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**RENT-SEEKING AND  
GENDER IN LOCAL  
GOVERNANCE**

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# RENT-SEEKING AND GENDER IN LOCAL GOVERNANCE\*

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## Abstract

*The paper examines the relationship between corruption and gender in institutions of local government in India, using a Logit model. Recent debates about women's participation in electoral politics suggest that the presence of more women in government will engender public policy, and also tends to reduce corruption. The evidence we examined indicates that gender is not a significant factor in explaining levels of corruption. Although nearly 40 per cent of the elective positions in the institutions of local government are occupied by women there is no significant gender difference in the attitudes towards rent-seeking and in the actual levels of corruption.*

## Introduction

Gender equality in political institutions and employment has been one of the areas that received increased attention within policy discourse. Women's representation in electoral positions, for long, remained focused on gender equality in opportunity and giving voice to women's perspective. More recently, women's inclusion has also been viewed as a crucial factor in governance. There are studies that have indicated that gender is a significant factor in explaining rent-seeking, and that there exists a relation between women's participation in the labour force, elective positions and corruption levels.<sup>1</sup> A larger presence of women, it was averred, would reduce corruption in public life, and engender governance by bringing about a different approach and agenda in managing public resources. Countries with smaller gaps between women and men in areas such as education, employment, and property rights have less corruption in

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business and government. The understanding that women are an agency in reducing corruption indeed contributed to the demand for the inclusion of women in elective positions.<sup>2</sup>

Women as an agency in reducing corruption, however, are determined by various factors. The nature of inclusion and power relations in public and political space, institutional and political processes are crucial factors in considering women as an agency. For example, factors such as women's political evolution, continuation in politics, level of participation as elected representatives, their participation in political parties, and the power they wield within the political networks are crucial in considering women as an agency. Similarly, measures to further transparency and accountability, and other institutional and political mechanisms that would increase the risk factor in rent-seeking, are important in reducing corruption. Gender as a factor in corruption cannot be isolated from the political and institutional conditions that constrain/facilitate good governance. The political inclusion of women by itself is not a sufficient condition for reducing corruption, as was seen in the local governments in India, where women's representation in local government is enabled through the reservation of seats. Some of these issues are examined in the context of local government in two states of India, Kerala and Karnataka.

Institutions of rural local government or Panchayati Raj Institutions (district and below) have been revived through the efforts of both the central and state governments. A Constitutional provision ensures that one-third of the elective positions in local government (urban as well as rural) are reserved for women.<sup>3</sup> A similar proportion has been reserved in the executive position i.e., the post of president. In the Panchayati Raj Institutions (also referred to as panchayats), one-third of the seats are occupied by women at the district, sub-district, and village levels, and a similar proportion as presidents. Local governance was conceived not only as a means for people's participation but also to enhance the quality of governance by being more responsive and accountable to citizens.<sup>4</sup> However, there is a wide gap between expectations and the actual functioning of the panchayats, and corruption is one of the most important problems facing the institutions of local government. As we have observed, the widespread corruption raises the question as to what extent can gender be a factor in explaining the levels of rent-seeking in local government.

Using micro data the paper examines the relationship between gender and corruption in the context of local governments in India. The

study was carried out in Karnataka and Kerala. We included in this analysis information from two districts in each state i.e., Kollam and Kozhikode in Kerala, and Mandya and Udupi districts in Karnataka. A few case studies from Bangalore Rural district in Karnataka were also used. Two district panchayats, eight sub-district panchayats, and twenty village panchayats were included in this study. The data were collected from interviews with elected representatives, officials, contractors and citizens in the panchayats from the districts where the study was conducted. Since the study also looked at issues of governance and participation, these have also been used in the analysis of corruption. First, the attitudes of men and women towards corruption is examined. Representatives were asked to respond to statements on rent-seeking, election expenses and factors that lead to corruption. Second, the perceived levels of rent-seeking in panchayats are used to arrive at the corruption level score, and factors contributing to rent-seeking are analysed. Third, we discuss the corruption networks and women's links to these networks, and consider whether gender is a significant factor in explaining corruption. Finally, the gendering of corruption and its limitations in explaining rent-seeking is discussed.

### **Gender, agency and rent-seeking**

Understanding corruption from the perspective of institutional reforms and economic development has been the focus of research and policy discourse. The past two decades have seen considerable debate on corruption in institutions of government and its ramifications in the context of economic and social development. Research on the causes and consequences of corruption for investment, poverty alleviation, public expenditure have pointed to various factors. The determinants such as GDP, institutional structures, political system, and governance have been analysed.<sup>5</sup> Long-term social foundations<sup>6</sup>, the monitoring power of the institutions, and information asymmetries between the principal and the agent<sup>7</sup> have been recognised as important for understanding corruption. There are suggestions that administrative and fiscal decentralisation reduce corruption.<sup>8</sup>

Insights drawn from research in behavioural and social sciences were extrapolated to political situations in understanding corruption. Although in economic situations the results have not been consistent,<sup>9</sup> it has been hypothesised that the quality of politics and governance improved from attributes such as love for peace and concern for welfare, issues that women are presumed to bring into public decision-making.<sup>10</sup> A similar relationship is perceived between women's inclusion in politics and elective

positions, and low levels of corruption. The behavioural studies showed that there were variations of the attitude of men and women towards war and welfare policy,<sup>11</sup> and women were more oriented to welfare issues than about tax concerns and foreign policy.<sup>12</sup> Women were considered more socially oriented and have been found to have a higher score in integrity tests<sup>13</sup> compared to men who are said to be individualistic in orientation.<sup>14</sup> Dollar et al (1999) using data from the behavioural studies found that women are more trustworthy and public-oriented than men. There have also been indications that there is a relation between the presence of women representatives in parliament and the levels of corruption.<sup>15</sup> The countries with higher representation of women in parliament have been found to have less corruption. There are studies that provide indications that gender is an important determinant in reducing corruption if women are present in significant numbers in public sector organizations and institutions of governance. The studies by Swamy et al (2001) and Gokcekus and Mukherjee (2002) concluded that corruption was lower when there are a higher proportion of women in the labour force. Gokcekus and Mukherjee (2002) also point out that beyond a threshold, the increase in the number of women can prove to be counter productive (i.e., increasing corruption), reducing the incidence of reporting. Kaufmann (1998) shows a correlation between corruption and an index of women's rights. Policies that increase the role of women in organizations and in public decision-making are suggested to be crucial in reducing corruption.<sup>16</sup> Based on these studies the World Bank (2002) considers that gender equality in rights and resources contributes to improved governance and to reducing corruption.

The underlying assumption of the studies that consider women as an agency in governance is that women are 'different' in their way of functioning, and that they exhibit a greater tendency of altruism. Further, it is presumed that this trait will be manifested in public decision-making if women are included in it. The emphasis, therefore, is on women as an agency, rather than locating women's political participation in institutional and political processes. This reinforces gender as an explanatory variable along with democratic political variables (such as regular elections, multi party competition, independent judiciary) and per capita income. Despite the relationship between gender and corruption demonstrated by these studies, several vital questions remain unanswered. Does gender as an explanatory variable produce similar outcomes even in diverse institutional and political situations? For example, in the study by Swamy et al (2001) their conclusion about India was that gender was not a significant factor

in corruption since the percentage of women in parliament, just nine per cent, was the indicator of women's electoral participation. However, if women representatives in local governments (urban and rural, who account for 40 per cent of the total elected representatives) are also taken as an explanatory variable, will the results be any different? Can such findings be generalised, when individual countries have diverse economic and political conditions? Considering gender as the crucial factor leaves out important determinants such as institutional measures to control corruption, transparency in governance, and political accountability. What are the factors that account for both, a significant presence of women in elective positions (as in the case of panchayats) and also high levels of corruption?

In societies with rigid gender norms, as is the case in India, it is also important to consider the autonomy that women have in the public and private space. Patriarchal structures and hierarchical gender relations have curtailed women's decision-making within the household. The emphasis on 'exchange-value' of the labour and not 'use-value' has contributed to asymmetrical power relations within the household with women being identified with the latter and men with the former. While constraints of time and mobility are the practical aspects of women's effective political participation, the larger issues are the gender structures. The political institutions operating within the hierarchical gender structures constantly reproduce asymmetrical gender relations in public interactions resulting in discriminatory practices. *De facto* politics (where functions of the panchayats are carried out by individuals other than the elected representatives) seen in the functioning of local government is one of the manifestations of gender rigidity in political participation. Even in considering that women may be less prone to profiteering, what is crucial here is the power that women can exercise in elective positions. This has a bearing on the extent to which women can influence the operations of patronage politics and corruption networks.

### **Panchayats and rent-seeking**

The 73<sup>rd</sup> Constitutional Amendment (1992) has provided certain guidelines in the basic structure of the institutions of local government, though the actual devolution of powers to these institutions is left to state governments. The states are not uniform in the devolution of powers to these institutions, of incorporating mechanisms of transparency and accountability in local governance. There are several differences in the institutional measures set up to increase transparency

in governance in Karnataka and Kerala. Kerala has devolved more powers to panchayats than Karnataka.<sup>17</sup> There is no significant variation in the proportion of women elected to institutions of local government in the two states, although one-third of the posts of vice-president were reserved in Karnataka, not in Kerala.

Karnataka had the earlier advantage of having introduced decentralisation reforms in the 1980s (by the Janata government), even before the enactment of the 73<sup>rd</sup> Constitutional Amendment. From the point of view of women's participation, Karnataka also has a longer history of quotas for women in institutions of local government. For the first time in the country, 25 per cent of the seats were reserved for women in the institutions of local government in the 1983 Karnataka Panchayati Raj Act,<sup>18</sup> which in many ways provided the design for the provisions in the 73<sup>rd</sup> Constitutional Amendment. Accountability and transparency, the important determinants of governance, however, did not get adequate emphasis in the Karnataka Panchayati Raj Acts (both 1983 and 1993), or the subsequent amendments. When the 1983 Act was formulated the grama sabhas (village assembly) included in the Act were well ahead of what then existed. Grama sabhas were expected to function quite effectively in transparency, accountability and, most importantly, people's participation. Subsequent years have shown that grama sabhas have not served this purpose.

Kerala has (after 1992) gone well beyond most other states in devolving powers to local institutions. The People's Campaign for decentralised planning initiated in 1996 by the Left Democratic Front (LDF) government in the state was instrumental in disseminating the policy related to local government, and also institutional measures of transparency and accountability. The progressive initiatives of the LDF were to a large extent the response to the competitive party politics.<sup>19</sup> The institutions of local government receive 40 per cent of the state allocations as untied grants with discretionary powers to use them according to local needs. Participatory planning (where people were involved in identifying and prioritising development needs through grama sabhas) has been one of the strong points of the decentralisation efforts of the Left Front. Measures to further accountability and transparency were included in the Panchayati Raj Act. They were expected to enhance the effectiveness in carrying out development work, and have a bearing on corruption in local governance.<sup>20</sup>

It needs to be pointed out that most of the central and state government rural development programmes are implemented through the panchayats.<sup>21</sup> Decision-making prior to effective devolution of powers to the institutions of local government was under the control of MLAs, MPs and the bureaucracy. The political space in the post - 73<sup>rd</sup> Amendment phase (after 1992) is denser with MLAs and MPs laying claims over the same space through overlapping constituencies and intervening in the functioning of the local government. With limited changes being made towards administrative decentralisation in Karnataka, the line departments continue to operate as parallel power centres at the local level and the separation of powers is not quite effective. As a result, there are problems in the sharing of information between officials and representatives, and there has been an increase in the dependence of representatives on the officials for information on various development programmes. The apprehensions about localisation of corruption is also greater in the Indian context because electoral accountability is reduced due to the reservation of seats.<sup>22</sup>

While corruption is broadly defined here as the misuse of authority and public resources for private gains, the forms in which it is manifested in the context of local government are varied. There are two main dimensions of corruption. First, clientelist networks involving representatives (and also elected representatives at the state and central levels), officials and contractors, received commissions/bribes/payoffs while carrying out development work by circumventing procedures, minimising competition in procurement and public works contracts, overstatement of cost estimates and reducing the quality of work. Bribes are also paid to influence beneficiary selection. Patronage, which was widespread in panchayats, has deeply rooted elements of corruption. The rough estimates indicated by representatives, officials, and contractors suggest that between 55 to 65 per cent of the funds meant for development activities are shared by various agents of corruption networks and coalitions.

Second, payments are made for acting as middlemen/brokers, and for 'fixing' activity. Fixing, as it is used here involves the circumventing of rules and procedures, and misuse of the official position to fulfil this, particularly when elected representatives and officials acted as fixers.<sup>23</sup> The activities carried out by fixers or middlemen include getting license permits, transfers to a place of their choice, settling of police cases, changing land documents (in both states) and settling the cases of violation of building rules, circumventing rules for reducing property

tax and building regulations, sanction of house plans and obtaining house numbers (in Kerala). Bribes were given to representatives and party functionaries to pay officials and police as the case might be. Although not overtly stated, the general understanding was that the representatives retained a part of the money. These were petty cases of corruption and the amounts involved in the study ranged from Rs.150 to Rs.2000, depending on the nature of the problem.

The commissions and bribes paid are referred to as '*mamul*' (in the local parlance) or the 'going rate'. Both these forms of corruption are pervasive and varied in magnitude, from large scale to petty corruption. There is an absence of the "arm's-length"<sup>24</sup> principle, and in a majority of cases personal or family relationships intervened in public decision-making. In local government, the *de facto* and patronage politics weakened the arm's-length principle in governance. Among women, the chain is longer with intermediaries functioning on their behalf in the corruption networks. The immediate consequence of this is the increase in the amount of money paid as commission or bribe as there are more claimants.

The representatives who did not have any official position (such as president, chairing the committees) received commissions for public works implemented in their constituencies, and the percentage of commissions was between 8 to 10 per cent. The percentage of payments was higher in the case of representatives elected as presidents, and chairpersons of committees (approximately 15 per cent). The president had an important role in awarding contracts and received a share in the money meant for development activities and procurement deals in the panchayat.<sup>25</sup> While the payment of commissions had nothing to do with the gender of the member, class was a factor in the sharing of commissions.

Positions of chairperson of committees such as finance, development and public works were captured by members who were economically and politically influential. In the case of women, the political and economic status of the family was the deciding factor in occupying such positions. To illustrate one of the several instances, in one of the procurement worth 60 lakhs in the health sector in Karnataka, 15 per cent was paid as commission to the chairperson of the Health Standing Committee (a woman was the chairman on that occasion), and this was the going rate paid to any chairperson.<sup>26</sup> Two individuals in the committee who had considerable political influence, and the president shared 20 percent of the total cost. The officials who were dealing

with procurement contracts in the health department and at the district panchayat shared another 20 per cent. In the case of award of contracts, the president, the representative in whose ward the work is implemented, officials (which includes the junior engineer) who processed the awarding of contracts and also bills, received payments in proportion to their role in the implementation. It was also indicated that for development and public works that were implemented, the estimates were prepared in such a way that there was sufficient money to be paid as commissions. For example, when the estimates were prepared for road surfacing work in one of the panchayats in Kerala there was an over estimation of 20 per cent. The quality of the work was reduced by 30 per cent in the initial stages itself, as one of the layers of road surfacing was not laid out. Poor quality of work at different stages further reduced the overall cost. Roughly 55 per cent of the total cost was paid as commissions. In Kerala, while the standing committees are crucial there are also sectorial committees which are involved in decision-making. While commissions were paid in Kerala for development work, the rough estimates indicated by the representatives and contractors was about 55 percent which was less than in Karnataka where estimates indicate 65 per cent of commissions. The inclusion of women did not make any difference to the continuation of these practices.

The process through which commissions and bribes were paid indicates that men and women received payments depending on their role in the decision-making *vis-à-vis* officials of the various line departments. In the taluk and district panchayats in Karnataka, the role of the representatives in decision-making was greater in public works, procurement, and State and Central government programmes (for example, housing programmes such as Ashraya, Ambedkar housing). The allocation of funds and decision-making in Karnataka being higher at the district and sub-district levels, the magnitude of corruption and bribe payment was also high in these tiers. In Kerala there was no variation in the magnitude of corruption across different tiers of local government, although village panchayats have more functions and resources.

In Kerala there were instances where women had direct links with the corruption networks. Active involvement of women in political parties was a crucial factor in women being associated with corruption networks. This was more pronounced in the case of women representatives from Leftist parties. Women's instrumentality here is used not to counter corruption but for more active involvement in corruption alliances.

Representatives in effect approved rent-seeking although their manner of defining it indicated that it did not constitute corruption. They were of the opinion that accepting commissions do not constitute corruption but was a legitimate means to recover expenses incurred during election campaigns. Women representatives elected to executive positions expressed similar views. Their justification was that for getting elected to executive positions one had to spend money on two occasions, i.e., to get elected as members and later to the executive positions. It was a vicious circle. Contesting executive positions involved money being spent to buy supporters, and sometimes to pay off those who were potential competitors for the post from their own party. The ability to raise funds during elections was crucial in getting the party ticket. A lower capacity to raise funds meant that the party would not support their candidature. Getting party tickets also often entailed paying high ranking party functionaries to mediate in the process of candidate selection.

The attitude of the representatives towards corruption shows variations in the responses to statements on corruption that were more general in nature and those that were specific statements on payment/receiving of commissions in panchayats (see Table 1). For example, to statements such as 'politician accepting bribes', 'Officials accepting bribes to speed up bureaucratic procedures' and 'bureaucrats accepting gifts for carrying out official work' the representatives held the view that it can never be justified. Condemning corruption seen in statements that are more general was not reflected in their response to statements that indicated a situation that was widely prevalent in panchayats (for example, election expenses, awarding contracts to friends, overstatement of cost estimates, and role of middlemen). While the representatives justified statements on accepting commissions, they did not consider it proper for officials to accept bribes. There was a variation in the attitude towards corruption and views which involved their own commitment to it (see Table 1). Representatives made a distinction between 'corruption/accepting bribes' and 'accepting commissions', although both amounted to rent-seeking. While accepting bribes was considered as corruption, accepting commissions while carrying out the functions of the panchayats was viewed as normal. The attitude of representatives on rent-seeking situations in panchayats is reflected in the high prevalence of corruption.

## Corruption and gender: A framework for analysis

The Logit model is used to evaluate the relationship between gender and attitudes towards corrupt practices and levels of corruption. The assumption is that women representatives are a potential agency for reducing corruption. The agency, however, is diluted if women cooperate in rent-seeking transactions or are co-opted into the corruption network. Various factors contribute to such co-operation or co-option. It is not merely the gender of the agent but institutional and political factors which determine the profiteering by the representative. Similarly, justifying or not justifying the acceptance of commissions is determined by a set of factors. The general framework of the Logit model is expressed as follows.

Consider that there are two widely prevalent patterns of rent seeking practices in local government. In the first case, representatives in collusion with officials and other agents make private gains mainly through accepting commissions and bribes while carrying out development work. The multiple agents involved in corrupt transactions in the panchayat are representatives (p), officials (o), politicians other than panchayat representatives (r), and contractors (c) in carrying out any activity. The clientelist network in this case could be summarized as follows:

$$Cn_1 = [p + o + r + c] \dots\dots\dots (1)$$

In the second case, bribes are accepted to extend illegal services to individual clients by using the official position, which takes several forms. Consider the agent who may be an elected representative of the panchayats and works as a broker (p) for personal favours or illegal services and speeding up bureaucratic procedures for a client. The same agent may also network with a professional broker (b) in association with an officer (o) to fulfil the client's needs. Thus, the network in the second case is between the representative, professional broker and officer/s, which could be summarized as:

$$Cn_2 = [p + b + o] \dots\dots\dots (2)$$

In both the cases mentioned above the possibility of the involvement of other intermediary agents is greater in the case of women representatives which is indicated by  $P_w$ . Therefore

$$Cn_2 = [p_w + b + o] \dots\dots\dots (3)$$

The assumption that women make a difference to the level of corruption in local government considers women as the agency. If  $p_w$  indicates the participation of women in elective positions, their potential to influence the corrupt practices ( $C_{ij}$ ) with networking of the  $i^{\text{th}}$  situation of the  $j^{\text{th}}$  agent may be expressed by the following equation:

$$C_{ij} = V_{ij} + E_{ij} \dots \dots \dots (4)$$

i.e. the corruption practices with networking of  $i^{\text{th}}$  situation of the  $j^{\text{th}}$  agent is made of a systematic component or representative factors  $V_{ij}$ , which is assumed to reflect different patterns of the networking of agents in various situations.

The systematic component  $V_{ij}$  was assumed to be a linear function of the role of the agents and attributes of the different rent seeking situations available to the agents.

$$V_{ij} = \sum_{k=1}^K \beta_{ik} S_{ijk} \dots \dots \dots (5)$$

The  $\beta$  value are the weights to the each of the individual factors of the agent  $j$  (i.e. representative) and attributes of the situation  $i$  ( $S_{ijk}$ ) in the probability of rent seeking situation. These weights are assumed to be constant across situations but not across different agents.

It can be demonstrated that if the  $E_{ij}$  values are distributed according to the extreme value distribution, then the probability of the situation  $i$  will be categorized from a set of  $m$  situations of corruption can be expressed by the Logit model presented in the following equation.

$$P(\text{categorised situation } i) = \frac{\text{Exp}(V_{ij})}{\sum_{m=1}^M \text{Exp}(V_{ij})} \dots \dots \dots (6)$$

The same Logit model is used to estimate the factors affecting the attitude towards corruption.

**Description of Variables**

Logit models are estimated, using attitude towards corruption and incidence of corruption as the dependent variables. The attitude score was derived from the opinion expressed by the representatives in response to a set of statements on corruption and rent-seeking behaviour (see Table 1 for the statements).<sup>27</sup> In the Logit model with attitude towards corruption as the dependent variable as (see

Table 2), the attitude scores are categorized as 1 if the corruption is justified and 0 if it is not justified. In the Logit model with corruption as the dependent variable (see Table 3), corruption scores are categorized as 1 if there corruption exists and 0 if there is no corruption. The corruption score was derived from the responses of the representatives to a set of twelve questions.<sup>28</sup>

The explanatory variables are gender, individual, institutional and political factors. For each of these variables (except the ones with scores) in the analysis, one category has been selected as the reference category. An estimated coefficient for each of the remaining categories of the variables indicates the significance its contribution to the probability of corruption taking place. An odds ratio has been estimated for each category of the factor, that expresses the level of corruption to the reference category. Interaction effects for variables included in the analysis were tested for significance.

#### ***Explanatory variables***

Four sets of explanatory variables—gender, individual, institutional and political factors were used in the analysis. The gender related factors included representatives' gender, number of panchayats with women chairpersons, and number of women heading Standing Committees and Sectoral Committees (in the case of Kerala). Individual factors included representatives' education level, experience as an elected representative, level of *de facto* politics, perceived risk and attitude towards corruption. The effect of these variables is expected to significantly affect the participation of the representatives in the functions of the panchayats, and also their attitude towards corruption thereby contributing to the levels of corruption. *De facto* politics score was calculated on a three-point scale, based on a set of questions on the participation of the representatives in the functioning of the local government and their perception of power as elected representatives. A score of 21 to 30 indicates that the *de facto* politics is high, i.e., intervention and actual carrying out of the activities of the panchayats by individuals other than the elected representatives has been high, while scores of 11 to 20 and 10 or below indicate moderate and low involvement respectively. Institutional factors consist of transparency and accountability measures, their effectiveness, corruption cases filed and action taken against corruption. Finally, political factors comprise favours received during elections, party composition, intervention of party functionaries, role of opposition parties, and communication with the general public.

The variation between the states was also examined, as there were significant differences in the social and gender indicators between the two states.

### **Rent-seeking—Results from the Logit Model**

The attitudes of representatives towards corruption and levels of corruption in panchayats show four broad patterns. First, there is no gender difference in attitudes towards corruption. While the representatives considered corruption in public life unacceptable, their attitude on specific issues in panchayats that amounted to corruption varied significantly. Similarly, gender was not a significant factor in explaining the probability of corruption in panchayats. There was also no significant variation in the corruption level in the panchayats where women were the presidents and where women chaired the Standing Committees and Sectoral Committees. Second, institutional and political factors explained the prevalence of corruption and the attitude of the representatives towards corruption. Third, there was a variations in the attitudes and corruption level between the two states. Corrupt practices were justified to a greater extent by representatives in Karnataka than in Kerala. Similarly, our findings show that the corruption level was comparatively higher in Karnataka than in Kerala. A corresponding difference in the attitude towards corruption was evident among the women representatives of the states. Lastly, the involvement of women in corruption networks and in accepting bribes and commissions has been indirect, i.e., others (men from the family, or patrons) acted on their behalf. These findings are discussed in detail below.

#### ***(a) Attitude towards corruption***

The results of the Logit Model (see Table 2) showed a significant difference in the attitudes between Kerala and Karnataka. Representatives in Kerala had 41 per cent less probability of justifying corruption. The representatives in Kerala were conscious of how their responses would be interpreted. This may be attributed to the higher levels of education, awareness about legal measures available to take action against corruption, and civil society participation among the public in Kerala, which restrained the representatives from overt justification of corruption. Similar reasons can be attributed to the differences in the scores between the two districts of Karnataka. The results also indicate that the combined effect of the two districts in Karnataka was not significant, although there is a difference between the two districts in the state. Mandya district has 24 percent higher

probability of 'justifying' corruption than Udupi district. In Mandya district there was more openness in talking about bribes and commissions and justifying these practices, while in Udupi the representatives were more discreet.

While there was no gender difference in the attitude towards corruption the state variation, however, was reflected in the attitude scores among women from the two states. When we estimated the difference between the women representatives in the two states (giving dummy 1 to Karnataka), the probability that women in Kerala justified corruption was 47 per cent less than women in Karnataka. The attitude scores of women representatives who were presidents and those who chaired the Standing Committee and Sectoral Committee did not show any significant difference from other members.

There was a relation between the education levels and the attitudes towards corruption. The higher the level of education the more discreet were the representatives in their responses. Representatives who had higher levels of education are 44 per cent less likely to justify corrupt practices compared to representatives who were illiterate. The proportion of representatives who were illiterate and had less than seven years of schooling was high in Karnataka, while none of the representatives in our study in Kerala was illiterate. This is a contributing factor in the state differences in the attitude towards corruption. The differences within Karnataka also have a significant relation to the variations in education levels of the representatives. Udupi district ranks first in the literacy levels in the state. While there were representatives from this district who were illiterate or had less than seven years of schooling, the literacy levels were higher than in Mandya district.

The results show that low levels of civil society participation are inversely related to the attitude the representatives shared. The likelihood of justifying corruption among representatives who had low levels of associational activity was 62 per cent greater than those with higher levels of civil society participation. While similar relationship was not evident with perceived corruption level, associational activity to an extent made them aware that as representatives they cannot be candid with their views.

Women who had members of the family actively involved in politics had a greater probability of justifying corruption. Justifying corrupt practices was 27 per cent less among women who did not have any members of the families in politics compared to women who had family members active in politics. A related issue is *de facto* politics in panchayats.

While the assumption would be that since women are not actively involved in the functioning of the panchayats, it is less likely that they would justify corruption. Contrary to such assumptions, high levels of *de facto* politics among women did not influence their opinion on corruption in any significant way. Women who were not actively involved in the functioning of the panchayats had 59 percent greater probability of justifying corruption than those who were more actively involved. A majority of the women representatives, who were not active participants in the functioning of the panchayats, justified accepting commissions and bribes. Women had limited influence on the functioning of the panchayats and very little access to the political networks, but held attitudes favouring corruption. Since male family members were actively involved in panchayat activities on their behalf, the women representatives did not see themselves detached from the rent-seeking practices in the panchayats or held views that were not supportive of the behaviour of their family members.

A comparison was made of the representatives across different political parties and their ideological differences. In Karnataka, the two main political parties that have played an active role in panchayat politics are the Congress I and Janata Dal (Janata Dal has since split into different smaller parties).<sup>29</sup> There is no major ideological difference between these parties. Political parties in Kerala, on the other hand, cover a diverse ideological spectrum, the leftist parties comprising the Communist Party of India (CPI) and the Communist Party of India (Marxist) (CPI(M)), and the United Democratic Front (UDF) which includes the Congress I and smaller parties. There is also a difference in the management structure of these parties. The CPI and CPI(M) are more centralised, cadre-based parties with offices at the gram panchayats level. The control of the party in the functioning of the panchayats was greater in the case of Left parties. There is also a view that the members of the Leftist parties and the panchayats where they are in a majority are more effective because of their commitment to the People's Campaign, which their Front had initiated. In Kerala, the representatives belonging to Leftist parties held views that were less supportive of corrupt behaviour and accepting commissions and bribes than the parties that comprised the UDF. There was a 19 per cent greater probability that the representatives of the UDF justified rent-seeking practices. This cannot entirely be construed as the connection between ideological reputation and governance in panchayats. Close monitoring by the Left parties made both men and women belonging to these parties more circumspect in expressing their views on corruption. The attitude that was less supportive of

corruption was not reflected in the level of corruption in the panchayats where Leftist parties were in control. In Karnataka, the probability that Congress I and Janata Dal (all factions taken together) would justify corruption was greater than the Left parties would do so by 44 and 36 per cent respectively. There was, however, no significant difference between the two parties in Karnataka. It was also noted that the probability of justifying corruption was less by 66 per cent in panchayats where the composition of members belonging to ruling and opposition parties was close compared to panchayats where one single party had the maximum number of seats.<sup>30</sup>

#### **(b) Corruption in panchayats**

The results of the Logit Model affirm that gender is not a determining factor in the corruption level in the panchayats. The estimates of gender-related variables and individual factors presented in model I in Table 3 does not support the assumption that women's inclusion is a crucial factor in corruption. As can be seen from models II and III political and institutional factors significantly explain the prevalence of corruption.<sup>31</sup> State variation was significant in all the three models, with the probability of corruption being higher in Karnataka than in Kerala.

The panchayats in the study on an average had 40 percent women representatives, and dummy 1 was assigned to the gender inclusiveness factor, i.e., the significant presence of women in electoral positions. Of particular interest from the perspective of gender and corruption was the panchayats where a woman was the president. Dummy 1 was given to panchayats where women were presidents and those where they headed the Standing Committees and Sectoral Committees (in the case of Kerala). It was found that gender was not a significant factor in explaining the level of corruption in panchayats. In the panchayats where women were the presidents, there was no significant variation in the corruption suggesting that women made little impact on the practices that contributed to rent-seeking. Similarly, in the panchayats where women were the chairpersons of the Standing Committees and Sectoral Committees, there was no significant variation in the corruption level. Our qualitative data corroborates these results. The corruption transactions are entrenched, and the president or the chairperson of the committees, regardless of their gender, has a defined role and 'percentage of commission'. Contrary to the results in the Logit model on attitudes towards rent-seeking, the education level of the representatives did not have significant relation to corruption in panchayats. In model I, factors that had a significant relation were expenses during elections, representatives' term in local government (i.e., number of times elected as

representatives), *de facto* politics, perceived risk, and attitude towards corruption. High levels of *de facto politics* in the panchayats increased the probability of corruption by 148 per cent. This is discussed later in the paper. The results also show that the attitude towards corruption has a significant relation to corruption. The probability of corruption decreased by 11 per cent when the rent-seeking was not 'justified'.

Expenses incurred during the election of the representatives had a significant relation to the level of corruption. The results show that the higher the election expenses, the probability of corruption increased by 68 per cent. This also corresponds to the findings in models II and III where the incidence of favours received during elections was used as an explanatory variable. It was found that the probability of corruption increased by 58 and 56 per cent respectively when the favours received were high (see models II and III in Table 3). The representatives considered spending large amounts of money during elections as an acceptable practice (see Table 1). There were several instances where contractors and the party paid a part of the election campaign expenses, which had a spiralling effect on what followed after the election of the representatives.

In gram panchayats election expenses were low compared to taluk and zilla panchayats.<sup>32</sup> Expenses were low for election to seats reserved for women, although substantial amounts were spent for elections to the executive position in the upper tiers of the local government. Recovering election expenses was only a means to justify what can easily be seen by all as corruption. It would, in any case, be unlikely that they would completely disclose their activities as corruption. Election expenses were seen by the representatives as an investment for future gains when they received commissions and bribes as representatives in carrying out development work and awarding procurement and public works contracts. In the case of women representatives, the families spent money on elections for the same reason. Clientelist exchanges had their roots in the election campaign involving contractors and officials who contributed towards the election expenses of the representatives.<sup>33</sup>

Related to the institutional measures is the representatives' perceptions of the risks involved. Risk perception i.e., the representatives' perception of the likelihood of getting penalised was a significant predictor in the level of corruption. The lower the perception of action being taken, the higher the probability of corruption, by as much as 133 per cent. The factors contributing to low risk perception was that very few cases were filed and there was no instance to our knowledge where action was taken against any representative. Electoral accountability being negligible

in panchayats, the risk of losing elections on corruption charges was not a concern for the representatives. Electoral accountability was not a major factor even among women who were holding the seat for one term (since it has been reserved for women) for the male family members to return to in the following term.<sup>34</sup> Corruption was never perceived as a major factor in electoral outcomes. Contributing to the low risk perception was the fact that opposition parties were not effective in raising issues of corruption in the local government. One of the reasons for opposition parties not taking up corruption issues was that there were also representatives in the opposition party who received commissions for the work taken up in their constituency.<sup>35</sup>

The reservation of seats in panchayats has restricted the possibility of members getting elected for a second term. The representatives elected for a first time were examined as an explanatory variable, as a large section of the representatives were elected to the panchayats for the first time (85 per cent in Karnataka and 72 in Kerala). Among women, nearly 95 per cent in Karnataka and 93 per cent in Kerala were elected to the panchayats for the first time. In the majority of cases women were elected to seats reserved for women. In the following term, when their constituency was not reserved again for women, political parties did not support the candidature of women. There was no continuity in the electoral careers of women representatives, and unlike men, they did not continue to be active in politics. Following each election, there was a new set of women, as the constituencies that were reserved for women were not the same as earlier. Given this situation, different outcomes are possible. First, the representatives are new to politics and hence the limited access to the corruption networks reduced the actual incidence of corruption. Second, it is also possible that the inexperience of women, and *de facto* politics can increase the magnitude of corruption. Third, the level of corruption tends to be high as the representatives are aware that they will not have a second opportunity to contest elections. Electoral accountability and the risk of losing future elections on corruption charges do not apply.

The findings show that the large proportion of first time representatives increased the probability of corruption by 57 per cent. Being inexperienced in electoral politics did not reduce rent-seeking. There were sufficient means by which a newly elected member was able to get the feel of things, and learn how to get into profiteering practices (from officials, for example). Lack of electoral accountability increased the involvement of representatives in rent-seeking practices. This also implies that political parties do not monitor the actions of

their representatives, even though it might have implications for the party in the next elections. As can be seen in the Logit models II and III in table 3, the political parties did not influence corruption levels. Representatives irrespective of their political parties, were involved in rent-seeking. The apathy of the political parties, as evident in both the states, has several dimensions to it. The results show that the probability of corruption increased by 149 times and 92 percent in models II and III respectively (see in Table 3) when the role of the opposition was weak. The reasons for the weak role of the opposition parties are their insufficient numerical strength and their involvement in corruption. The numerical strength of the opposition parties as an explanatory factor was examined. The larger the difference in the strength of the political parties in the panchayats the greater the probability of corruption. In panchayats where the composition of the political parties was closer the probability of corruption was lower by 21 per cent and 32 per cent (see models II and III).

### **Women, *de facto* politics, and rent-seeking**

In Kerala, and to a larger extent in Karnataka, there were high levels of *de facto* politics where the functions of the panchayats were carried out by male family members or a few individuals in the panchayats (always men) on behalf of the women representatives. In local politics, women's election to panchayats and actual participation were seen as distinct, resulting in *de facto* politics. Models I and II (see Table 3.) shows that the probability of corruption increased by 148 and 137 times respectively when *de facto* politics was high. *De facto* politics raises crucial issues for the assumption that women are an agency in good governance. While the question of whether we can construe that women are corrupt when there are high levels of *de facto* politics might appear appropriate, it cannot be ignored that women do not constitute a strong agency in governance and are co-opted into the rent-seeking networks.

Despite the limited role that women representatives had in the ordering of corruption, one cannot overlook the abuse of public office and resources for private benefit of which they are also a part. Women's low participation in the functions of the panchayats creates the ambiguous situation where women are not *directly* involved in corruption networks, although they may be recipients of illegal payoffs. Since the official position of the women representatives is being used by their family to receive illegal payments (about which the women

are fully aware) it constitutes corruption on the part of the women representatives. Besides, the *de facto* politics points to low accountability among women representatives in carrying out the functions of the panchayat. While there is sufficient evidence to indicate that women exhibited profiteering tendencies in functioning as representatives and officials<sup>36</sup> *de facto* politics gives the benefit of doubt to women. A substantial number of men and women (69.9 per cent men and 58.7 per cent women) did not consider that women are less corrupt than men. Our analysis shows that 15 percent of the women, i.e. 32 out of 208 in both the states, were directly involved in rent-seeking networks and used their political connections to finalize deals. The strong corruption networks and inadequate institutional mechanisms to deal with them contributed to a process, where elected representatives, men or women, were absorbed into these networks.

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The intermediaries in *de facto* politics were of two types viz., the male family members or the patron, who also operated on behalf of the women representatives in rent-seeking. The intermediaries were active in political networks. The magnitude of commissions varied depending on who functioned on their behalf and the social and economic status of the women representative. When family members were involved, the commissions that go to the women were much larger than when patrons were involved since the commissions had to be shared. In the case of non-family *de facto* politics, the social status of the woman representative was an important factor in the sharing of the commissions and bribes. If the woman belonged to a socially and economically weaker section, as was often the case in non-family *de facto* politics, the commissions paid were much smaller as patrons or other intermediaries received a significant share. As their patrons were the key individuals in the rent-seeking coalitions these women did not make demands for commissions and bribes and accepted what ever was given to them. There were also instances where nothing was paid at all if the women were not persistent about the payment.

## Conclusion

The findings show that there is no significant relationship between rent-seeking and gender in local government. The results also indicate that institutional measures such as accountability, risk factor and the role of opposition parties were crucial in explaining the level of corruption. Gender as a factor in corruption has several limitations, unless it is seen in conjunction with the status of women in different areas of political space (electoral, political party and civil society associations). Representatives (men or women) do not operate as individual entities in political situations. While women might score high on integrity tests, exhibit community orientation in experimental situations and show a lesser tendency towards corrupt behaviour in hypothetical situations, it need not necessarily be reproduced in political and economic situations where multiple factors are involved. The pressures generated through well organized networks including that of patron-client relations, and ineffective measures to curtail these pressures influenced the manner in which public resources are accounted.

It is also important to take note of the process of inclusion of women in elective positions. The distinction between situations where women are represented in the elective politics through the reservation of seats and those where women's political participation has been the outcome of strong women's movements, as in the case of the Nordic countries, will be a crucial indicator in women's effective role as representatives and in governance. The number of women in elective positions, although an indicator of the status of women in politics, does not reflect the women's power in influencing political decisions. While reservations enabled women's inclusion in elective positions, their weak presence in political party networks and civil society associations weakened the advantages of their numerical presence. Women as an agency in governance in general and reducing corruption in particular is severely constrained because of low levels of participation in the functions of the panchayats. Women in elective positions were co-opted into clientelist politics and corruption networks. Locating the process of corruption within the political and institutional processes will provide an understanding of women's political role and its association with the corruption networks.

## Tables

Table 1. Gender and attitude towards corruption

	Attitude towards corruption (justified/acceptable/agree) (Per cent in parentheses)		
	Men	Women	Both
Accepting commissions ("mamul") is not corruption	178 (78.8)	159 (76.4)	337(77.64)
Commissions and bribes are accepted to cover election expenses	210 (93)	190 (91.3)	400 (92.17)
Politician accepting bribes	7 (3.09)	4 (1.92)	11 (2.53)
Bribing politicians and officials for government benefits to which one is not entitled	14 (6.19)	7 (3.4)	21 (4.84)
Spending money during elections to buy support	207 (91.6)	191 (91.8)	398 (91.07)
Role of middlemen and intermediaries in carrying out development work	184 (81.41)	152 (73.07)	336 (77.42)
Awarding contracts to relatives and friends	154 (68.1)	137 (66)	291 (67.05)
Officials accepting bribes/gifts to speed up bureaucratic procedures or for carrying out official work	13 (5.8)	9 (4.32)	22 (5.07)
Any case of corruption should be immediately reported to authorities concerned	11(4.9)	7 (3.4)	18 (4.14)
Paying bribes	11 (4.9)	8 (3.84)	19 (4.4)
Overstatement of cost estimates	191 (85)	172 (83)	363 (83.64)

Table 2. Logit Regression Estimates of attitude towards corruption

Explanatory variable	Reference category	Attitude towards corruption Exp (B)
State	Karnataka	0.59*
<i>District</i> Kollam Kozhikode Mandya	Udupi	0.92 0.97 1.24***
<b>Gender related factors</b>		
Sex	Men	0.95
Women representatives (state variation)	Karnataka	0.53**
Women representatives with an institutional position (such as presidents/vice-presidents, Chairpersons of the Standing Committees and Sectoral Committees)	Women representatives without institutional position	1.07
<b>Individual factors</b>		
Education level	Illiterate	0.56**
Family members in politics	No	0.73***
<i>De facto</i> politics High Medium	Low	1.59** 1.47)***
Civil society participation	Active	
Minimal		1.62**
<b>Political factors</b>		
<i>Political party affiliation</i> UDF (in Kerala) Congress I (in Karnataka) Janata Dal (in Karnataka)	Leftist parties	1.19** 1.44*** 1.36***
Composition of political parties Medium composition Close composition	Large	1.03 0.34*
<b>Ancillary statistics</b>		
-2Loglikelihood ( $\bar{d} = 0$ )		564.568
2Loglikelihood ( $\bar{d} = 1$ )		351.538
Chi-square		4.031*
Degrees of freedom		8
No. of cases		434

Table 3. Logit regression estimates of level of corruption

	Reference category	Corruption in panchayats Exp (B)		
		I	II	III
		Exp(B)	Exp(B)	Exp(B)
State	Karnataka	0.79**	0.78*	0.81**
<b>Gender related factors</b>				
Gender	Men	1.02	—	—
Women representatives (state variation)	Karnataka	0.93	—	—
Panchayats and the sex of the president	Panchayats -Women presidents	0.88	—	—
Panchayats and women in official positions <sup>1</sup>	Panchayats -Women chairpersons	1.08	—	—
<b>Individual factors</b>				
Education level	Illiterate	0.95	—	—
Number of times elected to the panchayats	First time women representatives	0.43**	—	—
<i>De facto politics</i>				
High	Low	2.48*	2.37*	—
Medium		2.31***	2.17	—
Election expenses	High	0.32*	0.45*	0.42*
Perceived risk level	High	2.33*	2.05**	2.17*
Attitude towards corruption	Justifying corruption	0.89**	—	—
<b>Institutional factors</b>				
Transparency measures		—	—	0.97
Accountability measures		—	—	2.74**
Effectiveness of transparency measures		—	—	2.41***
Effectiveness of accountability measures		—	—	1.058***
Corruption cases filed		—	—	1.319***
Action taken on corruption		—	—	0.38***

	Reference category	Corruption in panchayats Exp (B)		
		I	II	III
		Exp(B)	Exp(B)	Exp(B)
<b>Political factors</b>				
Favours received during elections	High incidence	—	0.42*	0.44*
Party composition	Large	—	0.79***	0.68***
<i>Political party in power</i>				
LDF				
Congress I		—	1.06	1.48
Janata Dal		—	1.04	1.08
UDF		—	1.06	1.02
Role of opposition	Effective	—	2.49**	1.92**
Communication with citizens		—	1.06***	3.19***
<b>Ancillary statistics</b>				
-2Loglikelihood ( $\bar{d} = 0$ )		601.504	595.406	587.558
2Loglikelihood ( $\bar{d} = 1$ )		480.332	365.273	285.506
Chi-square		1.89	20.236**	14.854*
Degrees of freedom		8	12	8
Number of cases		434		

\* Significant at 1 %

\*\* Significant at 5 %

\*\*\* Significant at 10 %

Note: 1 This includes panchayats where women were the Chairpersons of the Standing Committees and Sectoral Committees.

## Notes

<sup>1</sup> Gokcekus and Mukherjee, 2002, Dollar et. al. 1999, and Swamy et. al. 2001.

<sup>2</sup> See The World Bank, 2002.

<sup>3</sup> It needs to be mentioned that the intention behind reserving seats for women in local government was not primarily to reduce corruption, or for that matter, improve governance.

<sup>4</sup> From the development perspective, decentralisation can be an effective means through which programmes related to poverty reduction are better implemented (Bardhan and Mookherjee, 2000). Also see Seabright, 1996.

<sup>5</sup> See Tanzi, 1994; Bardhan, 1991; Mauro, 1997; Tanzi and Davoodi, 1997; Klitgaard, 1998, for discussions of the causes and consequences of corruption.

<sup>6</sup> Johnston, 1997.

<sup>7</sup> Rose-Ackerman, 1979; Klitgaard, 1988.

<sup>8</sup> Wade, 1997; Huther and Shah, 1998.

<sup>9</sup> Some studies and views consider political decentralisation as a source of corruption (Prud'homme 1994, Tanzi 1995, Blanchard and Shleifer 2000, Treisman, 2000). There is also a view that it is effective in reducing corruption (Crook and Manor, 1998, in the context of Bangladesh, India (Karnataka state), Cote d'Ivoire and Ghana); Wade, 1997. Crook and Manor 2000 were of the view that decentralisation reduced the diversion of public funds by politically powerful individuals. Their study also pointed out that women were then less involved in profiteering, but this may very well change when they developed some experience in local governance, and when the opportunity arose. However, contradicting views on political decentralisation and the localisation of corruption have also been made.

<sup>10</sup> Empirical evidence points to limitations in the gender differentials in attitudes. See Mason et. al., 1991.

<sup>11</sup> See Valeri 1993.

<sup>12</sup> Fukuyama 1998; Goertzel, 1983.

<sup>13</sup> Sawyer, 1996.

<sup>14</sup> Ones and Visweswaran, 1998.

<sup>15</sup> See Eckel and Grossman, 1998.

<sup>16</sup> Swamy et. al. 2001, Dollar et. al. 1999.

<sup>17</sup> Swamy et al 2001.

<sup>18</sup> See Vijayalakshmi, 2003.

<sup>19</sup> Referred to as 'The Karnataka Zilla Parishads, Taluk panchayati Samithis, Mandal panchayats, and Nyaya panchayats Act 1983'.

<sup>20</sup> See Ramachandran, 1996, Tonquest, 1997, Heller, 1999.

<sup>21</sup> 'People's' role has been significantly curtailed in recent years (by the United Front Government) by reducing the upper limit of the development activities where the beneficiaries are involved in the implementation.

<sup>22</sup> In Karnataka the total allocation for both plan and non-plan sectors is Rs.4,733.72 crores (year 2002-03). The annual plan allocation in Kerala for the year 2001-2002 was 50329 lakhs for the village panchayat, 326 lakhs for the sub-district level, and 12723 at the district. 1 Crore= 100 Lakhs, or 10 million.

<sup>23</sup> The reservation of seats reduces the possibility of the re-election of the incumbent as the seat may be reserved for a different group in the next election.

<sup>24</sup> Fixing is also used in a much larger context which did not always involve only illegal activities, see for example, Reddy and Hargopal, 1985; Manor, 2000, Inbanathan and Gopalappa, 2003.

<sup>25</sup> Tanzi, 1994.

<sup>26</sup> In one of the instances in Karnataka contracts up to 20 lakhs were awarded to the family member of the president. The president of one of the district panchayats awarded contracts worth 20 lakhs to her husband. It is unlikely that such a practice will be unopposed, as members would like to have a share in the profits made out of such deals. There was, however, no clear indication about the other recipients of the commissions in this case, although it was mentioned that the representative had links with prominent politicians at the state level.

<sup>27</sup> If the deal was a complicated one (in terms of circumventing procedures) the commission was as high as 20 per cent. The sources of the information were representatives in the district panchayat and officials who had access to such information.

<sup>28</sup> The statements included concerning definition of corruption, corrupt behaviours, range of situations which involved rent-seeking, and on reporting corruption. These have been analysed on a three-point measure of 'least agreement' to 'full agreement'. An aggregate score of opinions was constructed where 23 to 33 indicates that corruption is justified, 12 to 22 indicates a tendency towards corruption, and 11 that rent-seeking can never be justified.

<sup>29</sup> The questions included—level of corruption in panchayats, frequency of rent-seeking, political corruption, bureaucratic corruption, perceived risk, role of middlemen, percentage of commissions, minimising competition in awarding contracts and procurement (where 1 indicated high and 3 was minimal corruption), effectiveness of transparency measures, effectiveness of accountability measures, redressal mechanisms (where 1 indicates not effective, and 3 is effective), and development and public works for which commissions and bribes are paid (where 1 indicates 'all' and 3 was 'nil payment'). An aggregate score was constructed which indicates the corruption level in the panchayats. A corruption score of 12 indicates high level of rent-seeking, 13 to 24 indicates medium corruption, and 25 to 36 is minimal corruption.

While the representatives were willing to respond to the statements on level of corruption in panchayats, very few of them were forthcoming with information on commissions and bribes involved in various deals of which they were a part. They were, however, ready to part with information about corruption in panchayats i.e., the involvement of other representatives and officials. The reliability of this information had to be established through cross-checking with several others who were expected to know something about these matters. In Kerala, and in the Udupi district in Karnataka, the representatives were more discreet about their involvement, although they were willing to talk generally about corruption networks and coalitions at work in panchayats.

<sup>30</sup> In the panchayats, elections to gram panchayats were held in December 1993, and to taluk and zilla panchayats in March 1995. Janata Dal was in control of a majority of panchayats after the 1993/1995 elections.

<sup>31</sup> In Karnataka the gram panchayat elections are not contested on party basis (i.e., using party symbols). The political parties, however, are actively involved in the election process. Although not officially acknowledged, the president is elected from the party that had the maximum number of representatives.

<sup>32</sup> For a detailed discussion on the political and institutional factors in explaining corruption in local governments in India, see Vijayalakshmi, V., 'Corruption and Local governance'. Forthcoming, Working Paper, Institute for Social and Economic Change, Bangalore.

<sup>33</sup> The maximum of the election expenses in the gram panchayats in Karnataka was Rs. 50,000, in taluk panchayats it was 3 lakhs; and in district panchayats it was 5 lakhs. The election expenses were on a lower scale for women contesting the Scheduled Castes seats and seats reserved for women in gram panchayats; and where elections were unopposed because of the intervention of the local elites. In Kerala, the election expenses were lower compared to Karnataka. At the gram panchayat level, the limit of the campaign expenses was about Rs. 50,000, and at the district and sub district levels it was 3 lakhs. Although the expenses of the gram panchayats in both the states were similar, the expenses in Kerala are not commensurate with the powers and funds involved in the gram panchayats. There is also the difference in the term of office for the presidents in Karnataka (which is 20 months for taluk and zilla panchayats presidents and 30 months for the presidents of gram panchayats) and Kerala (where the term is for five years).

<sup>34</sup> In Karnataka, officials and contractors at the sub-district and district panchayats contributed towards election campaigns. In the case of officials the funds were diverted from public funds. In Kerala, while the contractors contributed towards election expenses there was no indication of officials contributing towards campaign expenses.

<sup>35</sup> See Vijayalakshmi and Chandrashekar, 2002.

<sup>36</sup> For a discussion on some of these issues see, Vijayalakshmi, 2003.

<sup>37</sup> Women officials were employed in line departments and the offices of the district and sub-district panchayats. In Kerala the staff of all three tiers of the panchayats had women officials while in Karnataka there was no woman secretary in the gram panchayats studied but were at the sub-district (taluk) and district panchayats. We interviewed 34 officials (16 women and 18 men) including 7 engineers (only one of them, in Kerala was a woman.). In one of the districts, however, the Chief Planning Officer and the Chief Accounts Officer

were women. There were indications that both these women officials were involved in rent-seeking. In the interviews with these women, each one provided information on the corrupt activities of the other. All the contractors we interviewed said that they had also paid bribes to women officials when their bills had to be passed.

<sup>38</sup> In Karnataka, the Comptroller and Auditor General of India (CAG-I) report pointed out 361 cases of misappropriation of funds in the year 2000-2001 by the department officials amounting to 14.69 crores. One of the cases highlighted by the CAG-I report was that of the Chief Accounts Officer, a woman official (Uttara Kannada and Bangalore Urban districts), who had, without the authorisation, opened bank accounts, and diverted funds amounting to 29.32 crores. The CAG-I report is not available for reference but some details from it were disclosed to the press and reported in *The Hindu*, 30 March 2003.

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