

Dispute resolution mechanisms in Bihar

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BIHAR is a state with historically low state capacity, high population density – and therefore extreme pressures on land – and deep social fissures. It is therefore not surprising that this combination of factors results in frictions in social and economic interactions, both among citizens and between citizens and the state. Dispute resolution and grievance redressal mechanisms therefore can play an important role in mitigating these frictions and facilitate in generating greater economic activity and in improving trust in governance.

In this piece, we will examine two very different ways the state of Bihar has reconfigured itself to deal with disputes arising from the frictions. Both institutional innovations are first of its kind in India, putting Bihar at the forefront of institutional experimentation. First, we will examine Bihar's pioneering grievance redressal system, the first in

India to give citizens a right to redress their complaints pertaining to local governments' activities in a timely manner. This is a bureaucratic system where a higher arm of the state, represented by an administrator called the Public Grievance Redressal Officer (PGRO), is employed to keep other, more *local* arms of the state in check. The second system is the Gram Katchahry or village court system, also unique to Bihar. Here, locally elected representatives at the Gram Panchayat (GP) level act as judicial authorities, helping resolve civil disputes between citizens.

We will describe both these systems individually, chalking out their strengths and weaknesses. We will then discuss them in conjunction, detailing a joint narrative of their role in local dispute resolution and the lessons we learn from each. Finally, we will conclude by providing pointers for further research.

The roots of the Bihar Public Right to Grievance Redressal Act (BPGRA) lie in the state's Janata Durbars ('People's Courts').¹ Since the late 2000s, Bihar had instituted a system where government officials would throw open their doors for public complaints regarding their work. District Collectors, Ministers and even the Chief Minister himself² pre-announced specific times and days of the week where any aggrieved citizen could present their case directly to them. The Collectors typically held their durbars in the Collectorate, while the Chief Minister's official residence functioned as a durbar. Subsequently, after January 2009, the Chief Minister decided to hold his durbars among the people, in towns and villages across the state. By 2016, the Chief Minister had held 241 durbars and, as per official data, heard 2,77,249 complaints.³

While the Durbar's were both popular and acted as forums for citizens to present their complaints against the state, the state's ability to follow-up and resolve complaints was found wanting. A group of retired Bihar Administrative Services (BAS) bureaucrats were commissioned to work as 'grievance redress officers', tasked with tracking complaints through the bureaucratic chain and ensuring redressal. However, this wasn't quite enough, and complaints were often lost in the bureau. As one scholar noted: '[T]he grievance redress officers have the power to penalize other officials, but do so rarely, perhaps

because they pride themselves on working with officials rather than acting as adversaries or, perhaps, because as former bureaucrats themselves, they are reluctant to become confrontational with their former colleagues.'⁴

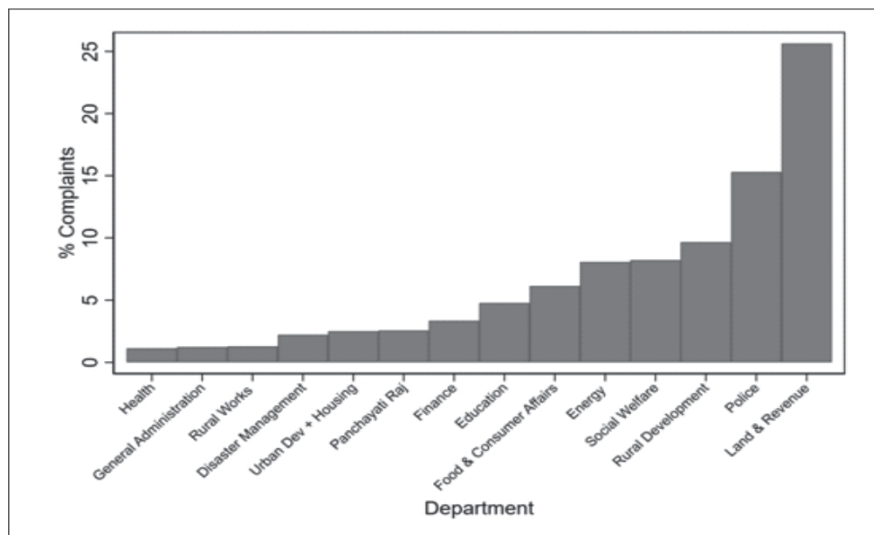
The low resolution rates were not unknown to the administration. While launching the BPGRA, the Chief Minister said: 'On the basis of my experience of holding Janata durbar meetings for ten years, I can say people got the opportunity to be heard at police stations, blocks, districts, and state headquarters. But there was no guarantee of their grievances being redressed. Most of the grievances remained unresolved and that used to haunt my mind.'⁵

The primary motivation for the BPGRA may have been to provide a

underlying hard and soft infrastructure provided scope for much more. BPGRA differed significantly from the status quo. The law, the first of its type in India, bestowed every citizen a *right to redressal* of their grievance against the state. This right nested the following rights: a right to file their complaint for free, a right to facilitation of the complaint, a right to information regarding the complaint, a right to receipt of a tracking number, a right to hearings, a right to redress and, finally, even a right to appeal.

To ensure these rights were guaranteed, the government of Bihar set up a grievance redressal centre in every one of Bihar's 102 subdivisions. Each centre was headed by a Public Grievance Redressal Officer (PGRO), a member of the Bihar Administrative Services (BAS). Once a complaint was

FIGURE 1
Distribution of Complaints across Departments



systematic forum to follow up on complaints made at the durbars, but the

filed, citizens were given a date to show up for hearings, where they would be granted an audience with the PGRO and the bureaucrat against whom the complaint was filed (officially called the 'Lok Pradhikar'). Redressal was guaranteed within a period of 60 days, failing which citizens could appeal to authorities higher up the chain. The

1. This section draws from M.R. Sharan, *Last Among Equals: Power, Caste and Politics in Bihar's Villages*. Westland Publishers, 2021.

2. The Chief Minister's durbars were called *Janata ke Durbar mein Mukhyamantri* (the Chief Minister in the people's court).

3. See: https://www.business-standard.com/article/pti-stories/nitish-launches-public-grievance-redressal-act-in-bihar-116060500638_1.html.

4. Nick Robinson, 'Complaining to the State: Grievance Redress and India's Social Welfare Programmes', CASI Working Paper Series, 2013, p. 20.

5. See: <https://indianexpress.com/article/india/india-news-india/bihar-nitish-kumar-public-grievance-redressal-act-2836375/>

back end of BPGRA comprised an MIS which digitally tracked every complaint made. Descriptive variables included, inter alia, the nature of complaint, Lok Pradhikar assigned, date of hearing(s), details of interim judgements issued (if any) and even final judgement by higher authorities.

Complaints could be filed across 44 major departments of the state. Most complaints filed under the BPGRA are closely linked to members of the local state.⁶ BPGRA's vision was a transformation of the local state, one complaint at a time.

Below, we present some stylized facts based on the universe of complaints filed under the BPGRA from June 2016 to September 2019. These facts, therefore, are valid for the first half of BPGRA's existence. Crucially, this is data from the pre-covid era.⁷

under the BPGRA. While complaints are filed across all 44 departments that come under the ambit of the BPGRA, this figure only restricts attention to departments that contribute at least 1% of the overall share of complaints.

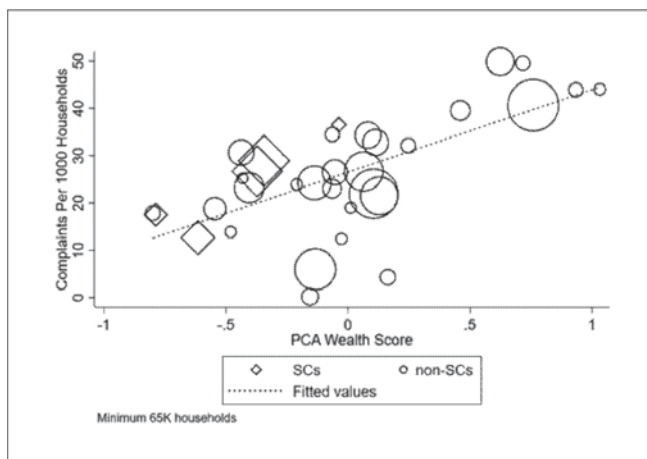
First, we note that the most common type of complaints pertain to land. These complaints, numbering to over 25% of overall complaints, chiefly comprise three issues: disputes regarding encroachment, land taxes imposed and measurement of land. These three together make up nearly 60% of land related complaints. Surprisingly, the main police related complaint pertains to land disputes too. In addition, complainants also regularly use BPGRA to enquire about the status of their FIRs.

Following land and police, many of the main departments under which complaints are filed pertain to rural development issues and receipt of

filed by women. Aside from structural reasons pertaining to women's agency in daily life, there are other factors that contribute to gender bias: over 75% of the complaints are filed in person at the Subdivision office (where the PGRO sits). Thus, citizens need to travel considerable distances—often hopping across multiple modes of transport—to file complaints. Subsequently, complainants must make at least one more trip to attend hearings. This further increases the time and distance costs of using the grievance redressal system.

The pattern for women is different from men: land and police do not dominate complaint shares and, in fact, both social welfare (pensions) and rural development (housing) have similar shares to land and police. Thus, this indicates that the median citizen's complaints are less skewed than what the overall, male dominated patterns suggest.

FIGURE 2
Complaining Rates By Wealth Scores



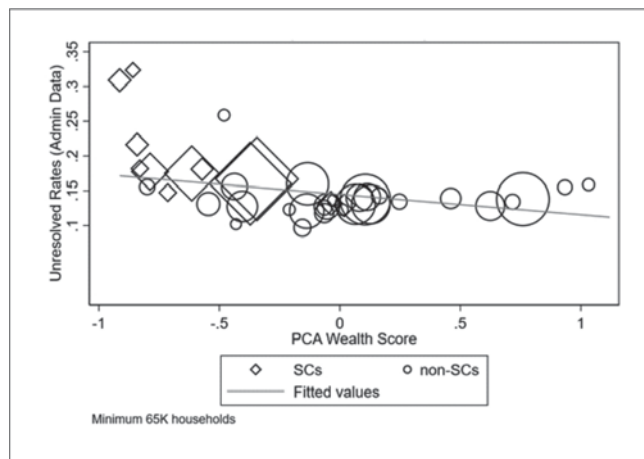
The total complaints filed up to September 2019 is 5,48,904.

Figure 1 plots the % of complaints across different departments

6. Typically, the most commonly called Lok Pradhikars are either the circle inspector or the Block Development Officer.

42 7. While we do know that both the waves of Covid disrupted the functioning of the system, our findings cannot shed light on how the system responded during this period.

FIGURE 3
Unresolved Complaint Rates By Wealth Scores



welfare scheme benefits, including housing, pensions, food, and rural infrastructure. Much of the implementation of these schemes are done by the local government and citizens typically use the system to complain regarding 'last mile issues'.

Second, we note that there is a severe gender bias in who files the complaint. Only 17% of complaints are

Third, we present suggestive evidence linking a subcaste's socio-economic status to (a) complaint filing rates and (b) complaint resolution rates. To do so, we rely on the Socioeconomic Caste Census (SECC 2012), a nationwide census of all households in the country. We compare complaining rates against asset wealth of sub-castes. We proxy for sub-castes

using surnames.⁸ We calculate two measures: (i) using official complaints data, the rate of filing rates/non-resolution of complaints for various sub-castes and (ii) the average wealth score of households of individuals from those sub-castes based on a principal component analysis of assets captured under the SECC.

Figure 2(a) plots the relationship between complaint filing rates and wealth scores. The data suggests that households from richer sub-castes are more likely to file complaints. Figure 2(b) plots non-resolution rates against wealth scores. The data suggests that poorer households – which are disproportionately drawn from the Dalit community – are more likely to have complaints being unresolved.

BPGRA has the potential, however, to empower members of marginalized communities. As Sharan and Kumar show,⁹ elected local representatives from the Dalit community use the system to exercise their voice. Unable to negotiate with the local state through informal means, they file formal complaints to appeal to members of the higher state. A randomised controlled trial in 2022 suggested over a 25% increase in project implementation in wards where Dalits representatives filed complaints compared to identical ones where no complaints were filed.

As of February 2022, over 13 lakh complaints have been filed under the BPGRA. This may seem like a large number, but it translates to a mere six complaints per PGRO per day. Seen another way, about 3.8% of Bihar's households have filed a complaint.

8. Last names that are neutral, for example 'Kumar' are dropped. We also back out last names of women based on father's last name.

9. M.R. Sharan and C. Kumar, *Something to Complain About: How Minority Representatives Overcome Ethnic Differences*. Mimeo, University of Maryland, 2022.

Aside from transaction costs of filing complaints, another reason could be resolution rates. A survey conducted by the IDFC Institute of 1047 randomly sampled respondents in 2018 suggested that actual resolution rates of complaints was about 33% (much lower than the 97.3% reported on the BPGRA website).¹⁰ The overall redressal rate of 33% is relatively high, compared to such systems across the world. However, the combination of high costs of filing and relatively low success rates could deter citizens from complaining.¹¹

The survey also revealed that, conditional on complaining, nearly 75% of complainants said they were satisfied with BPGRA, rating their experience as either 'good', 'very good' or 'excellent'. This difference in numbers – between actual resolution rates and citizens' satisfaction with the system – points to something fundamental about the grievance redressal system in Bihar. BPGRA, owing to a combination of enormous political will, a powerful law that places citizens' rights at the centre and commendable hard and soft infrastructure, is a forum that has allowed lakhs of citizens to resolve complaints against the local state.

10. Moreover, there is considerable variation in resolution rates: grievances related to welfare payments (40%) are twice as likely to be resolved as those related to land encroachment (20%).

11. Another reason could be lack of awareness. In the first three years of the BPGRA, people lacked knowledge of the grievance redressal system. A pilot survey conducted in 2017 suggested that fewer than 5% of BPL households had heard of the system. Similarly, in 2019, when speaking with relatively more embedded ward members - elected local officials - only about 25% had knowledge about BPGRA (Sharan and Kumar 2021). Knowledge is partly endogenous to transaction costs: if filing complaints were easy, then awareness would spread quicker through word of mouth.

However, its lack of popularity could be a design flaw. Fundamentally, a grievance redressal system relies on one arm of the state keeping tabs on other arms of the state. However, since everyone is part of the same bureaucratic machinery and individuals could move across positions within government, nobody wants to penalize their peers too severely for not performing well. Fines are rarely imposed on errant officers and suspensions are virtually non-existent, despite explicit provisions in the act. This creates an environment where a very powerful tool is exercised gently. Thus, the 'limited radicalism' of the BPGRA explains both its successes – relatively high resolution rates and high satisfaction rates – and its failures – its lack of mass appeal and an inability to resolve deep structural issues (issues of land or police) within the state.

Bihar is a unique state in India to have an institution of 'village courts' present in every Gram Panchayat in the state. It is empowered to adjudicate on civil suits made by village residents. It was established under the Bihar Panchayati Raj Act of 2006 and is referred to as 'Gram Katchahry' (i.e., village court; henceforth 'GK'). There are several features of this institution which makes it an interesting context to study how formal governance mechanisms can help mitigate market frictions by resolving civil disputes at a local level. First, access to the judicial system in India is costly, especially for the rural citizens. They often do not have the necessary information about how to file suits in district courts. Also, they may not be able to afford the time and resource cost of hiring lawyers and appearing for hearings at the court, typically located in the district towns.

Moreover, district courts in India are overburdened with large backlog of

cases.¹²This creates uncertainty about swift resolution of the dispute. For all these reasons, many rural residents may be disincentivized to approach formal dispute resolution mechanisms. Presence of village courts addresses all these problems by bringing the institution closer to the citizens and thereby reducing cost of access as well as potentially speeding up resolution process, since each village court has jurisdiction over one GP.

The second reason to examine this institution is that members of GKs are *elected* by the village residents. This contrasts with the standard judicial system in India, where the judges are appointed by the existing members of the judiciary. A judicial system of elected judges is rare in the world; the United States and Bolivia are the two known cases where this happens. The state of Bihar is a unique context where the village courts are composed of elected ‘judges’ while the judges in the district and higher courts are appointed.

Studies in the context of the US show that appointed judges tend to have more homogeneous preferences than elected ones, reflecting the fact that heterogeneous voter preferences shape behaviour of elected judges, but not the ones appointed.¹³ Gordon and Huber,¹⁴ on the other hand, find that competitiveness of elections makes elected judges give harsher sentences, with an aim to pander to voter demands. It would be interesting to examine

whether the village courts in Bihar differ from the US experience along these dimensions.

The institutional components of GK are like that of a GP. Each GP has a GK; the head or President of the GK is directly elected by the registered voters in a GP. The head of a GK is referred to, rather confusingly, as a *Sarpanch*. (In Bihar, the GP President is referred to as a *Mukhiya*.) Apart from the President, GK is composed of elected *Panches* (members), each of whom is elected from a ward within a GP. The wards for the GK election are the same as that for the GP councillors. The GK election is subject to various affirmative action policies for women and caste groups, same as the GP election. Their term is also for five years.

The GK, under the Bihar Panchayati Raj Act of 2006, enjoys the power of a civil court under the Code of Civil Procedure. When a GP resident files a case with the GK, it constitutes a bench to hear the case. The GK President always presides over each bench. Additionally, it contains two *Panches* from the GK chosen respectively by the two parties to the case. The GK President selects two additional *Panches* for the bench, i.e., each bench consists of five members. The GK is aided by a legal counsel known as the *Nyaya Mitra*, appointed by the state government; the counsel must have a legal degree from a recognized institution.

We conducted a telephonic survey in Bihar during July/August 2022 to ascertain whether the institution of GK is functional and if the citizens consider it an important platform. We surveyed 2171 respondents across six districts of Bihar covering 753 Gram Panchayats. The districts covered are Madhubani, Munger, Pubri Champaran, Paschim

Champaran, Sheikhpura and Sheohar. 66% of the respondents in our survey belong to the OBC group, while 17.4% are from the general caste, 13% are SCs and 3% are STs.

A summary of the various responses we received regarding the GK are provided in Table 1. We asked the respondents whether they knew the *Sarpanch* (i.e., the President) of the GK and whether they had approached the GK to resolve any dispute. 88% of the respondents mentioned that they knew the *Sarpanch* of their local GK and were able to mention the name of the *Sarpanch*. The share is similar across the four caste categories, ranging from 86% to 89%. 716 GPs out of the 753 GPs sampled had at least one respondent who knew the local *Sarpanch*. This indicates widespread knowledge about the institution among the rural citizens. However, 8.6% of the respondents mentioned that they had ever approached the GK to resolve a dispute.

The low percentage of usage of the institution need not imply dysfunction per se, as not all villagers face situations that require dispute resolution. Conditional on approaching a GK, 56% of the respondents reported that their dispute had been resolved by the GK. Notably, this share is significantly larger than the resolution rate under BPGRA described above. Conditional on resolving the dispute, the average time taken for resolution was 40 days. The median time taken, however, is only three days. About 72% of the disputes, conditional on being resolved, reach resolution within a week.

Most of the disputes (54%) were related to property; about 42% being land disputes. However, people file cases related to various government activities as well, such as non-payment of NREGA wages, widow

12. M. Rao, *Frontline Courts as State Capacity: Micro-Evidence from India*. Working Paper, 2022.

13. C.S. Lim, *Preferences and incentives of appointed and elected public officials: Evidence from state trial court judges*. *American Economic Review* 103(4), 2013, pp. 1360-97.

14. S.C. Gordon and G. Huber, ‘The Effect of Electoral Competitiveness on Incumbent Behaviour’, *Quarterly Journal of Political Science* 2(2), 2007, pp. 107-138.

TABLE 1
Summary Statistics

<i>Variables</i>	<i>N</i>	<i>Mean</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Knows Sarpanch	2,171	0.88	0.32	0	1
Approached GK	2,171	0.09	0.28	0	1
Dispute Resolved	187	0.56	0.50	0	1
Resolution time (Days)	109	40.55	125.1	1	730
Property disputes	187	0.54	0.50	0	1
Sarpanch impartial	2,171	0.84	0.37	0	1

pension, issues faced with accessing government documents, such as marriage certificates and ration cards. Finally, we asked whether the respondent agrees with the statement ‘the Sarpanch is an impartial judge on civil matters in the village.’ Of those who said that they know the Sarpanch, 85% either agreed or strongly agreed with the statement. Of those who approached the Sarpanch for dispute resolution, the agreement was 78%. It, therefore, appears that rural residents of Bihar consider this dispute resolution system trustworthy and use it for various purposes, land and property related disputes being one of the primary items.

However, there is variation in the efficacy of the system, in terms of its ability to resolve disputes and swiftness of its decision. It is therefore important to examine the sources of this heterogeneity and understand how the institution can be made a more effective dispute resolution platform for rural citizens of Bihar.

In practice, both systems are similar in some ways: first, both are useful in diverting cases away from an already overburdened judicial system. Second, of those familiar with the system, both seem to enjoy popularity. Over 80% of respondents think the Sarpanch is an impartial judge, compared to nearly 75% of complainants being satisfied with

their experience of BPGRA. Finally, there is some suggestive evidence that both systems could be better at resolving complaints filed by disadvantaged groups. We only have resolution data for 187 complaints made to the Sarpanch. This makes statistical inference of caste-wise resolution rates tricky. However, evidence does suggest, as in the case of official complaints data, that resolution rates for disadvantaged caste groups is lower.¹⁵

However, the systems are different in other ways. The Sarpanch, by virtue of being far more local, is much better known by the average citizen than the PGRO, who sits at a distant subdivision. Structurally, the incentives of the Sarpanch are dramatically different from the PGRO. The Sarpanch’s strongest reason for performance is re-election, whereas PGROs incentives derive from being monitored by the higher bureaucracy. This could play out very differently: the Sarpanch’s main goal may be to hear as many complaints as possible and resolve disputes amicably. This would ensure that they remain popular. The PGRO’s main goal may be to keep resolution rates high, irrespective of the number of complaints filed.

15. Resolution rates with respect to complaints made to Sarpanch for SC/ST members in our citizen survey is 17.4 percentage points lower than for non-SC/STs (p = 0.096).

Indeed, perversely, the PGRO may want to *reduce* the number of complaints if that would help keep resolution rates high. Additionally, since PGROs themselves are part of the bureaucracy, mediation between citizens and other members of bureaucracy can suffer from moral hazard for reasons explained above. Sarpanches, on the other hand, primarily deal with disputes between citizens and therefore, similar concerns in this case are less pronounced. Moreover, the systems differ dramatically in scope. BPGRA allows for a range of complaints against the local state and a committed PGRO can, if they so wish, exercise immense power over a range of local state officials. The Sarpanch is unlikely to be able to do so with officers beyond the GP.

Both systems, in the aggregate, can substantially augment the state capacity at the local level. Moreover, the information about usage of the platforms can be harnessed to improve the state’s overall quality of governance. Data from both systems – especially, when citizens use these platforms to consistently air and solve their issues with various arms of the local state – offer a detailed view of citizen-state interactions and can allow for the flow of a rich stream of systematized evidence on the efficacy of the local state. The state govern-

ment can therefore offer a more targeted and specialized assistance to local governments to improve local governance outcomes. The complaints, then, could form inputs for better policy design. For instance, the data presented above suggests that land related issues are central to people's lives in Bihar.

The data can also be viewed another way. Overall citizens' welfare is a combination of the welfare of different groups of people, who experience the state very differently. Aggregate data from these systems can be used to capture the particular - and often conflicting - experiences of different groups of citizens within the same local state. For instance, under BPGRA (as we have seen above), we find that women are much more likely to complain about housing than men.

Thus, these systems can tell us what arms of the local state across different geographies need more attention and what types of citizens face what sorts of problems.¹⁶

To build such an understanding, data systems around these two mechanisms should be constructed carefully and made transparent, making them open to public scrutiny. While the BPGRA data MIS is excellent, its lack of transparency prevents citizens from questioning the system's efficacy.¹⁷ On the other hand, while Sarpanches are already answerable to citizens in a strong way via elections, the absence of a systematic MIS makes it harder for the state to learn from complaints coming their way.

16. Inference from aggregate data must be made with care. Citizens who complain under a grievance redressal system may not always be the ones with the most problems - or even have the most common types of problems. Thus, the path from evidence to policy may not be straightforward. However, this is precisely where a combination of the domain knowledge of state-level bureaucrats and grassroots social activists, and the analytical skills of researchers/experts could be useful.

17. The PGRO's performance - or lack of - is not visible to citizens.