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**THE IMPACT OF RESERVATION IN THE PANCHAYATI RAJ:
EVIDENCE FROM A NATIONWIDE RANDOMIZED EXPERIMENT**

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1 INTRODUCTION

The 73rd Amendment paved the way for a fundamental change in the way public goods are delivered in rural areas in India. Through the structure of the Panchayati Raj, local councils directly elected by the people are responsible for making decisions on an array of public good decisions. Twice a year, the councils must also convene village meetings (Gram Sabhas), where the villagers must approve their plan and their budget. Eventually, the Gram Panchayats are supposed to be given control over an even broader array of social services, including basic education and primary health care. The hope is that decentralization, by bringing decision-making closer to the people, may improve both the quality of social services delivery in India, which is in many ways disastrous (e.g., Pande Team (1999)), and its adequacy to meet people's needs.

However, in a country with a heterogeneous population, a danger is that decentralization will make it more difficult to protect the interests of weaker segments of the population, notably women, the Scheduled Castes (SC), and the Scheduled Tribes (ST), and, in particular, to ensure that they get their fair share of public goods. To alleviate this concern, the 73rd Amendment required that a fraction of seats at all levels be reserved to women, SCs and STs. While reservations for SCs and STs are in place in other elected bodies (national and state legislative assemblies), the 73rd Amendment is the first one in India that mandated women's reservation, and this made it a landmark piece of legislation as well as, to some extent, a test case.¹ It also makes an objective

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¹There are reservations for women in many other countries, however. Quotas for women in assemblies or on parties' candidate lists are in force in the legislation of over 30 countries (World Bank (2011)), and in the internal

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