

# Human Development and Civic Community in India

## Making Democracy Perform

*This paper tries to show that the central methodology of Robert Putnam's Making Democracy Work can be fruitfully applied to the study of the Indian states. It reports some of the results of the author's replication of Putnam's Italian study for the states. While a clear relationship can be demonstrated between state government performance in development and levels of civic engagement, it is harder to replicate Putnam's findings concerning the crucial role of social capital. In the Indian context, levels of education are more important and the implications of this unexpected result are addressed.*

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### I Introduction

Trust, voluntary associations, social capital and the institutions of civil society all became the subjects of intensified scholarly examination in the late 1990s. While none of these topics was new, the renewed search for the social origins of good governance and successful economic development – what Tonkiss (2000:72) has called the ‘social turn’ was. The catalyst for this renewed focus on the importance of society generally and for the possibly extravagant hopes that social capital, specifically, could provide the ‘missing link’ in development economics [Harriss and Renzio 1997:921] was the publication of Robert Putnam's *Making Democracy Work*. As we shall see in detail below, Putnam's remarkable conclusion from his study of the decentralisation of government in Italy was that what best predicted which regions were well governed and which were not was the presence or absence of “choral societies, soccer clubs and cooperatives” [Putnam 1993b]. The fruitfulness of Putnam's work can be seen in the works which have sought to replicate his findings elsewhere in Europe [Rico, Fraile, and Gonzalez 1998], Australia [Cox 1995; Roberts 1997], Africa [Narayan and Pritchett 1997; Widner and Mundt 1998] and Latin America [Bebbington 1997; Fox 1996]. Along with the contributors to this symposium, other scholars have explored the fruitfulness of Putnam's findings about the significance of social capital in the Indian context [Heller 1996; Morris 1998; Serra 1999].

This paper reports some of the results of my replication of Putnam's Italian study for the Indian states. While a clear relationship can be demonstrated between state government performance in development and levels of civic engagement in those states, it is harder to replicate Putnam's findings concerning the crucial role of social capital. In the Indian context, levels of education are more important. I will address the implications of this unexpected result in my conclusions.

### I Making Democracy Work in Italy

The essence of Putnam's findings and argument can be summarised briefly, though at the cost of richness and detail. In the 1970s Putnam and his colleagues studied the results of a major devolution of power in Italy: many responsibilities once monopolised in Rome were given to newly created provincial governments. After tracing the political history of the new regional governments over the first two decades of their existence, Putnam evaluated the performance of the different regional governments.

### Measuring Performance

He did this using 12 indicators ranging from the stability of regional cabinets to legislative innovation to bureaucratic responsiveness. To measure the latter, Putnam and his colleagues wrote to local authorities asking for information about fictitious problems such as job training

facilities available for a brother finishing junior high school; they then measured how long it took to get a reply. The achievement of provincial governments on these 12 indicators were summarised in an index of institutional performance.

Regional governments in north Italy, most notably that of Emilia Romagna, ranked much higher on the index of institutional performance than did those in southern Italy such as Calabria and Campania. The overall index was strongly correlated with the evaluations Italian citizens made of the work of their regional governments. Voters were satisfied with effective regions and displeased with those which were not.

### Explaining Performance

Since the most effective administrations were found in the prosperous north of Italy, Putnam asked whether differences in wealth explained differences in institutional performance. Although he found a reasonably strong relationship between economic modernity and institutional performance, Putnam advanced a striking argument about the significance of the institutions of civil society.

### Civic Community

What best explains the pattern of regional differences in institutional performance, Putnam argued, is the civic character of the citizens in different regions. He measured these differences by looking at the percentage of the population which reads a newspaper, participates in elections and belongs

to voluntary association; he also tried to measure the extent of patron-client domination of society. These measures were summarised in a single civic community index. The distribution of civic community followed a predictable pattern: it was lowest in southern Italy, and highest in the north. Putnam found a nearly linear relationship between levels of civic community and institutional performance: weak civic community was associated with ineffective institutions; where institutions performed well levels of civic community was high. The relationship between civic community and institutional performance was so strong that levels of economic modernisation added no additional predictive power. High levels of civic community were also associated with high levels of trust in others, to expectations that other citizens will obey the laws and to perceptions that regional politics are largely free from corruption.

### **Historical Roots of Regional Differences**

A striking aspect of *Making Democracy Work* is the argument Putnam makes about the strength and significance of historical continuities. He found that the regional differences in civic community which were evident in the 1970s and 80s were plainly visible a century before.

By 1904...Piedmont had more than seven times as many mutual aid societies as Puglia, in proportion to population. By 1915, cooperative membership per capita was eighteen times greater in Emilia-Romagna than in Molise [Putnam 1993a:148].

Earlier traditions of civic engagement appear to exert a strong influence on the performance of regional governments half a century later. Contemporary governments which deliver effective services to their citizens are located in regions which have long-established civic traditions. Those regions which are now both well governed and wealthy were not always wealthy. The level of civic involvement at the turn of the 20th century, rather than the economic well-being of those regions, best predicted both levels of civic involvement and socio-economic development in the 1970s [1993a:154-57].

Putnam argues that 'civic republicanism' arising from "a dense network of secondary associations" (p 90) generates social capital in the form of "trust, norms and networks...that can improve the efficiency of society by facilitating coordinated

actions" (p 167). "The denser such networks in a community, the more likely that its citizens will be able to cooperate for mutual benefit" (p 173). The argument that there is a critical nexus between social factors and the establishment of good governance and the achievement of economic development has been profoundly influential.

What is the relevance of these Italian findings for contemporary India? Certainly there are intriguing geographic and institutional parallels which suggest that replicating Putnam's study might bear fruit in India. Both Italy and India have ancient traditions of regional diversity. If anything, they are stronger in India where different regions speak different languages and groups of languages themselves descend from completely different linguistic families. There is another point of comparability: the Indian states which were formed after states reorganisation in the early 1950s have much in common with the Italian regional governments created in the 1970s. In both cases there was a significant devolution of government responsibility to elected regional governments.

India thus offers us a parallel opportunity to assess which factors – especially social capital – foster good governance.

### **I Measuring Performance in India**

Let us begin by evaluating the institutional performance of the Indian states. In making this assessment I propose one clear departure from Putnam's methodology. In his study Putnam insists that one should measure 'outputs' rather than 'outcomes' [Putnam 1993a:65]. By contrast, I believe that it is insufficient to consider outputs, though they are a useful measure of one aspect of government capacity, in isolation. In the Indian context there are important reasons why we must also assess states in terms of outcomes. First, there is no direct or necessary relationship between outputs and outcomes. Amartya Sen's work on 'entitlements', for example, has shown in the case of famines that 'outputs' in the form of food production and food availability do not automatically translate into access to food by all [Dreze and Sen 1998; Sen 1982]. Urban bias is a second reason why we must consider outcomes. Figures for the level of government services alone may tell us little about the developmental effectiveness of a state if relatively affluent

urban citizens receive the lion's share of schools and health services. Finally, I believe it is entirely appropriate to assess effectiveness in achievement in the Indian context. By their history and of necessity, the Indian states are developmental states. The Indian nationalist movement, from the foundation of the Congress Party in the 1880s, adopted the obligation to end India's mass poverty as a fundamental objective of the post-colonial state. Dadabhai Naoroji's indictment of 'unBritish rule' for its failure to alleviate poverty welded the struggle for social justice to the demand for self-rule. The failure of successive national governments in India to end mass poverty has been used by critics – especially those on the left – as one of their most trenchant arguments (for earlier writings in this vein, see, e.g. Bhattacharya 1974; Davey 1975, esp Ch VIII; Harris 1974; Weisskopf 1975).

### **Measuring State Effectiveness**

There is little agreement among development agencies and scholars how state performance in a development-oriented state should be measured. Different paradigms emphasise different measures. There are three principal arenas of performance which have been suggested in the literature: outputs, outcomes and redistributive capacity. In this paper I will confine my analysis to elements of the first two.

#### *(i) Assessing Capability: Outputs*

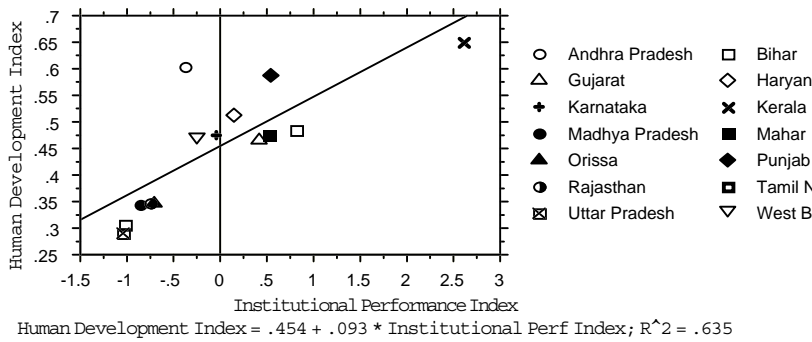
The World Bank's *World Development Report, 1997: The State in a Changing World* examines the factors which lead to effective government and the measures which have been used in different nations to increase the capacity of governments. The *report* identifies a number of 'core functions' which all national states should provide to their citizens:

- a foundation of lawfulness
- a stable macroeconomy
- the rudiments of public health
- universal public education
- adequate transportation infrastructure
- a minimal (social) safety net [World Bank, 1997:59].

The *report* also identifies a number of factors which make state action unpredictable and severely corrode government performance, the most important of which is corruption.

*Six Indicators of Institutional Performance:* A primary measure of political capacity is the ability of states to provide essential

**Figure 1: India - Institutional Performance Index and UNDP Human Development Index**



services such as these to their citizens. There are many measures which we might use to construct a summary measure of institutional performance of the Indian states. The great differences in size and wealth of the Indian states must, however, lead us to exclude many indicators such as the extent of their sealed road networks or the amounts they spend, per capita, on various services. The challenges of providing sealed roads faced by a large, relatively sparsely settled state like Madhya Pradesh cannot be reasonably compared to those of a small densely settled one like Kerala; we therefore need to use measures which are not obvious proxies for sheer size or population density. The same is true of measures which may be the results of income differences between the states; a relatively less-well-off state such as Orissa may be able to afford to spend far less on health for each citizen than a prosperous state like Punjab.<sup>1</sup>

In constructing a measure of institutional performance for the 15 largest Indian states I will use six key measures of their capacity to provide core outputs. Four of these measure aspects of infrastructure provision, one measures administrative performance and one measures the provision of social insurance. The measures and their operational variables are as in Table A.

**Table A**

Measure	Indicator
Physical infrastructure	Percentage of villages which are electrified
Medical services	Number of hospital beds per 1,000 people
Education	Number of teachers per school
Enforcement capacity	Percentage of girls 6-11 in school
Bureaucratic independence	Percentage of IAS officers who remain in a posting for more than one year
Welfare provision	Percentage of the population with access to the Public Distribution System

*Index of Institutional Performance:* I entered these six indicators into a factor analysis model. Factor scores from the first factor generated the Institutional Performance Index for the states. The Index summarises the relative capacity of each state to provide these core outputs. These measures, except for the length of IAS postings, are strongly associated with a single dimension of performance. The index captures significant differences in levels of government performance across a wide range of activities. The indicators are not perfectly associated one with the other, reflecting important differences in capabilities between the Indian states.

Important as the existence of capacity is in itself, the achievement of policy goals is the gold standard of capability for developmental states.

(ii) *Outcomes: Assessing Achievements*

The developmental achievements of the Indian states will be evaluated using the approach pioneered by the United Nations Development Programme (UNDP).<sup>2</sup> In its annual *Human Development Reports* the UNDP has ranked nations according to the Human Development Index (HDI); since 1996 nations have also been ranked using the gender-related development index (GRDI). The HDI is constructed from three components of human empowerment: access to an adequate income (measured in terms of the purchasing power of the local currency), life expectancy at birth, and levels of literacy. The GRDI, as its name suggests, attempts to measure the degree to which gains in human development have been equally shared by women and men. Like the HDI from which it is derived, it summarises three independent measures of gender equality: the Equally Distributed Income Index, the Equally Distributed Index of Life Expectancy, and the Equally Distributed Index of Education. The UNDP's human development index

has played a significant role in drawing attention to the importance of human, as opposed to more narrowly conceived economic development. Nevertheless, there are many other measures of outcome which might be used, including: the percentage of the population in poverty and in ultra-poverty, the incidence of morbidity, the extent of malnutrition, the incidence of maternal mortality, and the extent of inoculation against common illnesses.

Let us begin by considering the relationship between the index of institutional performance and the rankings of the Indian states on the human development index as compiled by Shiva Kumar (1991). As can be seen in Figure 1, there is a strong linear relationship between the two indices. The institutional performance index predicts over two-thirds of the variance in human development scores. There is a cluster of states with low institutional performance scores (largely the Hindi belt states – Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan – plus Orissa), which are also at the bottom of the human development rankings. At the other end of the scale is an outlier whose exceptional performance we will note repeatedly: Kerala. Bunched in the middle of both scores are the rest of the Indian states. Although this middle group is roughly aligned along the regression line, both Andhra Pradesh and the Punjab achieve noticeably higher human development scores than would be predicted from their institutional performance.<sup>3</sup>

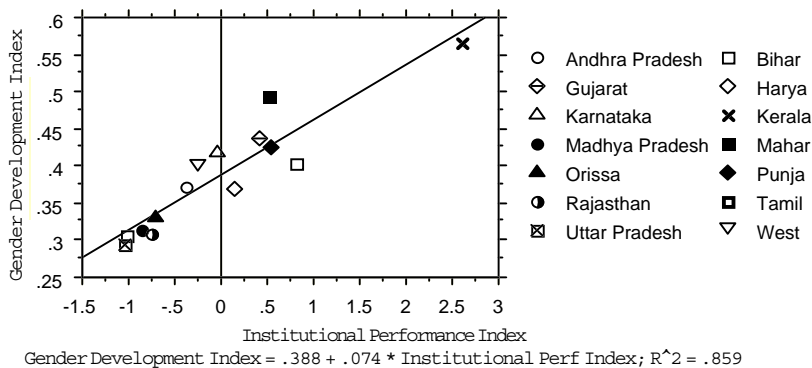
This pattern is repeated when we compare institutional performance and the UNDP's Gender Development Index [Shiva Kumar 1996]. The relationship between these two variables is even stronger (Figure 2); institutional performance predicts 86 per cent of the variance in gender equity. Most states lie close to the regression line; Maharashtra however performs relatively better than one would expect knowing only its institutional performance. At the bottom of the rankings once again are Orissa and the north Indian Hindi belt states.

The strong correlation between the two UNDP indices and the index of institutional performance gives reassuring confirmation of the reasonableness of the

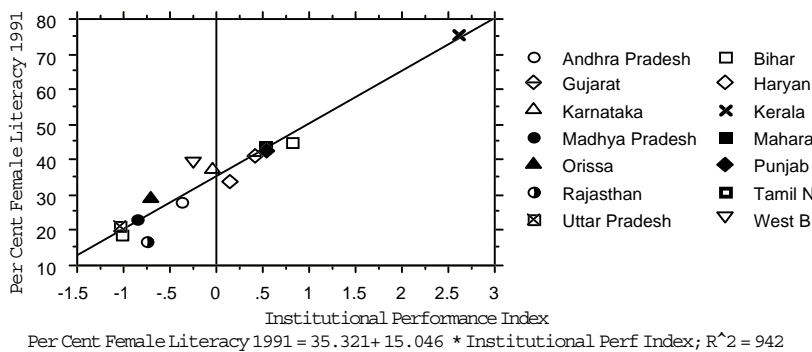
**Table 1: Index of Institutional Performance**

Performance Indicator	Factor Loading
Hospital Beds/1,000	.914
PDS Share 87/8	.844
Teachers/School 91	.834
Percent villages electrified	.785
School per cent girls 6 < 11	.752
IAS transfers > 1 year	.221

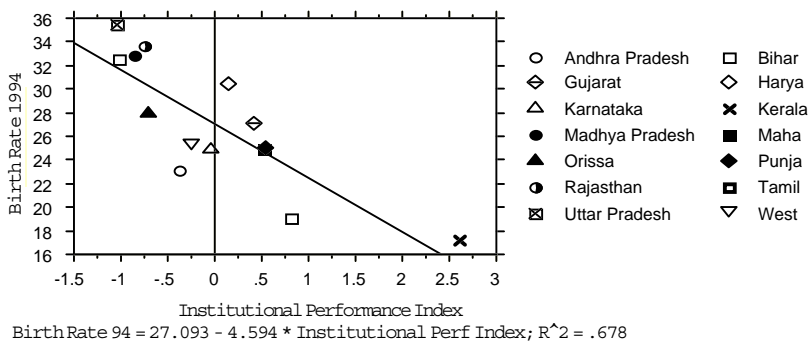
**Figure 2: India: Institutional Performance Index and UNDP Gender-Related Development Index**



**Figure 3: Institutional Performance and Female Literacy, 1991**



**Figure 4: Birth Rates, 1994 and Institutional Performance**



Index. In addition, the strong predictive power of the index of institutional performance underscores the importance of institutional capacity: more capable states secure better human development outcomes for their citizens.

### **Institutional Performance and Well-being of Women and Children**

The impact of institutional capacity on human development can be seen when we examine what the Indian states have achieved in specific areas of human welfare.<sup>4</sup> Let us begin with human capital.

It is widely recognised that the achievement of basic literacy, especially for girls, is probably the most important developmental outcome which a government can secure [Dreze and Sen 1995:Ch 6]. Figure 3 presents the relationship between institutional capacity and educational outcomes. It is evident that there is a very strong and linear relationship between the two; this is confirmed by the coefficient of determination which indicates that almost 95 per cent of the differences between states in the achievement of female literacy could be predicted from their institutional performance. The wide gulf which separates the performance achieved

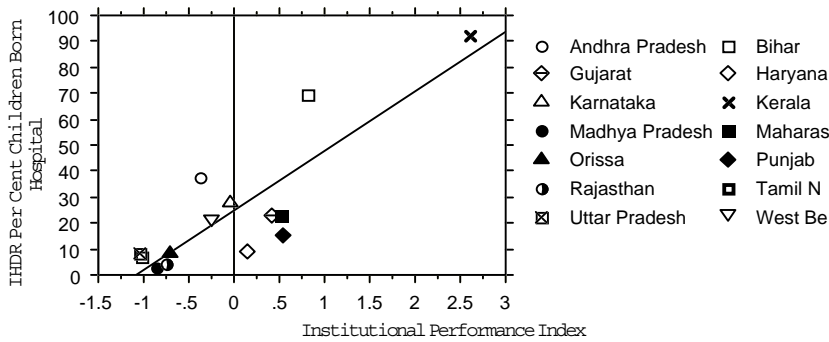
by successive governments in Kerala from those in all other states is also starkly evident in the scattergram. The developmental failure of the Hindi-belt states and Orissa is equally obvious.

The empowerment of women which flows from literacy has broad developmental consequences. It is not surprising to find that institutional capacity, as a major 'driver' of literacy, has other, highly significant, demographic impacts. This is illustrated clearly in Figure 4 which presents the association between institutional performance and birth rates in the states in 1994. Once again we find that the lowest birth rates have been achieved in states with higher levels of institutional capacity. The large northern Indian states where institutional capabilities are lowest are responsible for most of the continuing growth in the Indian population. Haryana appears as something of an exception with a relatively higher birth rate than would be predicted from its score on the institutional performance index. Birth rates in Andhra Pradesh and Tamil Nadu are relatively lower than we would predict on the basis of institutional capacity. Nevertheless, two-thirds of the differences in birth rates between the states can be predicted from their institutional performance scores.

There are other important outcomes for which few states provide adequate outputs. For example, well under half of all childbirths in India occur in a hospital. It can be seen in Figure 5, which compares the results of a large sample survey conducted for UNICEF by the NCAER with the index of institutional performance that, although there is a clear and strong association between the two, most states do not provide adequate hospital access. Kerala and Tamil Nadu are the noticeable exceptions to this generalisation. Some states, such as the Punjab and Maharashtra, whose governments generally achieve higher levels of outputs, stand near the bottom of the rankings on hospital births. The overall disparity between general outputs and achievement of specific outcomes such as hospital births reinforces the importance of examining both aspects of performance.

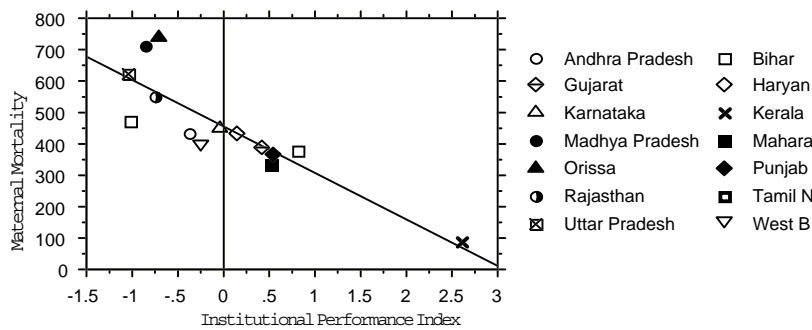
There are, of course, many other indicators of health delivery. Adequate primary health services are vitally important. The maternal mortality rate is an important measure of the overall adequacy of local-level health services. Figure 6 demonstrates that mothers in highly capable states are at much lower risk of death in childbirth.

**Figure 5: Percentage of Children Born in Hospital and Institutional Performance**



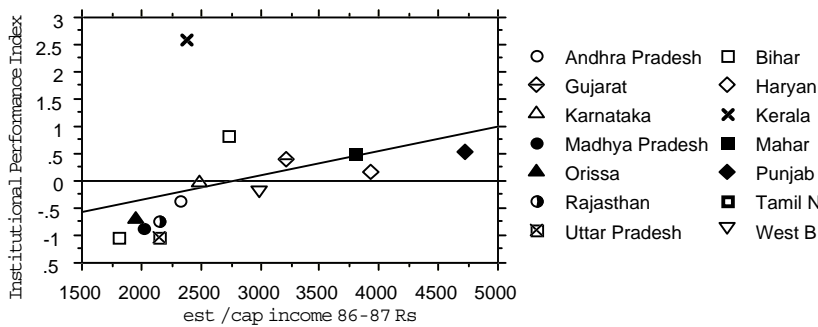
IHDR Per Cent Children Born Hospital = 24.886 + 22.889 \* Institutional Perf Index; R<sup>2</sup> = .721

**Figure 6: Maternal Mortality and Institutional Performance**



Maternal Mortality = 454.357 - 147.839 \* Institutional Perf Index; R<sup>2</sup> = .753

**Figure 7: Per Capita Income, 1986-67 and Institutional Performance Index**



Institutional Performance Index = -1.213 + 4.394E-4 \* est /cap income 86-87 Rs; R<sup>2</sup> = .154

There are some minor surprises here – Bihar does relatively better, and Orissa and Madhya Pradesh do worse, than we would predict on the basis of overall institutional performance.

These differences in performance call into question the propositions offered by Atul Kohli in *The State and Poverty in India: The Politics of Reform*. Kohli concluded from a comparison of efforts at developmental reform in three Indian states – Uttar Pradesh, Karnataka and West Bengal – that only where there was a strong left-of-centre regime, such as the Communist Party (Marxist) of West Bengal, could effective reform take place.<sup>5</sup> While no one would quibble about the failures of Uttar

Pradesh, the superior performance in developmental reform of strong left-leaning governments in West Bengal over populism-dominated regimes in Karnataka is not self-evident. If one examines Figure 2, for example, it is evident that a relatively wide spectrum of state-level regimes have shown equal or superior achievements in the promotion of human development to Kohli's exemplar, West Bengal.

These results suggest that there may be more degrees of freedom to achieve human development goals than our pessimism may sometimes suggest to us. A number of states in India have shown that the social structures bequeathed by colonialism are not immutable. And equally that there is

more than one party under whose banner girls can learn to read and the unnecessary deaths of babies can be prevented.

#### IV Explaining Institutional Performance

How do we explain these striking differences in institutional capabilities? Why are output capabilities low and achievement of human development outcomes poor in the BIMARU states of the north Indian Hindi-belt? How may we explain the anomalous position of Kerala, the fugelman of Indian human development?

A simple and familiar model is one which presumes institutional performance to be a function of the economic resources available to a state. In comparative international terms it seems plausible since infant mortality is low and democracy secure in states with high average per capita incomes.

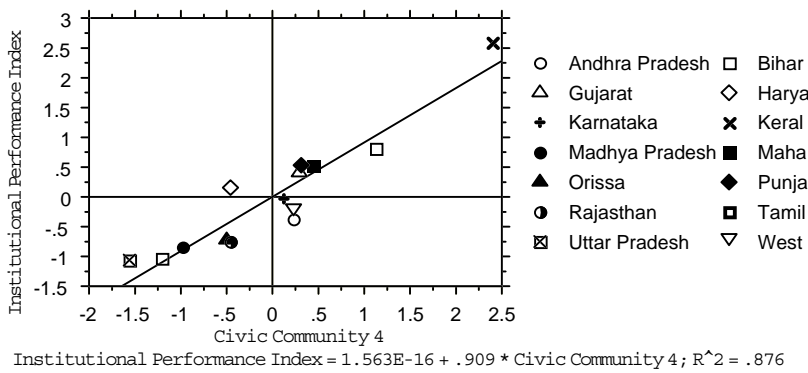
Differences in per capita income, however, account for a relatively small proportion of the differences in institutional performance of the Indian states. It can be seen in Figure 7 that there is little correspondence between per capita income levels and rank in institutional performance. Punjab, with India's highest per capita incomes, is on a par in performance with less well-off states. On the other hand, low per capita incomes have not been a barrier high levels of performance in Kerala. If differences in income levels do not explain the differences in performance, where should we look?

#### Regional Differences in Civic Community

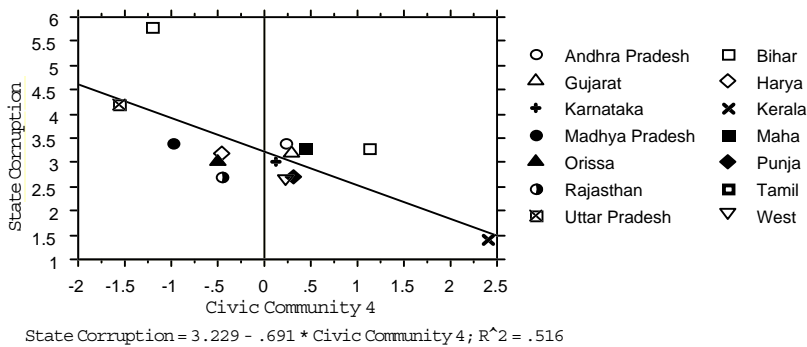
In Putnam's study, the Italian regions in the 1970s and 80s which enjoyed good governance were those in which many citizens read newspapers, voted in elections, were not enmeshed by patron-client relationships – and belonged to many clubs and associations. Does civic republicanism play a similar role in India? To test this requires that we create a civic community index for India. We cannot generate an Indian index by simply copying Putnam's: equivalent datasets to those used for the Italian study are not available for India.

One of the variables which can be directly incorporated is electoral turnout. In this case we use the average percentage turnout for Lok Sabha elections between 1957 and 1991. Here the Indian measure is superior to the Italian, since India has

**Figure 8: Civic Community Index and Institutional Performance Index**



**Figure 9: Civic Community Index and Levels of Corruption**



never had compulsory voting. Another variable which can be readily replicated is newspaper readership for which circulation figures are a reasonable substitute. We have no census of voluntary organisations in India, and thus cannot derive a direct measure of the density of associations. At this stage I have opted to utilise two proxies. The first measure is reasonably straightforward: membership in credit societies per 1,000 population 1986-87. The second measure concerns political organisations: it measures the degree to which political competition occurs along party lines. In some states opposition parties are able to come to electoral arrangements which allow them to compete effectively with the dominant party in the constituency. In others, where the basis of trust and accommodation are lacking, they cannot. In the extreme case, large numbers of candidates, some representing parties and others standing as independents engage in futile contests under India's first-past-the-post electoral system. This aspect of the measure shades into the next.

The final item is a measure of the impact of personalism or social hierarchy which I have called the strong society index.<sup>6</sup> Items composing the index include law and order variables such as violations of the Arms Act, rates of grievous bodily

harm, rape and murder as well as indicators of physical deprivation which are commonly associated with hierarchical dominance in society such as child malnourishment, infant mortality and household size.

### Indian Civic Community Index

The five indicators used to construct the index of civic community are reasonably intercorrelated, and thus form the basis for an index using factor analysis.

The distribution of factor scores for each state follows a pattern which by now is quite familiar. The components of civic society are weakest where we might anticipate it: in the Hindi belt. Bihar and Uttar Pradesh come at the bottom of the list, followed by Madhya Pradesh and Rajasthan. But there are also non-Hindi-speaking states where the factors of civic society are weak, including Orissa and – especially surprisingly – the economically well-off Haryana. At the other end of the scale the pattern is also familiar, with Kerala standing well apart, followed at some distance by Tamil Nadu, below which comes Maharashtra.

It comes as no surprise to discover that there is a strong pattern of association between the civic community index and the index of institutional performance; the

correlation coefficient is .94 ( $p < .0001$ ). Some of the strength of the association derives from Kerala's very high level of civic community but on the whole, knowing how civic a state is allows us to predict the institutional capacity of its government with considerable accuracy. One minor exception, which we have already noted in passing, is Haryana whose level of civic engagement is quite low, yet which has a reasonably capable government. The placement of Haryana – a relatively wealthy state – above the regression line suggests that income may also play a part in determining institutional performance. This, however, is not confirmed by multiple regression. By itself the index of civic community enables us to predict 88 per cent of the variance in institutional performance. Adding per capita income increases our predictive ability by only 1 per cent, and the variable is not statistically significant.

Not only are the governments of more civic states more effective providers of core outputs and human development outcomes, but in broad terms they are also perceived by citizens to deliver better governance. When the results of a national survey which evaluated the extent of corruption in each state are regressed on the index of civic community, the result is instructive. At the extremes, the relationship is quite clear: low levels of civic community are associated with the highest levels of perceived corruption – extremely so in the case of Bihar; at the highest level of civic community, in Kerala, perceived levels of corruption are the lowest in India. For the middle range of civic community the results are indeterminate, as all are perceived to have quite similar levels of corruption.

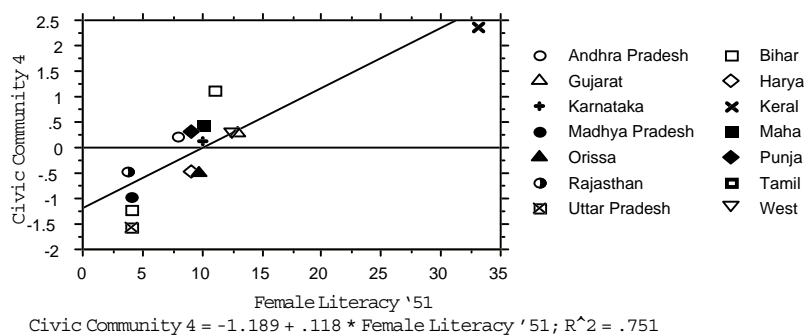
## V What Builds Civic Community? Social Capital or Human Capital?

Putnam traced the roots of good governance of the Italian regions to strong civic traditions which were already evident at

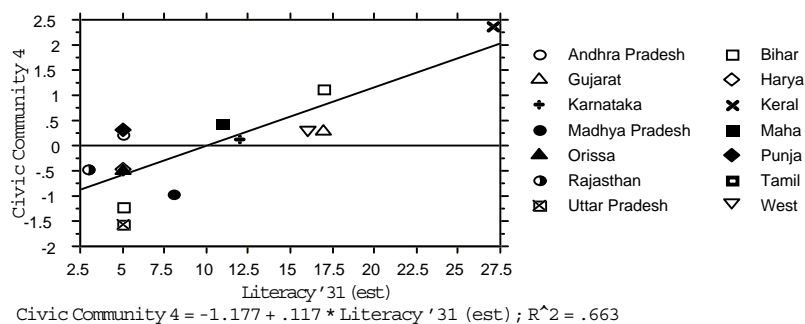
**Table 2: Indian Civic Community Index**

Civic Indicator	Factor Loading
Strong Society Index	-.90
Credit Society Membership 86-87	.84
Index of Opposition Unity	.83
Average Lok Sabha turnout 57-91	.76
Newspaper circulation/1000	.73

**Figure 10: Female Literacy, 1951 and Civic Community Index**



**Figure 11: Female Literacy, 1931 and Civic Community Index**



the end of the 19th century and whose ultimate origins he felt might be traced back to the middle ages. The differences between civic and less civic regions he attributes to the higher levels of social capital in the former. For more than a century, civic regions have had denser networks of the choral societies, sports clubs, cooperatives, mutual aid societies, trade unions and cultural societies which nourish social capital.

Are there similar traditions of dense sociability and social trust in India which explain the marked regional differences we have observed in civic traditions and institutional performance? I should note here that I know of no evidence which suggests that any part of India has the dense networks of associational membership which Putnam found in northern Italy. Pradeep K Chhibber reports cross-national data on membership in organisations. India – only 13 per cent of whose citizens belong to at least one organisation – is placed at the bottom of his list of democracies [Chhibber 1999:17].

We lack the data to undertake an entirely satisfactory examination of this question. As noted earlier, we lack comprehensive censuses of contemporary community organisations.<sup>7</sup> For earlier periods the data are even more meagre, earlier provincial boundaries do not correspond to those of the contemporary states and the data we

have do not fully serve our purpose. I have explored a number of possible proxies for the rate of organisational membership and thus indirectly of social capital in early decades of independent India, including numbers of formal organisations and trade union memberships. Because the formal organisations reflect primarily activities of the English-speaking middle class and both they and trade unions are almost exclusively urban in character, they have been excluded. The most consistent and apparently appropriate figures are those for rates of membership in cooperative credit societies.

The results here are disappointing especially given the expectations raised by Putnam's findings in Italy. There is a modest and statistically insignificant correlation ( $r = .41, p = .19$ ) between the rate of primary membership in cooperative societies in 1951-52 and the cooperative membership rates in the 1980s and no relationship between early cooperative membership rates and rates of organisational membership found by the CSDS post-1996 survey ( $r = .03, p = .94$ ) [cited in Serra 1999]. The correlation between cooperative society membership rates of the early 1950s and the civic community index is equally moderate and statistically insubstantial ( $r = .44, p = .15$ ), and the correlation with the index of institutional performance is weak ( $r = .31, p = .32$ ).

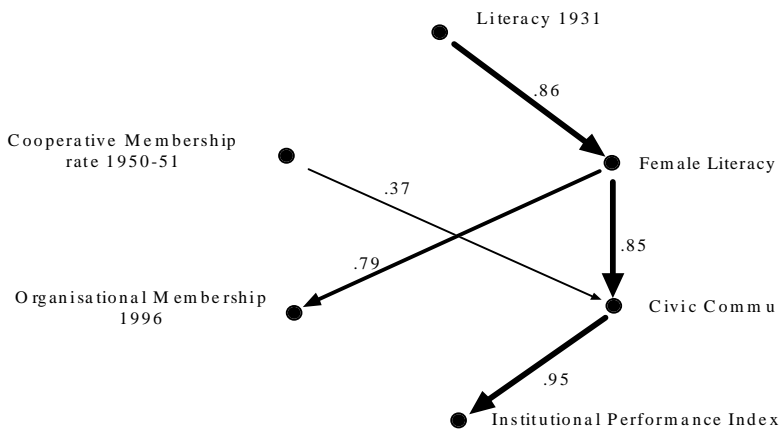
The apparent lack of a significant causal linkage between earlier levels of social capital and either civic community or institutional performance raises important theoretical issues which I will consider shortly. For the moment I want to pursue another line of enquiry. My own replication of Putnam's work on 19th century Italy has revealed that earlier levels of literacy, especially female literacy, were strongly associated with Putnam's turn-of-the-century Index of Civic Traditions.<sup>8</sup> I found a strong and significant correlation between Italian female literacy rates in 1871 and Putnam's Index ( $r = .90, p < .0001$ ), his contemporary Civic Community Index ( $r = .87, p < .0001$ ) and the Index of Institutional Performance ( $r = .78, p = .0001$ ). If earlier literacy rates enable us to predict about 80 per cent of the variance in civic traditions and three-quarters of levels of civic community a century later, it suggests, at the very least, that education has an equal claim to our attention as social capital.

When we examine the impact of literacy in the Indian context, we find that there is a similar strong relationship over time between earlier levels of human capital and later levels of good governance. It can be seen in Figure 10 that there is a strong correlation between the levels of female literacy recorded in the first post-independence census in 1951 and the civic levels which existed in the 1990s. If anything, Kerala was further ahead of the other states in 1951.<sup>9</sup>

As in Italy, the impact of what we may christen educational tradition, is powerful and enduring. As Figure 11 illustrates, literacy levels attained in 1931 allow us to predict two-thirds of contemporary levels of civic community; they are equally powerful in predicting the variance in levels of institutional performance ( $r = .84, p = .0003$ ).

Educational traditions are also strongly correlated with more recent measures of social capital. The correlation between literacy levels in 1931 and rates of cooperative society membership in the mid-1980s is high and significant ( $r = .73, p = .006$ ) as it is with the levels of organisational membership reported by CSDS for 1996 ( $r = .77, p = .002$ ). The strength and impact over time of levels of educational attainment on the achievement of good governance and human development in both Italy and India, forces us to reconsider the role played by social capital. Is social capital the *primum mobile* of successful

**Figure 12: Education, Social Capital, Civic Community and Institutional Performance**



Note: Model includes only paths with  $F > 4.0$

democracy as Putnam argues in his concluding chapter?

It is possible to offer a preliminary answer to this question by constructing a causal model (Figure 12). Bearing in mind the possibly unsatisfactory nature of the proxies used to measure social capital, the model offers some unexpected conclusions. The strongest causal connections which emerge from the model are those that flow from education levels in 1931 and 1951 to civic community and institutional performance. There is an independent secondary causal chain which links a measure of earlier social capital levels (cooperative membership rates in 1950-51) to civic community. It is puzzling that the connection does not flow through the more recent measure of associational membership levels, which is itself largely affected by earlier educational levels. The model indicates that although social capital does have an independent impact on civic community in India, it is weaker than that exerted by educational traditions.

The recursive place of education, which at successive periods appears as both input and outcome in the model, suggests that in place of the essentially linear model which Putnam proposes for social capital, we might better consider that there is a helical causal spiral over time, represented in crude typographic form:

human capital => Civic Community (+ social capital) => Government Outputs => human capital outcomes

## VI Conclusion

I have sketched in this paper the fruitful parallels for the study of Indian develop-

ment which I believe are to be found in the experiences of Italy. It would be misleading, of course, to overstate the degree of congruence between two societies which are in many things so very different. Nevertheless, I have tried to illustrate a few of the ways in which I have found the developmental experience of Italy to be a fertile source of hypotheses and methods to apply to India. This has been especially the case with Putnam's exploration of the sources of institutional capacity.

In this paper I have tried to show that the central methodology of Robert Putnam's *Making Democracy Work* can be fruitfully applied to the study of the Indian states.<sup>10</sup> His approach to the measurement of institutional capacity and exploration of the sources of good governance in Italy delivers interesting and important insights into India's own experiment with democracy. When we expand the scope beyond the limits of the Italian study to include outcomes as well as outputs, a strong – and I believe compelling – case emerges for the importance of effective civic involvement in making democratic governments deliver essential human development outcomes. The least civic states in India – where traditional hierarchical dominance is strong and active citizenship is weakest – are those where infant mortality is elevated, life expectancies are relatively short and too few girls learn to read.

The exploration of civic community in India has also exposed a significant lacuna in the Italian study. Putnam says little about education. Because he found that “contemporary education levels do not explain differences in performance among

the Italian regions” (1993a:118), he concluded they ‘did not pass muster’ as an explanation for institutional performance. Though he concedes that in the past education may have strengthened the foundations of the civic community (118), its lack of significance in Italy in the 1970s apparently led him to overlook its impact in the 1870s. Both the Indian evidence I have reported in this paper and my other work on 19th century Italy demonstrate that the impact of educational traditions on the development of civic community is considerable.

The failure to recognise the significance of educational tradition in fostering civic community has potentially adverse policy implications. Putnam argues that uneven distributions of social capital create ‘path dependence’ which propels some regions towards good governance while keeping it out of the reach of others. The strongly deterministic aspect in Putnam's analysis of social capital led the ‘able reformist regional president in an uncivic region’ to expostulate when he had learned of Putnam's findings: “This is a counsel of despair! You're telling me that nothing I can do will improve our prospects for success. The fate of the reform was sealed centuries ago” [Putnam 1993a:183].

The evidence I have presented here indicates that good governance may be less dependent on initial endowments of social capital than Putnam's analysis suggests. There appear to be strong causal linkages between education, good governance (and possibly social capital as well) and successful human development. Unlike social capital, for the creation of which we lack proven technologies, we have centuries of experience in forming educated populations. In India modern educational traditions have been created by both private institutions – especially Christian churches – and the state. While we are still unsure what policy instruments foster dense associational ties and trust, we do know how to ensure that all citizens are literate. I find myself, therefore in at least partial agreement with the policy thrust of Harriss and other critics of Putnam who maintain that “institutions can be created which offer a basis for trust...‘social capital’...is constructable” [Harriss and Renzio 1997:934]. If the analysis I have presented here is correct, institutions can certainly be created which foster civic community and thereby governments which perform. **EW**

## Notes

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- 1 Rico and her colleagues criticise Putnam, correctly as I believe, for not taking the importance of economic resources into consideration [Rico et al 1998].
- 2 Matthew Morris has examined the impact of social capital on levels of poverty in India [Morris 1998].
- 3 This ranking is consistent with the typology of Indian state regimes suggested by John Harriss [Harriss 1999].
- 4 Renata Serra has undertaken a similar exercise looking specifically at health outputs and outcomes (1999). I am obliged to Niraja Jayal for drawing Serra's work to my attention.
- 5 It must be noted that Kohli restricts his examination to land and tenancy reform.
- 6 I have taken the name from [Migdal 1988].
- 7 See Renata Serra (1999) for a discussion of the difficulties of measuring social capital in the Indian context.
- 8 These findings are reported in 'An Italy of Asiatic Dimensions' (forthcoming).
- 9 Serra also found that 'education appears as a powerful element determining whether citizens are able to participate in society at large, interact effectively with government, and promote democracy. The line of causation from social capital to state performance is not proved in the context of Indian states, since, if literacy is a fundamental intervening variable, it is itself a product of public policy (p 18).
- 10 Attempts to replicate Putnam's work in Africa have been disappointing. See, for example [Widner and Mundt 1998].

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