 19, 1984. This was published in Karnataka Gazetteer and received the assent of the President of India on July 16, 1985. It came into effect from August 14, 1985. According to this act, the first general elections were held on January 2, 1987 for Zillaparishads and later for Mandal panchayats on January 20, 1987.

AN ANALYSIS OF 1983 PANCHAYATIRAJ ACT OF JANATA GOVERNMENT

THE MAIN FEATURES OF THE ACT

1. Zillaparishads were constituted in place of District Development Councils.

2. District officials and employees were brought under the direct control of Zillaparishads.

3. An officer not below the rank of Deputy Commissioner was appointed as the chief secretary of Zillaparishad.

4. SC & ST's were provided reservation in elected offices in proportion to their population.

5. Agriculture, Animal Husbandry, Health, Education, Small-scale and cottage industries, backward classes, Family planning
and other developmental departments were brought under the direct control of Zillaparishads.

6. Reservation for woman was also provided.

7. Planning and finances were allocated to the Zillaparishad at the start of financial year to enable them take up developmental works earnestly.

8. Mandal-Panchayats were constituted within the population of 15,000 and 20,000 in place of Taluk Development Councils and panchayats.

9. Women were provided 25 percent reservation in the Mandal-Panchayats.

Taking into account the above main features, this act's structure, functions, financial powers can be analysed on the following.

A. Mandal panchayats

B. Taluk panchayats

C. Zilla parishads

ASSESSMENT OF THE 1983 PANACHAYATIRAJ ACT

As discussed so far the Janata Government of 1983 took some sincere and bold steps to empower grassroot level democratic institutions, but it could not meet the over-all expectations owing to inherent defects in the Act. In this Act Women were provided with 25 percent reservation as well as SC and ST's. But reservation for SC and ST's was not provided in the 25 percent reservation for women. This act had provided for MP's, MLA's MLCs as the members of Zilla Parishad. Partisan politics of these members of Zilla Parishad often collided with the elected members of Zilla Parishad. This affected the smooth functioning of Zilla Parishads. Ashok Mehta committee had recommended the non inclusion of MPs, MLAs and MLCs as members. But this was ignored. 14 Zilla Parishad and state government relation was far from the cordial if they belonged to different parties. Another main draw back of this act, was the weakness of Gramsabha. Gramsabhas which were the foundation of Gramswarajya had no effective powers to deal with the problems of villagers. But the main strength of this act was enabling the Zilla Parishads to act as District Government.

But its subsidiary organs Mandal Panchayats were heavily dependent on Zilla Parishads. Also taluk panchayats which acted as intermediaries between Zilla Parishad and Mandal Panchayats had no effective powers and functioned nominally. This act failed to

protect the interests of the economically deprived sections of the society. These institutions came to be controlled by economically dominant sections of the society.\textsuperscript{15}

**COMPARISON OF PANCHAYATIRAJ ACT OF 1983 AND NEW ACT OF 1993**

1. In the 1983 Act ZillaParishad presidents had the status of minister of state and vice-president, the status of Deputy minister. But the 1993 act does not entitle them to such positions.

2. The 1983 act had provided the Zillaparishads with independent and wide range of powers. But the new 1993 act brings the Zillaparishad under the direct control of state governments.

3. According to 1983 act a Zillaparishad member represented 35,000 people. But in the new act of 1993 it was increased to 40,000 people.

4. The 1993 act provides for many powers for the Taluk panchayats. Some of the powers of Zillaparishads have been delegated to taluk Panchayats.

5. In the 1993 act Taluk panchayats are constituted by directly

\textsuperscript{15} Brass, Paul R. The new cambridge History of India. IV-1, politics of India since independence, cambridge university press 1997, p. 143.
elected members unlike the 1983 act.

6. According to the 1993 act, A Gram-Panchayat is entitled to a grant of one lakh rupees reserved for developmental works. But in the 1983 Act a sum of Rs. ten was allotted for every person of the mandal panchayat.

7. According to the 1983 act, mandal panchayats were constituted for a population ranging between 8000 to 12,000. But in the 1993 act Gram Panchayats are constituted for a population ranging between 5000-7000.

8. In the 1983 act mandal panchayats had to meet at least once a month. But in the new act of 1993 it was extended by one more month i.e., once in two months.

9. The act of 1983 had reserved 15 percent of seats for SCs, 3% STs, and 25 percent for women. But the Act of 1993 has reserved 18% of seats for SC and ST's, 1/3rd of seats for OBC's 1/3rd of seats for women in the reserved as well as non-reserved category. \(^6\)

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CONCLUSION

PANCHAYATI RAJ ACT OF 1983
TRULY A REVOLUTIONARY ACT

On the basis of comparison of 1983 Act and 1993 Act one can consider the former as a revolutionary act for making a new beginning and empowering the grass root level democratic institutions. The Karnataka pattern of Panchayati Raj institutions introduced in 1985 when the Janata party under the chief ministership of Ramakrishna Hegde had a four tier system at the village, mandal (below the taluk), the taluk and district levels. The district and the mandal level bodies were directly elected with power to plan and execute developmental and welfare programmes. It is most significant that all the developmental departments of the state planning and functioning in the district have been brought under the direct and unshared jurisdiction of the elected representatives in the district body. This has been a truly revolutionary move as more than twenty items hitherto remaining with the state government all relating to development have been decentralised and thus transferred to the Zilla Parishad and personnel implementing them stand transferred to latter. The chief administrative officer and his annual
performance was evaluated by the president of ZillaParishad who was an elected person by the member of ZillaParishad.

The Karnataka model of decentralisation has brought development administration under the control of ZillaParishad, devolved planning functions and planning funds on the district level elected body, appointed a statutory finance commission to recommend financial devolution, made the gramsabha the pivot of the entire Panchayati Raj edifice, reserved seats for women, scheduled castes and scheduled tribes and reduced voting age to eighteen. It is worth remembering that Karnataka experience proved to be short lived. The scheme was diluted when Hegde its architect quitted. Later during the Chief Ministership of Bangarappa in 1990 it remained suspended and elections were not conducted to the panchayat bodies.

The constitution 73rd Amendment Act 1992 and the constitution 74th Amendment Act 1992 have added new parts IX IXA to the constitution. Under these two parts we have as many as 34 articles-243 to 243 ZG and two new schedules 11 and 12. The 73rd Amendment gives constitutional recognition to the panchayats and
the 74th Amendment to the Municipalities.

These institutions now have "constitutional protection". The two Amendments provide for the state legislators making their own laws under the constitutional provisions for establishing panchayats, municipalities. In every state panchayats are to be established at the village and district levels and at the intermediate levels. States which have population less than two million need not have the intermediate level panchayats. The important thing is that new panchayats cannot be suspended for long, fresh elections would have to be held within six months of the dissolution of a panchayat. Secondly in all panchayats, seats would be reserved for women, SC and ST's. There shall be a fixed five years term for all panchayats. They shall have their jurisdiction in their respective areas, the panchayats shall be able to formulate their own development plans and implement them. Every state shall have state election commission for conducting panchayat elections and every five years a state finance commission shall be constituted to take stock of the economic conditions of panchayats.

As it is all the states have already within a year passed legislation as required under constitutional obligations. Elections
to local bodies have also been held or are being held in most of the state.

In Karnataka the Panchayati Raj Act 1993 has a three tier system via.

1. Zillaparishad.
2. Taluk Panchayat and

The Chief Executive Officer who is the chief of this network in a district functions under president, an elected person. It is to be hoped that the new panchayats will herald a new era of real participatory democracy in India and bring power to the people where it belongs. And the contributions of Ramakrishana Hegde towards these institutions has been invaluable.
NEW ADDITION
CHAPTER-IV NEW ADDITION

ANALYSIS OF EVALUATION OF PANCHAYATI RAJ ACT OF 1983

The Panchayatiraj System was a revolutionary step. We can now explore (i) factors that are instrumental in reducing poverty and (ii) the adoption and resourcing of pro-poor policies. Focus is on “Poverty” as conceived in the admittedly limited sense of income/consumption poverty, measured by the head count ratio.

A starting point for this study is a Atul Kohlie’s work on ‘The state and Poverty in India’. His strong conclusion from comparison of the performance of state regimes in West Bengal, Uttarpradesh (UP) and Karnataka in carrying out land reforms, supporting small farmers and supporting the wages and employment of the landless, was that “a tightly organised ideological party can penetrate the rural society without being co-opted by the propertied class.”\(^1\) In Karnataka “Coherent leadership and populist ideology in the time of Ramakrishna Hegde’s Chief Ministership 1983-1987 facilitated a mode of reform.

The politics of Karnataka, described by Manor as a state with a conservative social order in which “the disparities in wealth, status and power have not been so sever as to undermine the comparative

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cohesiveness of society”. Later he argues that this ‘cohesion’ is “rooted in small peasant proprietorship” have been dominated by Lingayats and Vokkaligas.*² As noted by Dr. John Harries, there is no evidence here of challenging local power, expressed party in client. Patron relations in the way that has recently occurred in Andrapradesh.*³

Crook and Manor agree that decentralisation in Karnataka (through local assemblies, the panchayats) has improved political participation and government performance. But even this most successful of (the cases they studied) showed little evidence of having been particularly responsive to ‘vulnerable groups’. The poor or the marginalised.*⁴

In Karnataka there was no mechanism of political process for checking the exercise of local power, such as might be supplied they imply – a la Kohli by dominance in the political system of a leftist party. We should not then “expect democratic decentralisation in India to assist in poverty alleviation over the short to medium terms unless the centralised system in dominated by a leftist party.*⁵

In Karnataka, however, not only has the left been particularly weak (as Manor notes 1989) but party competition, too has been notably fragmented and factionalised, both on the part of the congress and the Janata (later Janata Dal) opposition that took power for first time in 1983. It is striking that Karnataka unlike its neighbour has not given rise to true regional party. None of the parties in the state has been persistent in the pursuit of populist policies for the mobilization of political support as has happened in both Andhrapradesh and Tamil Nadu perhaps because of the continuation here as not in those two states.

Poverty alleviation has been a central theme in the development debate for decades. Today it remains unfinished business. There are still 1.2 billion people surviving on less than one dollar a day. Every third person in India lives in conditions of poverty. Helping this huge proportion of the world population out of poverty is a tremendous task – but also a task which cannot be ignored.

Jens Krogstrup deals with poverty alleviation and related actions** The world Development Report 2000-01 provides the starting

point. Subtitled 'Attacking Poverty' the report proposes a multidimensional poverty approach consisting of income and non-income poverty. Furthermore, the report invokes a framework of actions to attack multidimensional poverty. Some of the actions prescribed are decentralisation and micro-credit.

Taking off from the world Development Report 2000-01 the thesis followed by Jens Krogstrup is that decentralisation and microcredit alleviate multi-dimensional poverty - It Because of enhanced responsiveness to the needs of the poor, increased accountability, participation and transparency.

More specifically the problem raised is: Can devolution of powers by means of decentralization and micro-credit reduce income and non-income poverty - and how?

Firstly the multi-dimensional poverty approach pursued in the subsequent analysis. Aspects of income and non-income poverty are summarised followed by notes of criticism related to each poverty measure. Hence calling for the need to employ both income poverty measures and non-income poverty measures in poverty analyses. Next this logic and design of decentralisation are examined in order to outline theoretical pros and cons regarding poverty alleviation outcomes of
The empirical analysis of Indian case is dual. The radical reforms in the state of Karnataka are analyzed. Impacts on income and non-income poverty in Karnataka are assured using poverty data from mainly the World Bank and UNDP.

Karnataka

The State Government in Karnataka led by the Janata Party established a three-tier Decentralized system in 1987, with two tiers directly elected. In many ways the decentralization reform in Karnataka was even more radical than the one pursued in West Bengal.

In Panchayats, set reservations for Scheduled Caste and Tribes (SC ST’s) and women’s were established. The panchayats came in charge of all main development function. And thus were granted approximately 40% of the total state budget.

Impact on Income Party

The impact of decentralisation on income poverty in Karnataka were analysed by Jens Krogstrup. It should be noted that this analysis might not grasp the entire impact on income poverty. No income poverty data are available after 1994, which means that it is not possible to allow for a time lagging effect of decentralization. Thus potential long-term effects of decentralization cannot be assessed.

Considering the head count index the poverty gap index and the squared gap index for Karnataka and rest of India prior to decentralization in 1987. Income poverty was significantly higher in Karnataka.*10 when looking at rural areas only the differences are not significant, though as evident from the table below:

Table A Rural Income Poverty – 1957-1986

Income Poverty Measure

Karnataka (rural)

Mean 1957 – 1986

Rest India (rural)

Mean 1957 – 1986

Difference

Head count Index 57,51

[2,07]
54,32
[0,86]
3,19
[3,32]

Head Count Index \( H = \frac{q}{n} \)

Where ‘q’ are number of persons with consumption below the poverty line in a population of size ‘n’. In other words ‘H’ is the incidence of poverty.

Poverty Gap Index. 18,55

[1,05]
16,86
[0,41]
1,69
[1,59]

Poverty Gap Index : \( \text{PG} = \frac{1}{n} \left( \frac{c_2 - y_1}{z} \right) \) where ‘y’ is the consumption of individuals ‘z’ is the poverty line and ‘n’ is the population.]
Hence \[(2-y)\] is the poor’s distance from the poverty line as a proportion of the poverty line. For all non-poor \[(2-y)\] = 0. PG is then the sum of \[(c2-y)\]^2 divided by the population and PG thus reflects the depth of poverty.

**Squared Poverty Gap 7.99**

[0.60]

7.10

[0.22]

0.89

[0.85]

Note: [ ] = standard cross of mean all difference estimates are insignificants. Source: WWW. undp. or. in /report/ idt 98.

**Squared Poverty Gap Index: SPG \(1/n [(2-y)]^2\)**

Thus the only difference compared to PG is that poor’s distances from the poverty line as a proportion of the poverty line \[(2-y)/2\] are squared. There by the differences between the last poor and the poorest are exacerbated, and just the depth, but also the security of poverty are captured if decentralization is pro-poor we would expect the differences un table A to vanish after decentralization. But this is not the case. Income poverty is still higher in Karnataka from 1987 to 1994, and the
difference in the poverty gap and squared poverty gap indices are statistically significant at conventional levels. The same pattern whom considering rural areas alone.

**Table B Rural Income Poverty 1987-1994**

**Income Poverty Measure**

**Karnataka (rural)**

Mean 1987 – 1994

Rest – India – (rural)

Mean 1987 – 1994

Difference

Head Count Index 47,71

[3,30]

39,17

[1,42]

8,54

[5,52]

Poverty Gap Index 13,07

[1,15]

9,45

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11. See Table A.
3.62*

[1.80]

** Denotes significance at the 0.05 level

squared poverty Gap 4.94

[0.53]

3.26

[0.20]

1.68**

[0.76]

Source: www.worldbank.org/poverty/data

Note [**] standard errors of mean. denotes significance, at the 0.08 level. As it can be seen, the latter two income poverty measures are still significantly higher in Karnataka after decentralisation when considering rural areas only. So the data available show no positive impact on income poverty compared to rest India while this fact certainly is not associated with a possible failure of decentralization alone, one cannot, on the other hand conclude that decentralization in Karnataka has had a positive impact on income poverty.
Table C Trends in Non-Income Poverty:

Karnataka had better initial conditions than India in terms of literacy and life expectancy. From then on improvement follow the same pattern as in India. More note worthy is the relatively higher decrease in infant mortality and the higher increase in rural households with safe drinking water. This could mean that decentralization at least has had a positive impact on health indicators, recalling that panchayats were given control of most development functions. E.g. health and sanitation. Also state development expenditures increased considerably in Karnataka, but it is difficult to interpret this trend as a pro-poor decentralization effect; as it is to do with inputs rather than outcomes.

Other Evidence:

Despite the radical nature of the decentralization reform in Karnataka with formal devolution to elected panchayats there are deficiencies in this case also as to the design. First, fiscal autonomy was not ideal – upto 70% of panchayat budgets were grants from the

state government, and the district councils were not assigned tax raising authority. Moreover panchayats faced budget cuts after the congress party won the state election in 1989.*13

The shift of power at state level in 1989 had more consequences. Political autonomy of the panchayats were seriously jeopardised in 1992, when the Congress Party went as long as to abandon all panchayats. The deadlock was not broken before December 1993. When the state government implements the 1992 constitutional Amendment giving way to a three tier with direct election at all levels.*14

Thus in a formal sense the Karnataka decentralization appears very promising regarding poverty alleviation but in reality fiscal shortcomings and political turmoil especially after 1989 constrained the outcomes. Additionally, studies have concluded that the responsive to the poor didn’t increase.*15 SC & ST’s and women are represented but they are not participating substantially. On the contrary, Crook and Manor finds that many poor actually found themselves worse off after

decentralization leading to rather break conclusion that decentralization in India is unlikely to assist in poverty alleviation unless it is supported by a leftist party as in West Bengal.*16

The reason is that politics has become too localized in the case of Karnataka, where by the caste system and gender inequalities are reinforced. Local elites capture the decentralized powers and the elite domination then is verified in this case.

Obviously serious obstacles to poverty alleviation prevail in Karnataka. It is no wonder that decentralization does not have a positive impact on income poverty as this paper suggests, when reality deviates so much from theory. But this negative account of decentralization in Karnataka should be qualified first time is an important variable when assessing decentralization effects, and in this paper it has not been possible to analyze long time effects.*17

Second certain positive trends in non-income poverty compared to all India can be discerned. Third, the political turmoil with the shift in power at state level in 1989 has not favored the decentralization efforts at all, and fourth, a said effect of decentralization is that the

17. As noted earlier Crook and Sverrison (1999), P-50, consider time to be a crucial variable.
increased transparency makes corruption more visible. Thus in Karnataka the amounts of corruption have declined.*18

Conclusions:

The basics of present analysis has been a multidimensional poverty approach i.e. composed both income and non-income party – as invoked by the world Development Report 2001. Some actions considered to alleviate multi-dimensional poverty have been analyzed using Indian experiences. After exploring the logic and design of decentralization theoretical pros and cons regarding poverty alleviation were advanced. The Echererri-Gent these embrace many of these pros and cons. The decentralization is likely to result in either greater responsiveness to the poor or local elite dominations.

Although it is difficult to isolate decentralization effect, some suggestions were made as to whether decentralization in West Bengal and Karnataka has had positive impacts on multidimensional poverty. In general, some impact on income poverty was evident in rural West Bengal. Where Karnataka improved relatively more than all India in terms of non-income poverty.

But having first examined the logic of decentralization one should

not be surprised by the seemingly limited effects of decentralization.

For a start, the design matters and the cases had fiscal and institutional deficiencies from the outset. Just to mention two, the fiscal strength has been weak in West Bengal. While political autonomy has been leading in Karnataka after 1989. The theoretical pros and cons have found some support as well, most notably in Karnataka where local elites became dominant. But also clear as to the low substantial participation of the poor in West Bengal. This leaves us with the impression. Those poverty alleviation outcomes of decentralization are contingent upon several factors attributed to the design and context of decentralization.

To conclude the Indian decentralization cases show that some improvements in poverty can be reached. But it is a slow and resource demanding process. A close alternative to decentralization is micro credit programs, which operate on a smaller scale. The outreach of such programs will remain low in the short and medium run, especially commitment to finances self-sufficiency are mode. Still, the micro credit promises are hard to neglect in a poverty alleviation framework, and it can be a pragmatic and viable alternative to decentralization where decentralization pre-requisites are not met.
In perspective, decentralization in itself attracts attention besides the potential pro-poor impacts. It can be part of political learning in developing makers are not remotely located, but instead located and held accountable locally. Again, this points to the fact that patience is important when it comes to decentralization in developing countries.

Democracy takes long time to consolidate and it is wrong to assume that decentralization has positive impact per se and can be pursued everywhere in the developing world. Democratic traditions in India might actually be the reason why decentralization has been more successful in India than in most developing countries.