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THE DYNAMICS OF ACHIEVING
'POWER' AND 'REFORM' AS A
POSITIVE-SUM GAME: A REPORT ON
THE PRELIMINARY ETHNOGRAPHIC
EXPLORATIONS OF THE POLITICS-
GOVERNANCE NEXUS IN MADHYA
PRADESH, INDIA

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The Dynamics of Achieving 'Power' and 'Reform' as a Positive-Sum Game: A report on the preliminary ethnographic explorations of the politics-governance nexus in Madhya Pradesh, India
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> We see decentralization as the strategic architecture for democracy to become articulate in our country. It is essential architecture to make democracy full-blooded and full-throated. *Decentralization has intrinsic merit as an enabler of democracy by maximizing participation. It is not therefore merely a matter of increasing managerial efficiency for meeting challenges of development as often presented in some discussions on development.* Decentralization can be meaningful only when it is sustained by and in turn nourishes a democratic system. Madhya Pradesh's road to decentralization has been one primarily of strengthening political democracy.
>
> Madhya Pradesh adopted decentralization as the overarching policy framework for strengthening democracy at the grassroots and providing accountable and responsive governance. We have adopted a three-pronged strategy within this framework. The first is to deepen political democracy through the electoral process at the grassroots. The second is to complement this political deepening of democracy through community-led action that broadens the democratic space. The third is to initiate action for administrative decentralization and citizen rights that increases accountability and responsiveness and thereby complements the process of political decentralization and community action.[1]
>
> *Shri Digvijay Singh*
> *(Chief Minister of Madhya Pradesh)*

Introduction: Excitement and Bewilderment

I have a vivid memory of the speech delivered by the Chief Minister (CM) of Madhya Pradesh (MP), Digvijay Singh, along with that of the *de facto* CM of Bihar, Laloo Yadav, at the launch ceremony of the Crisis States Programme Research Project at Patna, India in August 2001. I agreed with many of the participants' subsequent remarks that the revealing contrast between the two speeches amply demonstrated why the state of Bihar is going downhill, while MP is reforming. Mr Singh's speech gave the impression that he has an understanding of the complex challenges facing governance in his state, is sincere and serious about addressing these, and has a vision of reform to do so. In stark contrast stood Mr. Yadav's speech, which also unmistakably conveyed what is already widely known of him: his extreme dislike for talking concretely on governance issues, covered up by his

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[1]Speech delivered as "Opening Comments" on the theme of Decentralization during a Consultation organized by the Government of Madhya Pradesh in collaboration with UNDP (Bhopal, 25-26th August, 2000). Emphasis added.

unparalleled sense of humour, and his uncanny ability to keep the audience captivated despite this.

With this positive impression of MP's CM, I excitedly travelled there to begin my fieldwork with the expectation of hearing insightful stories about how a transformation in politics and governance was being achieved under his leadership. I expected to find evidence of the CM's effort to chart a course of reform that could provide some lessons to other Hindi-heartland states,[2] where politicians and the people might try something similar to free themselves from the paralysis of governance with which they are saddled.

However, I was in for a rude shock on the streets of MP as I spent the initial days of my work in the state speaking to people in small restaurants, *paan-* and tea-shops, cyber cafes, and on the local city buses. They virtually scolded me when they heard I had come to study reforms in MP: "What reform?!" "Have you seen the conditions of road in MP?" "Do you know how horrible is the power situation?" "This is all a media hype for outsiders." But more surprisingly, a few better-informed observers also sounded, at best, unenthusiastic: "Well, he [the CM] started as a statesman, but gradually transformed into a politician; he had visions, but he could not be effective in getting them translated into realties;" and at worst, they sounded cynical: "This is all about power. He masterminded the programmes and managed the media and opposition party in ways that were primarily aimed to help him stay in power."[3]

I bewilderedly wondered why it was that such comments were being made about a leader who sounded so different from the run of the mill politicians of India? Despite the social improvements that Mr Singh's programmes were bringing to the rural populace only disparaging remarks were being made by the people I spoke to, even when I challenged them by remarking that urban life being as it was, they did not know what good things had been happening in the rural areas since the assumption of power by Digvijay Singh in 1993, through such programmes as *panchayati raj*[4], the Education Guarantee Scheme (EGS)[5],

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[2] The Hindi-heartland states (Uttar Pradesh, Bihar, Madhya Pradesh, Orissa and Rajasthan) are beset with an oppressive caste-hierarchy, abject poverty, widespread illiteracy, poor social status of women, predominantly agricultural economy saddled with a semi-feudalistic mode of production, and a low penetration of market forces. Their indicators on the different measures of economic and social progress being abysmally low, particularly in comparison to the southern and western states of India, they earned the acronym of BIMARU (BI=Bihar; M=Madhya Pradesh; A= Orissa; R= Rajasthan; and U=Uttar Pradesh): the Hindi word for sick.

[3] In this exploratory essay, I include the comments I gathered from various actors protecting their anonymity.

[4] The decentralized local government system in India for rural areas. While this has existed in a statutory form since almost the beginning of Indian independence, its functioning was quite weak due to the reluctance of the sub-national states to allow it the necessary independence and strength to properly function as a local government. Elections were usually not held and local-level representatives were nominated by the state-level politicians, thus practically controlling the institution from the top. Following 73rd constitutional amendment in 1993 the *panchayati raj* has been accorded a constitutional status as the third tier of governance in India. The states have been constitutionally mandated to ensure regular elections every five years; reservations have been provided for the weaker sections of society (including oppressed and marginalized communities and castes, and women) to ensure their representation and avoid elite capture. The setting up of State Finance Commissions, charged with evolving the principles and guidelines for sharing state resources with these institutions, is also mandatory now.

[5] A scheme for community demanded and managed rural primary schools. If a government school does not exit within one kilometre of a village, the community can demand that the government open a school there are at least 40 children in a non-tribal and 25 in a tribal area in need of education. If the government fails to meet this demand within 90 days, the community can appoint a teacher from its village, or other nearby villages, and start the school. The government then is obliged to provide a small honorarium to such a teacher, called *Guruji*, of Rs. 1000 per month, give him some basic training, and provide reading materials to the school children.

Padhna Wadhna Andolan (Literacy Campaign)[6], *Jan Swasthya Rakshak* (People's Health Protection Programme)[7], the Watershed Program[8], *Paani Roko Abhiyaan* (Water Conservation Campaign), and *Rogi Kalyan Samiti* (Patient Welfare Committee)[9]: "Do you think we have no rural connection? Go find out for yourself how the *sarpanchas*[10] are looting the schemes' money through brazen corruption. *Guruji* scheme [EGS] is not functioning well…. Overnight the *sarpanchas* got a number of schools opened up helping their caste and kin people to grab the job of *Guruijis*. They made money too."

Was I by chance only meeting supporters of the opposition Bharatiya Janata Party (BJP), who are to be found more in urban areas; or has the Government failed to convey to the urban population its positive achievements ? How can it have failed to inform its own citizens when it has so effectively presented its image to the outside world, both nationally and internationally; or do people in urban areas hardly care about what is happening in the rural regions, and unless their own lives are positively affected by the Government's actions, would not bother to speak positively about anything else the Government has done?

It was this sense of puzzlement that captured my imagination in the initial days, I moved on to speak to a cross-section of civil servants, journalists, non-governmental organizations

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However, the community would have to provide a place or a building to run the school, and an education committee constituted by the community would have control over the teacher and the functioning of the school. This is said to have been very successful in ensuring universal access to education in MP, with the opening of about 30,000 schools under this scheme. The Government of India has emulated this model nationally.

[6] A nation wide adult literacy campaign spearheaded by the National Literacy Mission (NLM) of the Indian Government from 1990. When it was implemented in MP from 1997/98 it was reworked with a few innovations. A group of adult illiterates were given the freedom to select a teacher. These teachers were trained by the government, the learners were provide with the literacy materials, and upon completion of the teaching an exam was conducted to find out the literacy success rate. The teacher was then paid an honorarium of Rs. 100 per successful adult neo-literate. This was in contrast to the national model that did not provide for any monetary incentive to the teachers, who were expected to teach entirely on a voluntary basis. This program is said to have substantially contributed to increasing adult literacy, as can be seen in the 2001 Census (74% literacy in MP; close to the national average of 76%). The mo st significant change has been a 20% increase in female literacy, for which the state has been awarded a prize by the Government of India for the best decadal performance in achieving female literacy in the country.

[7] A scheme akin to the bare-foot doctor scheme, which provides quick and basic training in especially preventative health care.

[8] Due to parts of MP being heavily drought prone, an ambitious program of watershed development was launched in 1995 pooling resources from different programmes such as the Drought Prone District Action Programme (DPAP), the Integrated Watershed Development Programme (IWDP), and the Employment Assurance Programme (EAS) (the latter allowing use of half its resources on watershed development schemes). User committees and thrift societies formed by the *Gram Sabhas* (village councils) established Watershed Committees (WCs). Funds were devolved down to these committees and they were provided with the technical know-how and support by a set of civil servants and technical personnel pooled from different departments, and also contracted from the open market. This is claimed to have had a major impact on rural conditions and drought protection in the covered areas. Approximately 12 million hectares of land are said to have been treated under this programme resulting in an increase in agricultural production, water table, and fodder production in the covered regions.

[9] A committee of local people that is authorized to levy the prescribed user charges for different medical facilities provided at the government hospitals (which earlier used to be completely free). Patients from a family living below the poverty line are exempt from this. The money collected is used to improve services, and maintain and augment the hospital infrastructure.

[10] Chief of the *Gram panchayat,* the local level of the *Panchayat Raj* system. This is made up of 3 to 5 villages, with an average total population of 5000 nationally, but around 1000 in MP. The *sarpanch* is directly elected by voters from the entire *gram panchayat*.

(NGOs), elected local level representatives (*sarpanchas* and *panchas*[11] from the *panchayati raj*), and a few politicians. I aimed to get a feel for the discourse surrounding reforms in MP and a preliminary idea about its social and political dynamics. The account that follows in section 2 synthesizes thematically the observations and findings gathered during the preliminary ethnographic exploration. Section 3 builds upon this account by suggesting a tentative analytical picture of how politics, reform and governance seem to have interacted dynamically in MP over the ten-year period of the reformist leader's government. Section 4 ends the paper with a few concluding remarks.

An ethnographic account of politics and reforms in MP

Vision

There seems to be little doubt that the dominant, or perhaps the only, discourse on reforms in MP centres around the vision of empowering people and promoting their participation in developmental programmes, particularly focusing on the marginalized social castes and classes: *dalits*[12], backwards, and women. It was not disputed that this emanates directly from the CM. It is argued that he has a deep personal conviction for this, which he states unambiguously while repeatedly observing that he considers people as resources and not problems. What is the evidence for this? The speed with which he ensured the enabling state legislation on *panchayati raj* and got them in place through a state-wide election in 1994, to claim the distinction of being the first state in India to have done so;[13] his pursuit of this agenda with the constitution of the District Government (*Zila Sarkar*) in 1998-99, and enactment of *Gram Swaraj* in 2001;[14] conceptualising and implementing a number of innovative programs in the social sector aimed at improving rural governance in areas of poverty-alleviation, education, watershed management, and health; and formulating a comprehensive 21 point *Dalit* Agenda (Agenda for the Oppressed) in 2001 that seeks to empower *dalits* socially and economically in more concrete and direct ways.

Is there an agenda of governance reform in this vision and how is that articulated?[15] The primary goal is the deepening of democracy and political empowerment of the powerless in

[11] In each *gram panchayat*, 8 to 10 *panchas* are elected representing the different wards, each comprising an average of 500 people (or 100 in MP).

[12] Indian castes and communities traditionally oppressed and marginalized. Commonly includes the weakest and the untouchable scheduled castes, also known as *harizans* (SCs). However, with its increasing political use it has assumed different meanings. For example, in Uttar Pradesh, th BSP employs this term to include the lower strata of the backwards to enlarge a political coalition of SCs and marginalized backward castes to fight against the more prosperous middle castes, such as *Yadevs*, as well as the forward castes. In MP, as the Congress Party's main constituency comprises of SCs and the scheduled Trivese (STs), *dalit* has been used to cover both these communities. However, the tribal leadr Zamuna Devi (an MP Deputy Chief Minister) has opposed this use, reasoning that since the tribes are outside the Hindu caste system, they would feel insulted if addressed as *dalits.*

[13] This was in fulfillment of the 73rd Constitutional amendment that obliged the sub-national states in India to establish *panchayati raj* as the third governmental tier.

[14] The former further devolves certain powers from the Ministries and the line departments at the apex state level to the district level beyond those that stood already devolved down to the *panchayati raj,* and the latter further decentralizes the lowest constituent of the *panchayati raj*, the gram *panchayats*, into village councils, which would exercise the powers that hitherto were exercised by the *gram panchayats*.

[15] I thank Prof. John Harriss for constantly pressing me to think more closely on what a governance reform is all about. This has helped me to question more sharply how a reformist leader envisions a governance reform in contradistinction to social and political reforms, how those differ from the concepts of good governance on offer, and why and how a differing understanding and vision of governance reform is acquired by the reformist leaders in India in the different states.

society. This is an end in itself, though achieving this is possibly viewed as a governance reform as well, in so far as empowerment of the common people is considered a desirable goal of improved state governance.[16] But, more concretely, the changes in the institutional arrangements of governance brought about by the *panchayati raj* and people's participatory programmes, that envisage a greater voice and say for the rural poor in the affairs of governance, are also considered as a potent route to greater accountability and transparency in governance, and an effective and efficient delivery of development programmes.

In contrast to this, there is a marked absence of reform ideas in the discourse on the sectors that have a holistic impact on a state's long-term development: infrastructure such as power, road (both matters of abundant vociferous criticisms by the urban citizens), and irrigation; industrial development; off-farm employment generation; and state finances. Since these issues have not reached general public debate (as decentralization had), the sharing of information on these was insignificant compared to the emphasis and excitement witnessed around discussions of issues related to empowerment and participation. [17]

Why would a reformist state, more particularly the reformist leader of a state, primarily focus on reforms in social sectors serving mostly the rural populace and apparently neglect infrastructure and financial issues, even when the latter's role in providing a robust foundation for the overall development of a state is not unknown? Are reforms in these areas

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[16]When malfunctioning of these decentralized structures and the resultant widening of and increase in corruption were highlighted by different participants including the *sarpanchas* themselves, it was argued by the ex-Chief Secretary and current Advisor to the CM, Mr. S. C. Behar, that the vision is not a managerial one aimed only at achieving governance reform, but essentially a vision of political empowerment (Discussions in the Workshop on "The Challenges of Good Governance", Bhopal 4-5th October 2002). See also the extract of CM's speech with which this paper opens.

However, the CM's response to my question (Interview, 26th January, 2003) on why his vision of reform contained "decentralization" as its central agenda gave me an impression that, contrary to this rhetoric, an expectation of better governance was the driving idea behind it. He narrated incidences from his political biography such as: the successful functioning of a community-managed school in a village in contrast to that of a government school; and the near impossibility of knowledge and control of a government teacher's work in a remote village through a centralized bureaucratic overseeing system; and mentioned that due to these experiences he was clear in his mind that "decentralization" was the order of the day. Even when I specifically questioned whether this agenda had anything to do with his thought of pre-empting possible social upheavals and turbulence that could have resulted from the simmering discontent of its marginalized section due to a lack of political empowerment, he did not seem to agree with this and reinforced the points mentioned above. So the emphasis on political empowerment as the primary goal of the agenda of decentralization appears to be a later thought, and if this is confirmed in my ongoing investigation, it would be interesting to find out why and how this evolved over time.

[17]For example, during discussions with the Secretary to the CM and the Economic Advisor to the Finance Ministry on fiscal problems faced by the Government, what was shared were facts such as: dismissal of 50,000 daily wage employees; freeze on fresh appointments (to minimize unproductive expenditure), and rationalization of the tax structure through the introduction of a VAT system (for an improved sales tax revenue). However, none of these were presented with the élan and extensive facts and data that would suggest that there was an equally strong vision, with some appreciable achievements behind them, as those around decentralization and people's participatory programs.

This was further corroborated when I tried to get some more ideas about the possible ongoing reforms in the revenue sector by visiting the Sales Tax Headquarters at Indore (the commercial capital of MP). Discussions with the official there revealed that measures such as the introduction of self-assessment, tightening the timeframe for appeals at the disposal, curbing the misuse of exemption to industries, and so forth, appeared to be contextualized in, and constrained by, the similar problematic environment such as: a lack of knowledge about revenue potential; principal-agent problems limiting effective monitoring and accountability of lower officials; and camouflaging the serious problem of revenue leakage by employing statistics of an average yearly growth rate in tax collection (13% for MP, a rate that seems to have shown no significant change between the last ten years of reformist regime and prior periods) as that in an allegedly poorly governed state such as Bihar.

too difficult, or ideas about what should be done less known or understood, in comparison to those in social sectors that have a relatively well-understood map of reform (or so it is believed)? Or, are actions in social sectors considered a better political strategy for consolidating and expanding future electoral support bases and votes, that abound in rural areas?[18]

Strategies

In regard to the strategies adopted to translate the vision into reality, three distinct issues, political, managerial, and institutional, came to the fore during the preliminary exploration.

1. Political

Management of faction politics within the Congress Party and acquisition of a stronger control over state-level party affairs is said to have been a hallmark of the politics of the CM. In 1993, when Digvijay Singh came to power, he was himself seen as a member of a faction led by a once extremely powerful Congress leader and the ex-CM of MP, Arjun Singh, and thus he could not ignore his mentor and his other supporters in the faction. There were three other factions to contend with: Vidya Charan Shukla's (another ex-CM of MP) faction primarily represented the political forces from regions that now belong to Chhattisgarh state;[19] Madhavrao Scindia, the Congress leader, belonging to the royalty of the erstwhile powerful Gwalior Kingdom, led another strong faction;[20] while Kamal Nath, MP, leads the fourth faction, and is said to have some force, even in the present, due to his prominence at the national level of the Congress party.

However, the CM is said to have marginalized them all over time, including his mentor Arjun Singh's influence, by winning over the Members of the Legislative Assembly (MLAs) and other prominent political leaders. A combination of factors were responsible for this: his extremely warm and humble personality dramatically befriends his opponents and contenders; faction nominees were provided ministerial berths and political appointments in state corporations (directors in different Boards, and so on); the projects of MLAs concerning their constituencies were attended to by the CM; increasing support from the Congress high

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[18] The unravelling of these issues is an ongoing effort in my research. However, the CM's interview (January, 2003) gives some clue. While denying that his vision of reform was lacking an economic content, he said that measures such as an increase in the wages of the poor tribal engaged in the collection of *tendu* leaf (used for making *bidi*—a local type of cigarette), and better prices for the collection of various Non-timber Forest Produces (NTFPs) were aimed to economically assist the poor. These, of course, are important, but are more in the nature of transferrals of income to the poor. But he had little to say on those measures (highlighted in the text above) which have a potential for augmenting the economic growth of a state. At one point, he candidly mentioned he had thought that improvements in roads and power had little relevance to the lives of the vast mass of MP who were illiterate and unaware, so he concentrated his efforts, and the state resources, on the social sector. This was also with the hope that the private sector would come in with investments in the sectors such as power, so that not much harm would be done if the resources were concentrated more in the social sector.

Impressively enough, he further commented that as a hindsight he realised that his idea of reform in the power sector was not correct, as was the case with all the states, which thought that private sector participation was the key to improving this sector. The real reform should come in the distribution side to ensure that power theft was checked, revenue realised, and, as a result, investments in transmission and generation rendered economically viable. He was now attentive to these.

[19] For this reason it is said to have lost relevance now for the politics in MP after the bifurcation of the state in 2001.

[20] This has dwindled in strength after his demise, though his son, Joytirmay Scindia, has donned the political mantle of his father, but being young and relatively a novice in politics does not carry the same force that his father did.

command to the CM on account of his success in establishing a good image for the state strengthened his personal political power; and the dramatic performance of the party's second victory in 1998, despite contrary expectations and the usual anti-incumbency factor, aided in convincingly stamping his political supremacy over the party.

But respondents who recounted these successes also warned of the possible detrimental effects on governance of some of the tactics. As MLAs and faction leaders usually indulged in clientalist politics under the umbrella of the CM's "winning over tactics", unfortunate signals were passed down the line of the administration that might have jeopardized the accountability dimension of governance.[21]

The opposition BJP seems to have lost its bite under the Digvijay Singh government. Some of the acumen mentioned above, especially his friendly gesture and getting the MLAs' constituency works attended to, helped him win over the opposition MLAs as well. In contrast to the usual practice where leaders once in power harm their opponents, the CM is said to be not vindictive even to BJP politicians. The CM makes a special effort to listen to BJP people and prioritises attention to their works. Knowledgeable sources remarked that if BJP MLAs were surveyed, a majority would say that the present Government is better than their own (in power before 1993).[22] Of course, the BJP views this as a tactic masterminded by the CM himself with the help of the media, which, it is charged by the opposition and others, has been well-managed by him. But this is not all. The CM is said to have great rapport with the top BJP national leaders, including the Prime Minister (PM), and enjoys their open remarks of praise for his government's good works. This keeps him in good stead in the state in relation to the state BJP. Indeed, it is interesting to observe these days how astutely the CM draws on the praise of his achievements by the PM to counter the BJP's accusations about bad governance in his regime.

Why does he give so much emphasis to "winning over" through use of a combination of personal characteristics and patronage in his political strategy, however mild the latter may be, and how is this related to furthering his vision of reform? This question might be labelled as naïve, as expanding a network of friends and supporters in one's own party, in the opposition and in the media (with its immense power to make or break the image of a leader) can be considered politically quite rational, *real politick*, to acquire more power to push for reforms. But if these come at a cost that can, if not immediately, dilute the strength of the agenda of reform eventually, should it be the only political strategy? Or are these manoeuvrings achieved strategically in ways that leave the space for reform unaffected?

I doubt if the space for reform could be ideally quarantined, but even if, for the sake of argument, it is possible, surely not all areas and sectors of government actions can remain unaffected.[23] Should this not enter into the political calculations of a reformist leader? So why was nothing been heard about attempts to change the party culture, reorient his colleagues to work on more programmatic lines, and induct new cadre and politically train

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[21] As an extreme example, one respondent commented that managing one of the faction leaders cost the CM rather dearly by ignoring his interference in the functioning of the MP Electricity Board. This is widely believed to be the reason the Board is currently in a state of shambles. The power crisis due to the resultant malfunctioning of the Board is proving politically costly to the CM, especially in the context of coming elections.

[22] Perhaps this is why a senior journalist remarked with a pun: "there are now two parties within the BJP: one is *BJP 'shuddha'* [BJP pure] and the other is *BJP Digvijay* [CM's name]. But one can hardly find anybody in *BJP shuddha* now!"

[23] The adverse impacts on the functioning of the power sector is a point in case (see Footnote 13)

them and the existing ones around his vision of reform as a more substantive political strategy to gain a more ideologically committed support from his party colleagues for his agenda, rather than tactically winning them over on a personal basis? Why were the immediate and also long term advantages of such a strategy - for example, its potential for politically supporting and supplementing the government programmes of decentralization and empowerment - not considered a viable option?

These, I argue, are the legitimate questions to raise and pursue as I work to understand the political context and the dynamics that affect the quality of governance and the reform agenda in MP.

2.   Managerial

The CM's capability to manage affairs of governance with diverse strategies and sharp acumen is highly rated. He is said to select "innovators" and "performers" in the bureaucracy and build their team, enthuse them with a sense of "mission", keep them protected from the backlash of vested interests (better tenure and protection against undue harassment by the politicians, even from his party[24]), and to reward them in symbolic, yet powerful, ways. This often involves public adulation; the CM's personally written appreciation letters and personal entry in the confidential rolls, the latter of which are evaluated for career promotions; postings on challenging and valued assignments as a reward for good work in the past; and recognition of individual innovations through their state-wide adoption, even aggressively presenting (and winning) international awards. Combined with these, his humane and humble behaviour seems to deeply move the civil servants, almost forging a personal bond and sense of loyalty to the CM.[25]

Thus, the CM is rewarded with a loyal, effective and highly dedicated team of civil servants, which he employs as he sees fit for achieving improvements in governance (implementing the key programs around his agenda of reform in education, watershed, health, and managing troubled sectors such as roads.).

But some pointed out that the CM has many constituencies to cater to, and this requires the use of all kinds of officials, not just the Weberian–type of rational bureaucrat. Co-opting opposition politicians, winning over the MLAs from contending factions within the party, and appeasing MLAs in general, require, at times, actions that the rule-bound civil servants find difficult to deliver. Thus, just as he needs effective and honest officials to ensure that Government programmes are well delivered, he needs the services of such officers who could find ingenious ways to help him meet his political obligations as well.

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[24]A striking example of this was given by a young civil servant. In his earlier posting as a District Collector he was being persistently pressurized by a minister from the same district. When the matter became unbearable, he reported the issue to the Chief Secretary. After some time, he was called by the CM to discuss some official matter. At the conclusion of the official business, the CM casually mentioned that he should not bother about the problems he was facing, as the Minister would behave now. And, the young officer indeed did observe a noticeable change in the approach of the Minister towards him thenceforth.

[25] "If the Collector's residences phone number rings as early as 6:30 A.M. in the morning, 9 out of 10 chances it will be a call by the Chief Minister and you are likely to hear the familiar voice: "*Main Digvijay bol raha hoon* [Digvijay speaking]." No P.A. or a secretary on the line, but the CM himself. This is one of the many ways, the young bureaucrats informed me, how the CM, who prefers to call them by their first names, strikes a personal rapport with the key functionaries in the bureaucracy, as each officer is made to feel that he is very close to the CM and is highly valued.

I heard some baffled remarks on this perceived dualistic strategy of team building with both firm and honest and also pliable officers alike. The reform-minded officials observed that this sends confusing signals to the system: is the CM's vision of social transformation value-neutral, employing all kinds of strategies exploiting the different talents of civil servants, though that might imply compromises in achieving his vision? Or is the agenda of change value-driven, intending to recognize and reward transparent and accountable governance as a key companion to 'co-scripting with people'[26] for a better future for MP?

Does his team involve only the civil servants? No, he is said to liberally draw on talents from outside too. He launched an innovative project of hiring 'CM's Fellows', has appointed a host of advisors, and established different task-forces comprising persons of national and international eminence in concerned fields (for example, on the *Dalit* Agenda that included among others Prof. Gail Omvedt, on the *Gram Swaraj* comprising of eminent Gandhians such as Nirmala Deshpande). He has involved a lot of functionaries, not only from among the seniors at the state level, but also the younger ones including the new actors from the *panchayati raj* from the field, in brainstorming sessions during policy formulation exercises (such as those done during policy/rule formulation on the *panchayati raj* and district government). All this suggests that the CM believes in pooling ideas and knowledge from different quarters of civil society and that he does not rely only on the in-house expertise of civil servants.

There are other managerial characteristics that are highly lauded and work toward establishing his leadership among the chosen teams and the bureaucracy in general. During my exploration I heard accounts of his incredible memory, tremendous capacity to listen to and comprehend the complex departmental issues backed by his educational strengths (he did his studies in engineering), and his capability to appreciate innovative ideas.

Yet, along with mention of these diverse managerial strategies involving a large number of actors from the bureaucracy and civil society in steering the reform agenda, there were also unequivocal comments about how reforms are largely the CM's personal show, as other ministerial colleagues and party leaders, and the MLAs, were hardly involved. Not only in the sectors that are integral to the reform agenda, but even in other departments, the ministers could not do much without the CM's approval, especially in policy matters. When seen in the context of a unique fact that the CM of MP, unlike any where else in India, does not hold any portfolio for himself, this appears to be quite an interesting case of how the informal practices surrounding governance could differ entirely from their formal definitions. Bureaucrats also understand it clearly and hence strategize to push policy changes by short-circuiting their ministers. They seek advance approval from the CM on such matters and then use his approval in the department and even to influence their ministers, thereby scuttling the chances of either a positive or negative intervention by the ministers concerned.[27]

Clearly then, for some reason the valued managerial practices seem to remain centralized in the persona of the CM, rendering him an exclusive source of impetus for governance reform,

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[26] A phrase used as depicting the philosophy of the Rajiv Gandhi Mission that is directly under the CM's oversight and is involved in implementing the key innovative reform programmes.

[27] It was amusing to read the newspapers splashed with what was discussed in a Cabinet meeting that was convened for brainstorming to evolve a strategy for coming elections, where almost every minister complained that the bureaucrats didn't listen to her/him, and, if persisted, had the audacity to say to them that they would discuss what the ministers asked for with the CM

instead of triggering generic changes in the organizational culture of government departments and in their institutions of governance for a systematic improvement across the board. Managerial capacity that the CM is said to be endowed with is not being transformed into institutional capacity for governance, as hardly any other ministers and their departments (that are not directly under the CM's focus) are ever heard of for envisioning reform, team building, changes in the work ethos, etc. pertinent to their jurisdictions. Initiatives for reform in any sector, therefore, appear to be highly dependent upon the CM's personal involvement and thrust. As the CM remained focused on the decentralization agenda, other sectors, importantly road, power, revenue, and industrial development, are perceived to have been less attended to, and which, in the wake of the financial crisis, are confronted with highly complex problems.

3.   Institutional

What is the institutional matrix for governance reform in MP, if any? The preliminary exploration suggests the following crucial features: the traditional bureaucratic model with lower civil servants as key agents of the governance structures is being discarded wherever possible. Instead, they are being supplanted by the decentralized governance organisations, informal people's (user) committees, or private entrepreneurs, whichever are feasible under the circumstances.

First, emphasis on *panchayati raj* and further decentralization to *gram swaraj* along with the constitution of District Government are bringing in new actors—local elected representatives— and new democratic structures of implementation to manage many of the functions of the government hitherto a BDO-led[28] local bureaucracy (guided and overseen by the Collector at the district level). This institutional change, of course, is an all-India phenomenon resulting from a constitutional amendment. Second, the Mission Structure of implementation in MP of key reform programmes in education, watershed management and health heavily employ the user committee model backed by an ideology of people's participation to supplant the governmental implementing structures in these areas. The top of the pyramid, however, is still heavy with civil servants, but the base, that was comprised of the local and lower level functionaries in the past, is being replaced with the user committees. Finally, private participation is encouraged in such sectors as roads, which are not amenable to people's participatory structures.

The message through these institutional rearrangements is clear: in rural areas, people are expected to come in to manage the programmes themselves as stakeholders, contributing time and even resources (labour contributions, cash), as the government functionaries have proved themselves both incompetent and corrupt and also beyond redemption, and the state has inadequate resources to do otherwise. Where the direct participation of people is not possible, private entrepreneurs with profit motives are to come in to provide public goods with both resources and efficient delivery systems. How sound is the understanding of the efficacy of these alternatives, how robustly have they been designed, and how well are they performing are, of course, big questions. So are the conceptual and practical tensions and contradictions between different participatory structures (user committees under the Mission-steered programmes, and committees under the statutory Village Councils (*gram sabha*) of the *panchayati raj*, and so forth). These cannot be commented upon meaningfully without district and village level study. But, I could clearly appreciate that they are live and contentious issues both within the government and outside in political and civil society.

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[28] Block Development Officer.

However, it is also appropriate to comment on the fate of those sectors and departments (and their programmes) in areas where none of these approaches are possible or immediately feasible.[29] Nothing much is heard of by way of reforms within such sectors, for example, road, power, and state finances over the ten year period of the reformist government, except some recent hectic efforts to improve the road sector. Perhaps the state was too busy facilitating the above mentioned institutional changes in hope of improved governance in the relevant sectors, and thus neither had the time nor the inclination to take on the challenges of reform in the sectors where no one, whether common people or private entrepreneurs, was available to come to its aid?

Implementation and ground realties

During the phase of preliminary exploration, I have not yet gone to the Districts and below, so this issue remains to be explored more systematically. However, interactions with a number of *sarpanchas a*nd *panchas*, and the NGOs, who are working at the grassroots, in a workshop on "Challenges to Good Governance" (held at the state capital in October, 2002) offered an opportunity to hear their voices and gain some preliminary ideas about the current discourse around programme implementation. The observations are highlighted below:

Corruption *in panchayti raj* was a significant issue of debate. Elected *sarpanchas* from different parts of MP narrated how corruption had severely constrained their efforts to implement the programmes properly. They openly stated that routinely 30% of resources are siphoned from the projects as they are devolved down to the *Panchayats* from block and upper level administration in MP. It was interesting to hear a *sarpanch*, who represented a network of 150 *sarpanchas* from the Sidhi District, state that because of the network and their struggle they had managed to reduce the cut to 10%.

The establishment of *Gram Sawraj*, which, besides being a revolutionary step towards fulfilling the vision of Mahatma Gandhi, was seen as an institutional response to checking the corruption and arbitrariness of *sarpanchas*, appears to have been slow to get off the ground. There were widely shared perceptions on problems of backdoor control of the committees formed under the *gram swaraj* by the very *sarpanchas*, who were to be neutralized by the coming of these committees: unawareness among many people even that they were the 'committee members' despite a year long history of the so-called functioning of the *gram swaraj*, again pointing to their problematic formation; non-participation of villagers in the *gram sabhas* leading to problems of quorum and decision making by *gram sabhas*; non-operationalization of the provisions of control of *gram sabha* over government staff; and so forth.

It also appeared that those who worked at the grassroots were not very enthusiastic about the statistical achievements of different programmes presented with élan by the officials of the Mission from the Education and the Watershed sectors. For example, when told of the 20 % jump in female literacy, that was recorded in the latest census, presented as, in part, a result of the success of the *Padhana Wadhna Andolan* (Adult Literacy Campaign) by the official from the Education Mission, almost all participants strongly reacted by saying that not much had happened under that programme in their areas, nor had females become literate in large

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[29] For example, replacement of unaccountable government-appointed teachers in the formal primary schools by community-appointed local teachers, who are said to be performing well in the EGS schools, will involve termination of thousand of teachers, and thus can be viewed as politically and legally infeasible.

numbers, and they even invited everyone to verify this by visiting their areas. The unnerved official tried to defend himself by saying that the figures were not those of the MP Government, but Government of India census data, but that did not help to establish the credibility of his presentation.

That there should be serious challenges confronting even the most honest efforts to translate the well-intentioned participatory programmes into reality is fully understandable. Even undiluted support from the CM for such programmes does not mean they can be easily realized, due to the complex layered structures of the state-society-polity triangulation in Indian states that are encountered on the path of implementation and that can possibly mutate the best of programmes to an unrecognisable extent. However, what I sensed in the workshop, and it was indeed disturbing, was how the officials not only propagated the participatory approach as a *mantra* to success disallowing any room for a more realistic assessment and analysis of what was and was not being achieved, but also had woven a perception of legitimacy around an ideal picture of implementation founded on the strength of various international awards and the like in such a way that critical feedback became quite difficult.

Making sense of the ethnographic account: the Big Picture

These observations and findings, preliminary and tentative as they are, when woven together throw up a picture of how a reformist political leader contests the forces of a traditionally dysfunctional politics-governance nexus while pushing her/his vision of a socio-political transformation and governance reform. Analytically, there are two broad components of this picture: (a) the creation of a political space for reforms and its eventual transformation as a robust political power base for the reformist leader; and (b) management of the backlashes and the implications of reform while searching for pathways to scale up reform to deal with the fundamental issues of state capacity. I will discuss each of these elements briefly:

Defining an enabling politics for pushing reforms in a context of a dysfunctional politics-governance nexus

1.   Creation of a political space for reform
What can a political actor do when at a certain historical moment (s)he happens to achieve a position as a leader within a Government (in the Indian case, the position of the CM) with a weak personal power base, but with ambitions to introduce a vision of reform? The challenge is compounded when (s)he has to operate within a given unsupportive legacy of a dysfunctional politics-governance nexus, that is likely to be threatened by the changes sought by the reformist actor. Perhaps this was the central issue that Digvijay Singh confronted when he assumed the post of CM in MP in 1993.

From the preliminary investigation it appears that the CM chose a three-pronged strategy to achieve a positive-sum game of power and reform, albeit not with an ideal trade-off between these two dimensions.

The first was to define a political and governance space for his personal contributions and keep it relatively insulated from the everyday politics of factions in his party. He defined this space, even as his critics acknowledge, though not without some sceptical remarks, based on his personal vision of a socio-political transformation of MP's feudal society to usher in greater political participation of the poor and the powerless, and to build their capacity to

have a greater say in governance affairs. Decentralization through *panchayati raj* and programmes in "mission mode" on education, watershed, and health were probably viewed as the most appropriate agenda to fit this space as they gave concrete expression to the CM's vision of reform. Simultaneously, this strategy was considered viable, since the former was a constitutional mandate for the sub-national states in India, and the latter aimed to cater to the constituency of the poor, so both were largely without challenge from any political quarter.

To ensure that the vision was translated into reality, in the absence of an ideologically-driven committed political cadre and political colleagues in the government around his vision of reform, he built up a team of competent, progressive innovative and high-performing civil servants to manage these core programs; gave the programs a mission mode by bringing them under the rubric of the Rajiv Gandhi Mission; informally, but decisively, provided his personal leadership through making his Secretary the Mission Coordinator; and strongly recognized, rewarded and protected the civil servants involved in the implementation.

2. Insulating the space

It was, however, imperative – due to his weak initial power base in a faction-ridden party traditionally dominated by clientalistic politics - that he adopt a strategy of "winning over" the MLAs from different factions within his party. Appeasing the opposition politicians, too, was consistent with this to minimise challenges to a fragile leadership. These did not always mean concrete payoffs to the MLAs, as the unassuming, warm, and friendly personality of the CM and his non-vindictive approach to his opponents - quite a novelty in MP's politics[30] - are said to have helped expand his network of support and minimize undue criticisms,[31] the latter being a mischievous element in Indian politics that at times could prove quite destabilizing. But one would be naïve to believe that such personality-based factors played all the role in forging supportive networks. In a world of *real politick*, beyond a point the sustenance of this strategy would also demand some form of patronage, however mild that may be, and if sources are to be believed, these too were resorted to. Notwithstanding the possible compromises with the quality of governance in certain sectors as a result of this, the strategy, however, enabled the CM to incrementally increase his power relative to other faction leaders, though not hugely. Consequently, the pressures of survival in day-to-day politics lessened with a possibly enhanced manoeuvrability to push his reforms within his personal space, the insulation of which perhaps demanded the cost of the strategy to be borne.

3. Transformation of the space as a robust power base for the reformist leader

But a few argued (along lines that would be welcomed by the rational choice theorists) that the choice of, and the importance given to, the reform agenda was possibly not entirely normative in nature. In a shaky game of factional politics, it was never sure that the "winning over" strategy would always work. The ebb and flow in the faction leaders' power due to

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[30]Respondents mentioned, for example, that during Arjun Singh's government, the authority and the aura of the CM's position was palpable, and it was not easy for many to have access to and a personal touch from the CM. Similarly, it was pointed out that the BJP leaders during their time in government used to pressure the officials to harm their political opponents. In contrast, the unassuming, accessible, affectionate and caring personality of the present CM is an historic departure in the style of political leadership in MP.

[31] I am grateful to Dr. James Putzel for highlighting this issue in a comment on an earlier version of this paper that helped me to bring it in more focus. These traits as presented above are rarely focused in a research and even more rarely analyzed both in the rationalist and the institutionalist approaches to the study of Political Economy of policy change and governance reform. As both the traditions are uncomfortable with the role of "agency" within their theoretical frameworks, such a neglect is understandable. But, in the context of developing countries, this neglect is flawed and diminishes the robustness of findings coming through either of the approaches.

their changing connections and equations with Congress leaders at the high command in Delhi, particularly its President, could have turned the tide in favour of a contender anytime. Consequently, acquisition of an independent power-base, that could potentially end the uncertainties about who the real leader was in state politics, was the third strategy that the CM is said to have deftly intertwined with his decentralization agenda. It was thus argued that, in pushing this agenda, the CM aimed to achieve both hegemonic power for himself over the society and politics of MP and also the realization of the envisioned reforms in a uniquely combined way, though with some calculated risks, which eventually paid him rich dividends.

How was this seemingly impossible feat of a positive–sum game of politics of power and politics of reform made possible? Commentators suggest that by bringing in new political actors at the local level in their thousands in 1994 through the introduction of *panchayati raj*, and institutionally devolving power and resources to them (which hitherto were managed by local bureaucrats, MLAs and the middlemen), he possibly created a functional-equivalent of a strong cadre-based party, which the Congress Party in the state was lacking. In the absence of committed party cadres reaching down to the masses and winning them over to the party, he relied on the elected *sarpanchas* and *panchas* to do the job for him.

Why would these new actors support the CM politically? These new actors politically supported the CM possibly for the following reasons. The new-found authority and status of the *sarpanchas* and other key representatives was perceived as the result of the CM's personal commitment to empower them. Second, the availability of state resources (funds from different programmes) to these decentralized state organisations helped the new political actors to indulge in micro-patronage, essential for keeping the vote banks aligned with them. Also helpful was that they could extend the patronage with more legitimacy now, due to their elected positions, than in the past, when as *dalals* (middlemen), many of whom had now donned the mantle of elected representatives in the *Panchayats*, similar use of the funds was viewed as illegitimate. Finally, the sense that in them the CM was looking for new entrants to higher level politics to perhaps break the stranglehold of the traditional players in the party fired ambitions of a progressive career in politics through supporting the CM.

Thus, if this argument has merit, even when this might not have been intended by the CM, it appears that the usual game of politics played through clientalistic relationships by the MLAs to help them and their party win an election was now largely played out in the institutional domain of *panchayati raj*, where thousands of new local level political actors expanded and extended this game deeply into their respective constituencies to back the CM, and by implication, his party. Symbolically they would thus appear to be in a dense vertical network with the CM as Chief Patron, in so far as the CM was viewed as the icon of *panchayati raj*. New found power and legitimacy to the new players on the scene was seen as directly emanating from Digvijay Singh's vision, and to sustain this, continuation of Digvijay Singh in power was viewed as critical.

If this is what happened, then it will indeed be an interesting case of a blend of rational and normative choices in politics. This would demonstrate that in choosing decentralization as the core of reform with normative goals of people's empowerment, a reformist leader also saw a potential for a huge political dividend as well. The calculation, or the hope, was that decentralization would help centralize a fragmented version of patron-client politics, operated through a number of MLAs, in his persona, albeit symbolically, to let him eventually acquire a tall political stature and continuity in power to further the reforms with greater élan. But,

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perhaps this also possibly provided an incentive to avoid taking a route, arguably extremely tough and uncertain as well, of transforming the given dysfunctional political institutions and practices—party structure, ideology, clientalist-politics—to a programmatic level. [32]

Five years later, when in 1998 the Assembly election took place, a large number of MLAs and senior party functionaries in the Congress were sceptical of a positive outcome, since in their perception with the *Panchayati Raj,* the traditional rules of the game of politics, played through the MLAs-middleman nexus, was disturbed. It was only Digvijay Singh who appeared confident of his party's victory, and had even commented that if his experiments led to the defeat of his party, he would retire from politics for ten years. The party won for the second time in a row. Despite different analyses of this victory that I heard of - infighting in the BJP and the adverse impacts of the onion-price debacle; astute election management with a supportive bureaucracy - even those who believe that the *panchayati raj* was not the cause of Digvijay Singh's victory, nevertheless concede that a strong myth was constructed around the unexpected victory: It was Digvijay Singh's victory, signalling that the pursuit of "reform" and "power" need not be antithetical; they can be achieved simultaneously. Consequently, either by default or design, the power-base of Digvijay Singh increased considerably, or so it was perceived, almost constructing a charisma around his personality.

Confronting the backlashes

Did this lead to an era of more governance reform with an increase in the state capacity to address challenges in sectors that were neglected so far such as state finances, infrastructure and industrial development?

Revenue, roads and power are the sectors where the politicians in nexus with corrupt members of the bureaucracy have a stranglehold due to incentives of siphoning off a considerable leakage of funds. At the same time, not easily amenable to an "exit" option (through peoples' participatory structures, private takeovers), the governance reforms have to come from within where the principle-agent, information asymmetry, and transaction cost issues are perverse and deep rooted, and thus require painstaking efforts and persistence to alter their organizational culture to be performers. With the CM's greater political strength and manoeuvrability, perhaps resolution of these issues were better anticipated in the second term than in the past. But, notwithstanding certain attempts, these areas have remained problematic, even worsened. What prevented the scaling up of reforms?

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[32] I am quite uneasy about this picture after having looked at the election data of 1993 and 1998. The Congress had won by a margin of around 1.85% of votes against BJP in 1993 with 174 seats, whereas in 1998, it won with a reduced margin of a 1.31% and also with a reduced number of 172 seats. These do not fit the rationalist picture discussed above. But, respondents who present this analysis still persist by suggesting that it was the decentralization that helped to neutralize an anti-incumbency loss of votes that is generally around 4-5%. Thus the *panchayati raj* resulted in a gain of around 6-7 % votes to get the victory. These need to be explored further. Most interestingly, when this issue came up for a discussion in the interview it became clear that the CM believed too that the decentralization of power helped him politically, though he emphasized that he had not intended it. And when pointed to the apparent contradictory fact of the reduction in the margin of victory in 1998, he offered the same explanation: the neutralization of the loss of votes by an anti-incumbency factor should be taken in the account In fact, he seemed to place far greater importance on the tactical benefit of sharing power with the people, which, he claimed, *helped to decentralize the anti-incumbency backlash* as well, than on that of gaining a large network of new political actors as supporters and an equivalent of a party cadre resulting from his decentralization agenda.

1.   Managing the political backlashes

First, the political backlash of his first generation reforms enmeshed the CM in dealing with its implications. These were twofold:

A strong resentment was building up among the MLAs as they realized their weakening position in society and politics due to the emergence of new political actors resultant of the *panchayati raj*. These new actors not only made inroads into the mainstay of the MLAs' politics—clientalism—but were also perceived to be potent competitors to their positions in future. Further, MLAs were highly peeved with a sense of inferiority while dealing with the district level *Zila Panchayat* organisations. As members in *Zila Panchayat*, they had to negotiate with the *Zila Adhyaksh* (Chairman), who enjoyed the rank of a state minister and stood superior to the MLAs, and also to the powerful Collector whom MLAs were hitherto used to influencing because of their unchallenged status in District political arenas.

Contrary to the expectation that with the CM's increased political power, the need for appeasing the MLAs to the extent required in his shaky first tenure would be diminished, it appears that the growing resentment of MLAs was a major issue for the CM that could not be ignored. In 1998, just when his second term had begun with élan, it is widely believed that the CM backed the constitution of District Government, as an institutional response to make MLAs feel they were back in the business of influencing decisions for their constituencies, and possibly able to exploit new avenues of clientalism. Of course, supporters in the bureaucracy, especially those who were engaged in the formulation of this institutional reform, argue that it had nothing to do with politics, and was a progressive step consistent with the decentralization agenda, aimed to bring government closer to the people. But, they too acknowledge that the step, though unintentionally, has given the MLAs a superior hand in district arenas, possibly curtailing the legitimacy and authority of the *Zila panchayat*.

Also, over time, the dynamics of the *panchayati raj* brought into play the stark realities of the feudal and deeply iniquitous power structure in MP society. Elite capture and corruption along with arbitrary functioning of the *sarpanchas* gradually assumed serious proportions, signalling a significantly mutated translation of the vision into reality. The hope that the next round of elections to the *panchayati raj* (in 1999) would make the representatives more accountable was dashed. It was unsurprising, since a period of five years was too short to achieve the desired transformation in the social power structure in a predominantly feudal society. Eventually, recognized as a serious state of affairs, the CM was compelled to declare that the *panchayat raj* had become a *sarpanch raj*.

The State had to find an answer, and a taskforce was set up manned by eminent Gandhians. After much deliberation, in 2001, the *panchayati raj* Act was amended to bring in *Gram Swaraj*. The powers of *panchayats* and *sarpanchas* were transferred to the Village Councils (*Gram Sabhas*). Through a direct, rather than a representative form of democracy—a unique experiment in the country - these councils are supposed to take decisions about developmental and other activities, aided by eight committees that they could constitute in open council meetings on different subjects. In this way, the *Sarpanchas'* power, and its past misuse, were to be counterbalanced and corrected by the people's committees involving common villagers as the stakeholders.

2.   Facing the implications of the skewed governance priorities

Second, the governance backlash of disproportionate attention to the social sector at the cost of neglect of state finances practically thwarted any serious attempt of reform in the

infrastructure sector. Even an Asian Development Bank-supported comprehensive Public Resource Management Program in operation since 1998, aimed at reducing the fiscal deficit to release surplus resources for financing capital and social sector needs, has possibly not yet yielded significant results. Confronting the political backlashes must have been distracting. But perhaps a deep distrust of a possibility of reform from within and an ideology that looked for solutions outside (in the people, or in the private sector) compounded the problems. This is exemplified by the fact that in the power sector, a lot of Memoranda of Understandings (MoU) were signed with private parties, and the state waited for long for them to come as Independent Power Producers (IPP) to solve the emerging power crisis, that unfortunately didn't materialize.

The resulting worsened road condition and power availability in particular is threatening to become a major issue in the elections set for November 2003. There are signs of hectic activities in the road sector as a result of this, and finances are being mobilized in different ways: through an imposition of a special *cess* by the Marketing Board[33]; utilization of the Central Road Fund[34] and the *Prime Minister's Grameen Sadak Yojna*(PMGY)[35]; and participation by the private sector through Build, Operate and Transfer (BOT) schemes. But, as one senior engineer in the Road Department commented, while this ad hoc effort might be a one-time solution to the problem of about 10,000 km of bad roads, how would the remaining 40,000 km be improved and from where would come the finances (to the tune of R 600 crores annually) to maintain these roads in order to avoid the recurrence of the problem? These are questions that might demand that those pursuing governance reform in MP look inward and take on the tough challenge of reforms in state finances and related sectors, that seem to have been lacking in the mission approach and focus witnessed around reforms in the social sectors.

Concluding Remarks: The road map to becoming a "Governance Leader"?

It is ironic that by 1998, when Digvijay Singh brought his party to power to become a prominent political leader almost unchallenged by any opposition force, whether from within his party or from the opposition BJP, he looked like a troubled governance leader confronting the challenges of different repercussions of his reform initiatives (or lack of them in certain sectors).

The voices that I heard on the streets, in the offices, and in the workshops suggest that the resolution of the first generation backlashes against the reforms in rural governance is far from complete. A second generation backlash is gradually building up. A dilemma of dualism resulting from the co-existence of decentralized elected representative organisations and

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[33] Marketing Board levies taxes on transactions of agricultural produce which it invests in promoting the market (by, for example, building infrastructure such as roads for improving rural connectivity, and developed market sites). This organization was asked to impose an additional levy (*cess*) to mobilize extra resources that are being pooled with other funds for investment in improving road conditions in the state.

[34] A special fund for road development created by the Central Government through an imposition of an additional tax on the sale of petrol/diesel, is devolved to the sub-national states in India to augment their domestic resources employed for improving the state roads.

[35] An ambitious programme launched at the initiative of the Prime Minister of India with a vision to connect all the villages of India, still unconnected by an all weather road, in a phased manner within a stipulated time frame. Considerable resources are being allocated to the sub-national states under this programme to achieve the desired goal. However, it is to be primarily utilized for construction of new roads rather than improving the existing but dilapidated roads in the rural areas. It is not clear whether MP is utilizing some of its resources for improving its exiting bad roads, and, if so, how it is managing to do so.

non-elected people's participatory structures (*Zila Panchayat* and District Government; and *Panchayat committees,* people's committees under *Gram Swaraj,* and user committees under different programmes) is catching up with the actors involved posing new challenges to achieving good governance in these arenas. Contrary to the expected outcome of improvements in accountability of the decentralized system through the engineering of this dualism, the preliminary evidence suggests that one structure is capturing the other. The District Government appears to be overriding *Zila Panchayats* with MLAs regaining their clientalist power over the *Panchayati Raj*. The reverse seems to be happening at the micro-level, where people's committees under the *gram swaraj* are being usurped by the structural power of the local elite represented in the *panchayats.* The consequences of both these trends dangerously appear to be converging to produce the same outcome: distortions in the implementation of the government's programmes at the decentralized levels of districts and below.

So, while further efforts would be required to meet these second generation backlashes, a consequent loss of attention to state sector governance reforms related to the fundamentals of state capacity - finance, revenue and infrastructure - will have to be avoided with great determination. This would also require an ideological metamorphosis in order to adopt a belief that governance reform is not necessarily the synonym of getting the people or the private entrepreneurs to solve the mess created by the state. In some sectors, for example, in taxation and revenue generation, the state alone will have to do what it is mandated to do: to govern and perform well.

The road map to these is still unclear. Thus, whether the CM likes it or not, demands of more managerial aspects of governance are catching up with him. His reformist leadership is now subject to a different test: can he acquire a similar stature as a "governance leader" as he did to become a powerful political leader in the state of MP?

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The aim of the Crisis States Programme (CSP) at DESTIN's Development Research Centre is to provide new understanding of the causes of crisis and breakdown in the developing world and the processes of avoiding or overcoming them. We want to know why some political systems and communities, in what can be called the "fragile states" found in many of the poor and middle income countries, have broken down even to the point of violent conflict while others have not. Our work asks whether processes of globalisation have precipitated or helped to avoid crisis and social breakdown.

Crisis States Programme collaborators

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Research Objectives

● We will assess how constellations of power at local, national and global levels drive processes of institutional change, collapse and reconstruction and in doing so will challenge simplistic paradigms about the beneficial effects of economic and political liberalisation.

● We will examine the effects of international interventions promoting democratic reform, human rights and market competition on the 'conflict management capacity' and production and distributional systems of existing polities.

● We will analyse how communities have responded to crisis, and the incentives and moral frameworks that have led either toward violent or non-violent outcomes.

● We will examine what kinds of formal and informal institutional arrangements poor communities have constructed to deal with economic survival and local order.

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