

Now that Your Land is My Land Does it matter ?

A case study in Western India

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Abstract

This paper examines the historical evolution and contemporary state of property rights in Goa. The post-colonial state, which provided land ownership rights to tenants, led to the dis-enfranchisement of the traditional communal land-owning institution (*comunidade or gaunkari*). While this had positive equity impacts in land distribution, it significantly affected the maintenance of public works, especially embankments (*bunds*) which protects large tracts of reclaimed land (*khazan*) in Goa. The historical evolution of the *Comunidades* is described in order to understand the current state of financial bankruptcy of these institutions and the impact of tenancy laws on land management practices. In this framework the paper focuses on twin aspects of the ecological debate – equity and institutional change. (115 words).

Non-Technical Summary

This paper looks at the transition of resource management institutions in rural Goa, a small western state in India and its ecological impact due to non-maintenance of local public goods – especially embankments which protect recovered lands from tidal water movements. Traditionally all village lands were collectively owned by the original settler families (*gaunkars*) who presumably participated in the land recovery and created the agricultural asset base. Male descendents of these families were members of the village assembly, which made all decisions with regard to village administration. All cultivable lands were owned by the *comunidade* and were leased out for fixed periods by auction. The institution of *comunidade* went through various transitions during the Portuguese colonisation of Goa from 1510 to 1961, but land ownership remained largely with the respective *comunidades*.

When Goa joined the Indian union in 1961, there were political pressures on the popularly-elected government to provide security of land tenure to tenants and the government passed the Agricultural Tenancy Act in 1964. Thereafter, tenants cultivating lands were given land titles. The administration of village affairs was handed over to the *Panchayats* which had a more democratic membership -- open to all residents of the village. In the traditional system only the *gaunkars* were allowed to participate in the decision-making process.

An important function of the *comunidades* was to maintain the embankments, which protected the village lands from inundation. After, the Tenancy laws distributed lands to the tenants a new institution, the Tenants Association, was created under the Rules and Regulations (1975) and made responsible for the maintenance of these embankments with government subsidising half the maintenance expenses. Yet, Agricultural Commission (1992) of the government found that the quality of maintenance of the embankments was very poor and most of these Tenants Associations were non-functional.

The paper argues that in the process of creating asset homogeneity and institutional transformation, the community faces a coordination problem due to incentive loss among individual asset owners resulting from destruction of social capital which has created an ecological crisis.

(338 words)

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by

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Three Persons in a Boat : Community, State and the Market

The intrinsic link between property rights and resource use is a well-accepted proposition in economics and the state, community and the individual (market) behave differently in the manner of resource use (or conservation) contingent on the way property rights are distributed between the agents under different economic systems.

The property rights school argues that privatisation of common property optimises use of resources as rational agents would internalise the externalities as long as privatisation properly establishes rights over resources. As far as efficiency is concerned, the initial distribution (allocation) does not matter because the most efficient user would buy the resource by paying the highest price and use it most efficiently [Demsetz 1967]. The Arrow & Debrue model as well as the Coase theorem essentially suggest the same.

In recent years, however, the focus of attention has shifted from the state and the individual (market) to the community [Aoki & Hayami 1999, Baland & Platteau 1999, Nugent 1994]. The state and the market arguably lack incentives for long run resource conservation and tend to have a high rate of discount vis-à-vis natural resources. Therefore, the focus has shifted to

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examine how traditional communities have used non-market institutions like social norms as a means of resource conservation implicitly describing a lower inter-generation discount rate. Empirical evidence of successful conservation seems to indicate that communities play a crucial role in creating the framework for long-term resource use and seem to better define bequest motive than either the state or the market [Baland & Platteau 1999 and Hayami & Platteau 1997].

In the context of efficiency gains due to privatisation, numerous critiques have been offered in the literature. If contracts are incomplete, then privatisation efforts would be counter-productive by loosening co-operative bonds that are implicit in form [Seabright 1993]. Privatisation would also reduce the mutual social interdependence that creates cooperation [Singleton et al 1992]. The fact that property subsequent to privatisation becomes tradable makes agents less interested in long term co-operative behaviour as people put in less effort to build up cooperation [Grossman 2000]. Under such conditions, a self-governing local community with commons might have more efficient production locus than if private property was established. Bardhan (2001) lists the following requirements for this to occur: a) stable membership, b) smooth information flows and awareness of norms, and c) ability to enforce social sanction (as a fine for deviant behaviour).

Co-operation seems to emerge not by state decree alone but through (historical) evolution especially in the context of common property [Ostrom 1990, 1993].³ In a dynamic scenario, for a stable system of resource sharing to arise, there must be an acceptable resolution of conflicting demands on resources.⁴ Even though the state may honour the legal rights of private ownership and its use, it is unable to supervise and intervene on a day-to-day basis which are done at the level of civil society. The stability of civil society institutions therefore is contingent on some form of acceptance of a structure of property rights quite apart from the legal (or legislative) framework by agents participating in the economic process.⁵

3. A self-evolved system is described in the literature as “endogenous normative law” while a state imposed system is described as “positive law” made by legislature [Aoki (forthcoming)].

4. Dynamic models in game theory have formalised the emergence of cooperation over time quite extensively [Seabright 1994, Rasmussen 2002].

5. Aoki (forthcoming) describes this as the development of proto-Institutions.

There is a growing literature on resources and property rights especially in Asia, Africa and Latin America [e.g., Hayami & Platteau 1997, Janvry et al 1999, McCarthy & Dutilly-Diane 2001, Wade 1987] where large rural communities are dependent on natural resource use (and conservation) for their survival. Since they have different histories and evolution of property rights regimes, they provide the economist with the challenging task of analysing property rights and resource use in diverse institutional frameworks.

Comunidades and Land Management

In this paper we focus on Goa, a small coastal state in India where large tracts of land recovered lands (*khazans*) amounting to about 18,000 hectares in coastal Goa today face inundation due to non-maintenance of embankments [GoG 1992]. The topography of a typical Goan coastal village is of a vast tract of flat *khazan* land around a hillock at the base of which the housing settlements are to be found. Since most of Goa's agricultural production comes from these *khazans*, the importance of their survival cannot be over-emphasised. A breach in the embankments causes saline/brackish water to inundate the fields and render agricultural produce redundant. The long term consequences of saline water inundation could cause large-scale loss of agricultural land and leave villages less protected from tidal water movements. Further, this incursion of saline waters across largely flat tracts of land brings in the possibility of causing groundwater salinity in the area. Most parts of rural Goa still depend primarily on wells for their water needs and saline ingress into aquifers will be hastened if there are continual breaches in embankments.

Traditionally, the responsibility of land management including that of the embankments was with the *comunidades* which are local self-government institutions pre-dating the Portuguese colonisation of Goa (in 1510). The *comunidades* enjoyed administrative, financial as well as judicial powers within their geographical jurisdiction prior to Goa joining the Indian union in 1961.⁶ The *comunidades* had well developed regulatory systems which ensured the sustenance of this public works.

6 The *comunidades* were responsible for construction and maintenance of roads, drainage and irrigation systems, public security as well as judicial and religious institutions.

The evolution of community norms and practices of *comunidades* as currently perceived must be understood within the framework of colonial history of 450 years under the Portuguese (1510-1961) which can be divided into two phases, separated by almost two centuries. The 16th century occupation (Old Conquest) of 3 *talukas*: Ilhas, Salcete, Bardez; and 18th century occupation (New Conquest) of 6 *talukas*: Pernem, Sanquelim, Ponda, Sanguem, Quepem and Canacona.

The *comunidades* (or *gaunkris*) were governed by village associations, which was the decision-making body and had as its members all the “original settler families” (*Gaunkars*) of the village who jointly lay claim to the entire village lands. The village associations supervised the lands of the village under the jurisdiction of the *comunidade* and the rents collected were used for public works. Surplus rent was distributed equally among all *gaunkars* as dividends (*jonos*). Membership to the *comunidade* was, however, bounded on two counts: gender (male) and descendance.

The *comunidades* were essentially village agricultural associations. A major part of their assets were the lands (*khazans*) recovered by reclamation from marshes and the tidal waters with the help of *bunds* (embankments). All cultivable village lands were leased by public auction. The land leases were transferable by inheritance but there were restrictions on transfer by sale or change of land use for purposes other than contracted with the *comunidade* at the time of the lease (which constitutionally had to be agricultural). The barren and uncultivated lands on the periphery of the village were leased out for a fixed rent. After 25 years, the lessee was entitled to ownership of the land. The perceived reason for this is on the one hand to provide an incentive to the farmer to develop the land, and, on the other, to allow the village to increase the area of productive land for cultivation [D’Souza 2000: 114].

An association of cultivators of the *khazan* lands called the *Bous* was responsible for the maintenance of the embankments. Membership was made compulsory by the *Regulamento das Comunidades* (1882). All lessees and sub-lessees of the *khazans* had to be members of a *bous*. Any infiltration or breach was reported to the *bous* which would take immediate action to protect the embankment by collecting the farmers of the *bous* to undertake repairs [GoG

1992: 28].⁷ If the breach was beyond purview of the *bous*, then the work was undertaken by any agency bidding for the work and was paid for by beneficiary farmers. The rights and duties of the *bous* members were made public by presenting the items before the auction of these fields. Different villages had different ways of funding their *bous* [GoG 1992: 29].⁸

Normally village lands could not be traded or sold which gave a permanency to the asset ownership of the village association. The sale of *comunidade* land could take place only by way of public auction of its entire property and assets either when the respective *comunidade* became bankrupt, under exceptional circumstances, or when the membership fell below minimum required [Gomes-Periera 1981].

Male descendants of *gaunkars* became the heirs in the *comunidade* system. Later, the *gaunkars* allowed inclusion of other skilled and semi-skilled persons in the *comunidade* for community development. Those who financially helped the *gaunkars* during periods of financial crisis and thereby earned a say in village matters were called “interested participants with limited interest” (*Accionistas*). Others with special skills were also absorbed as groups or communities and given rights over certain earmarked lands (*Componentes*) and could be of either sex. This dilution of *comunidade* membership was permitted on two strategic counts: one to give the institution social stability and also to keep membership from falling below the minimum required.

The revenue sources of the *comunidade* included the contributions from the *gaunkars* for cultivation of own plot, *foro do cotubana* and *foro corrente*. On the expenditure side it included: expenditures on public goods like Irrigation and roads, *Jons* (residual dividends) to *gaunkars*, and *coxi vorodo* (voluntary contribution to the king).

7. The *bous* hired the services of a *Kamat* from among the *gaunkars* to supervise the functioning of the *bous*. In addition an accountant (*kulcarni*) and a watchman (*Paini*) were also employed by the *bous*.

8. The income of the *bous* came from various residuary sources like sale of wood of old sluice gate, rent from plots not leased by the *comunidades*, lease of coconuts groves, etc. In some villages revenues from certain lands were earmarked for funding the *bous* [GoG 1992: 27-30]. The *bous* was also occasionally entrusted with additional tasks. For example, in a village in Tiswadi taluka (*Jua*) the *bous* was also entrusted with guarding the fields.

The Transition of *Comunidades*

The institution of *comunidades* historically went through various phases of transition. In the pre-Portuguese period the *comunidades* had greater autonomy in administrative, financial as well judicial powers. A possible reason for the autonomy could be the frequent change in rulers as well as the physical distance from the centre of rule. They did not last long enough to change the basic character of these institutions or interfere with its internal functioning. It was only the Portuguese colonisation which lasted for 450 years (1510 to 1961) that brought about important changes in every aspect of the *comunidades* and to a certain extent were responsible for reducing the autonomy of local government in management of its own affairs.

The aim of all rulers understandably was to maximise returns (taxes) from the lands they ruled. The *Foral* (1526) of Afonso Mexia (Superintendent of Revenues and Taxes) had established a fixed rent for the 31 villages of Tiswadi which had to be collectively paid irrespective of crop-failure. The responsibility of payment lay with the 8 main villages who had to pay up even if there was default by some other village. The land lease of the defaulting village was auctioned. Defaulting *comunidades* did not lose their lands and could reclaim them by payment of full dues [D'Souza 2000: 112].

Over time as the complexity of the *comunidades* increased so did the rules and regulations. From customs and conventions emerged a set of rules & regulations called *Mandavoli*. It set up the rents, irrigation charges, distribution of rents, personal share of each *gaunkar*, grants for temples and areas constituting each *vangor* (clan).⁹ It is said that in the early times, every decision of the *comunidade* was taken unanimously. If there was a single dissenting voice (veto), the item was dropped. However, subsequently, this veto power seems to have been eroded by fresh regulations issued in 1745 [Velinkar 2000: 129].

By 1735 (Regiment) we find evidence of existence of arbitrators which is indicative of disputes regarding rents [D'Souza 2000: 117]. Similar instances are found in a document *Assento da Relacaco* (1786) where there is discussion about conflict resolution between the crown and village communities. These disputes must have been quite widespread as the

9. D'Costa (undated) page 37 quotes Report of the Goa Land Reforms Commission, Goa Government Printing Press, Panaji, 1964.

Decree of 1836 abolished the post of Village judges (which ended all judicial powers of the *comunidades*) and placed judicial responsibility on the district judge [D'Souza 2000: 118].¹⁰

Inquisition and the Comunidades

The transition in *comunidades* was also influenced by the inquisition (1540 to 1640) when the Portuguese empire followed a rigorous religious policy in all its colonies as part of its arrangement with the Roman Catholic Church.¹¹

In 1540 all the temples of Ilhas were destroyed. The temple was an important beneficiary of the *comunidade* lands. After the destruction of the temples, the Portuguese governor wanted to take over these temple lands in this *taluka* for the financial support of the new Christian organisations that emerged in Goa¹² as part of the state policy of supporting Christian

10. The importance and dynamics of the village organisations is reflected in the series of official notifications that were issued. After the Regimento of 1735 and the Assento of 1786 came the Regimento of 1871 (8 articles), Decree of 1880, Regulations of 1886 (465 articles), Code of *Comunidades* 1905 (750 articles), Code of 1933 (873 articles) and finally the Code of 1961 (660 articles). In 1905 the agrarian chambers were abolished and the powers of the chambers were transferred to the Administrator of village *comunidades* [D'Souza 2000: 118-120].

11. This found reflection in most policies of the government including internal administration of the *comunidades*. Interference in the functioning of the *comunidades* (in 1573) went to the extent of forbidding *gaunkars* (of Salcete) to convene meetings or pass resolutions without the presence of Christian *gaunkars* [Xavier 1993: 67].

12. Records indicate that the then Acting Governor of Goa called for a consultation with the leading *gaunkars* of Ilhas regarding the future of the temple lands. The temple lands earned about 2000 *tangas brancas* (silver) and obviously attracted the attention of the revenue offices of the colonial government.

The *gaunkars* suggested that since these lands belonged to the village *comunidades* the lands should revert back to the respective villages. However, a settlement was reached whereby the lands remained with the village but the rent was passed on to the Catholic institutions for their maintenance [Xavier 1993: 123]. This settlement must be viewed in the context of the announcement by the King of Portugal that he was the sovereign owner of all conquered lands in Goa.

institutions.¹³ Through the 16th century to mid-17th century the Portuguese sea-borne empire was powerful and controlled the sea-trade between Asia and Europe. The revenues it earned as customs duties in Goa were able to substantially contribute to its liabilities for meeting church expenses. After the mid-17th century the colonial government went through a difficult financial time. Portugal lost its sea supremacy to the Dutch leading to a decline in customs duties. It was also engaged in frequent wars with other rulers on the main land. Both these reasons contributed to the decline in financial capability of the colonial government in Goa. It is during this time that we see an increasing financial reliance of the government and the Church on village communities [Shastry 1987: 35, de Souza 1981:119].

In 1574, the total land revenue of the Portuguese colony (Old Conquest areas of Island of Goa, the talukas of Ilhas, Bardez and Salcete) was 88 million *reis*. Of this amount, 15.5 million was spent on churches.¹⁴ By 1707, we find evidence of villages being forced to meet expenses of church repairs. In 1745, a *half tithe* was re-introduced in addition to the existing taxes.¹⁵

By this time the control of the finances of the *comunidades* was taken over by the colonial government and no expenditures could be undertaken by the *comunidades* on their own initiative without sanction of the colonial government. There was however, a relaxation on

In February 1545 the Governor, Martin Afonso de Souza transferred ownership of these lands to the College of St. Paul. The apparent reason was that these temple lands were not taxed. The villages however remained saddled with the payment of the tax of the now confiscated temple lands despite losing their temple lands.

13 Interestingly there seems to be a let up in forcible conversion in 1561 and some of the lands confiscated from the Hindu *gaunkars* were restored to them [Xavier 1993: 141]. The large-scale out-migration probably resulted in a significant drop in land revenues [Xavier 1987: 59].

14 Interestingly, there seems to be no evidence of any religious tax till 1540.

15. Shastry (1987) points out that earlier when this half tithe was imposed on village communities, they protested. The half tithe was repealed but an additional tax of 5% was introduced on the quit rent (*foro*) [page 38].

two counts. One, they could allocate funds for “divine cult and church repairs” and the other was to undertake “emergency repairs of the embankments (*bunds*)”.

There was constant acrimony between the state and the church regarding the distribution of resources that each could get from the village communities. In fact, records reveal that the local government complained to the crown that churches were undertaking unnecessary repairs and imposing the costs on the villages, which were therefore unable to pay state dues.¹⁶

The extensive tax imposed and the massive withdrawal of resources from the *comunidades* in 18th century left them severely indebted.¹⁷ The Island of Goa had an accumulated debt of more than 425,000 *ashrafis* and the annual interest worked out to 21,000 *ashrafis* while their annual income was estimated at only 155,000 *ashrafis* [Shastry 1987: 43]. The impoverishment of the *comunidades* was matched by the prosperity of the Churches. In 1759, some of the church organisations had given loans totalling 350,000 *xerafins* to general assemblies of village communities as well as individual village communities to meet their tax obligations to the colonial state by mortgaging their lands [de Souza 1981: 123].¹⁸

The maintenance of the public works does not seem to have been affected by the impoverishment of the *comunidades* during the colonial period because of two reasons.

16. There is more here than meets the eye. There are also instances wherein one finds that church officials in collusion with groups of *gaunkars* used this route to siphon off monies of the *comunidades* for their own private betterment. This money was not taxed by the state. Also being assigned for “divine cult” they could hardly be questioned even by the state. It was so widespread that in 1711 (October 29) a Vice regal order was passed whereby all village resolutions dealing with financial allocations had to be approved by the Viceroy’s office. The King of Portugal ratified this in 1719 (September 2) [Shastry 1987: 41-42].

17. Strange are the twists of history. One of the reasons why the local population, especially the villagers of Taleigao helped Afonso de Albuquerque win against the Adil Shahi kingdom was because of the very high taxes imposed by the rulers. During the time of the Inquisition documents reveal that people had to be punished for cultivating on lands across the border in neighbouring Muslim kingdoms because taxes in Portuguese Goa were considered very high [de Souza 1981: 120].

18. Interest rates seemed to be the order of 5-6%.

One, the colonial government gave tax concessions for maintenance of public works. Secondly, the church over time acquired large tracts of land which were managed by them. They took care to upgrade these public works in order boost production of their fields.

The church had three sources of revenue:

- a) Endowments and legacies including its profits from shares it held in the *comunidades*
- b) Profits from participation in trade
- c) Profits from farming

Trading was banned as far as the religious orders were concerned. However, under guise of exchanging surplus, members of the church engaged in trading and this helped the church accumulate large capital. But due to restrictions on their trading activities, they concentrated their efforts on the domestic economy – especially the village lands. Records indicate that the Jesuits were able to substantially increase the output of the lands they cultivated.¹⁹

Comunidades after 1961

After 1961, there has been a complete loss of powers of the *comunidades*. There have been two changes which are significant. On the one hand they have lost their political and administrative position in the villages to the panchayats. And on the other they have lost most of their lands especially the *khazans* which were under tenant cultivation with the passage of the Agricultural Tenancy Act (1964). This amounted to a virtual privatisation of common lands and we will come back to this in greater detail.²⁰

19. In 1578 the three villages of Assolna, Velim and Ambelim were valued at 2010 *xerafins* and given as grants to the Jesuits. By 1635 their yeild was valued at 5500 *xerafins* [de Souza 1981: 123].

20. Some authors [e.g. D’Costa undated: 46] assert that the emergence of private individual property in Goa was a contribution of the Portuguese colonial policy. When Portugal established its political power in Goa, the first attempt by Afonso de Albuquerque to integrate the Portuguese into the Goan society was by way of encouraging inter-marriages between Portuguese soldiers and widows of slain Muslim and Hindu soldiers. While he did not interfere in the working of the *comunidades*, he allowed those villages which made land grants to these couples to forgo their *coxi vordo* (contribution to the crown). Albuquerque is further stated to have gifted a horse and a house in addition to the land grant to these couples [Xavier (1993): 7]. D’Costa (undated) suggests that this is the first instance of

Panchayats, Tenants Associations and *Comunidades*

Let us examine these consequences. Administratively and politically, *comunidades* have been replaced by Panchayats as the new local government institution. There are, however, significant differences in the powers, responsibilities and social sanction of the two forms of local government which currently co-exist in Goa. The Panchayats have the sanction of the Indian constitution as the eligible form of local self-government. In the devolution of powers, financial and administrative, it has a clear constitutional mandate. However, historically and legally the *comunidades* predate the Indian constitution and therefore the Panchayats.

private property rights on land in Goa. Prior to this private ownership of land was limited to the land on which the house was built [Xavier (1993): 7].

The second big boost to private property rights came during the period of the Inquisition, which we discuss in detail later in this paper. The state confiscated all temple lands as well as all the private lands of those who did not convert to Christianity or Christians who did not conform to the edicts of the Inquisitorial authority. One part of the confiscated lands went to Christian missionary institutions as private property grants. A second part was given to new converts to seek their cooperation. A third part was allocated for tenancy.

As *comunidades* became economically burdened with increasing taxation *gaunkars* started trading on communal lands. They framed rules whereby the communal lands could be leased only to *gaunkars*. They would then bid and acquire tenancy rights over these fields at nominal charges and sub-let them at higher rents to tenants or other cultivators outside the village (called *Alca*). A whole set of middlemen emerged who survived on *Alca* and 90% of the land came under tenant cultivation.²⁰

However, the extent of private ownership was fairly limited at the time of Goa joining the Indian union. In 1967, the total land area owned by the *comunidades* was about 36, 624 ha. of which the amount of reclaimed (*khazan*) lands is about 18,000 hectares. Of this, the *comunidades* owned 6,386 hectares (of *khazan* land) while private ownership was to the extent of 2500 hectares. The remaining 9,000 ha which were neither under the *comunidades* or under private ownership belonged either to temples and churches or to the government. The *comunidades* also controlled 440 ha. of rivulets in seven talukas (GoG 1992: 26).

Since the *khazans* represented a significant part of the most fertile agricultural land, their conservation was prime on the agenda of the agricultural society of Goa. An intricate formation of embankments and sluice gates protect them from inundation by tidal waters. Maintenance of these embankments formed a major function of the *comunidades*. The panchayats neither have the financial capability to maintain these embankments nor does not see any direct incentive for its maintenance since its survival is not dependent on the quality of embankments.

The government anticipating this had made it mandatory by the Rules and Regulations (1975) under the Tenancy Act (1964) for the formation of Tenants Associations of all tenants cultivating in a particular village who have benefited from the land re-distribution. As an incentive, once the tenants became deemed owners, the government stopped payment of rents to the *comunidades* whose lands the tenants had now acquired. Additionally, the government promised to re-imburse any expenses undertaken by the Tenants Association to maintain the embankments.²¹ However, most of these tenant's associations have not lived up to the task they were entrusted with and are defunct.²²

21. Section 35 of the Tenancy Act (1964).

22. The total number of Tenants Associations created were 138. Most of them were created in 1975-75 (90 of them) while another 30 were created in the decade of the 80s [GoG 1992: 36]. The five talukas of Pernem, Bardez, Bicholim, Ponda and Tiswadi apparently account for 87% of all the Tenants' Associations, a similar fraction of *bunds* with sluice gates, 91% of the land and 92% of the membership of the Associations. The 1992 panel recorded that of the 138 Tenants' Association, 16 were defunct and only 97 supplied the Panel with some financial data even though they are required under the Act to maintain such accounts. Most of these associations supposedly are financially bankrupt [GoG 1992: 43].

Another phenomenon, which has added to the problem of embankment maintenance, is the barge traffic on the river ways. From 1950, there has been an increase in the barge traffic especially due to opening of mines upstream of the rivers. The movement of barges creates shock waves, which increase the wear and tear of the embankments. In 1959 the *comunidades* spent the equivalent of Rs 32 lakhs and in 1960-61 another Rs 39 lakhs. Apparently, these sums were not enough to adequately maintain the *bunds*. The colonial government made Special provisions (like technical cells and a

This means that a traditional self-financing institution (*comunidade*) which owned and maintained the village lands and was responsible for administration was replaced in the post 1961 situation by two local level bodies – the panchayats and the Tenants Association. The panchayats as we have discussed above neither have the incentive nor the financial strength to maintain such large public works. The Tenants Association which was given the responsibility for land maintenance and was supposed to bring together the beneficiary tenants failed to sustain itself as an institution.

Therefore, a process of large scale privatisation of the commons distributed from the *comunidade* land which was jointly owned by the *gaunkars* ensured distributive justice to individual tenants. But it left open the question of ecological sustainability since the institutions needed to support the new land management system were not put in place. The short history of the functioning of the Tenants' Association is a possible testimony that allocation of property rights (privatisation) was inefficient as far as the ecological question is concerned.

Discussion

What explains this inadequate allocation by tenants for maintenance of embankments and the failure of a cooperative solution to emerge under the new institutional framework of Panchayats and Tenants Association ? And why did greater democratisation of village administration through the Panchayats not produce greater cooperation ?²³

This gives us reason to ask the Seabright (1994) question: do people who have a history of cooperation have a greater probability of cooperation now and people who have no history of cooperation before have less possibility of cooperation now ?

bunds committee in 1959-60) and funds for the maintenance of the *bunds* and spent Rs 8 lakhs to recover about 960 ha. of land [GoG 1992: 31].

23. One criticism levelled against the *comunidades* was that it was a non-representative form of local governance since it only permitted the *gaunkars* or *jonkars* (shareholders) to sit in the village assemblies which took all administrative and political decisions regarding the village affairs.

In the institutions that we have described above, the *gaunkars* under the *comunidade* have had a history of cooperative management of land resources. The tenants, though not necessarily new agents in the system, did not have the managerial responsibility or ownership rights in the system till security of tenure was established after the 1964 Tenancy Act. While the Tenancy Act created a new set of land owners, leading to greater homogeneity of land asset ownership, this did not automatically lead to a higher cooperative solution. This is despite the backing of the state for creation of these new institutions – the Panchayats and the Tenants Association.

We join issue with two of Baland & Platteau's (forthcoming) findings from their extensive survey of empirical literature on the subject. Our findings confirm that greater homogeneity in resource distribution does not necessarily lead to better management of resources.

Our finding compliment that of Baland & Platteau (forthcoming) on the issue of state support. They argue that state support to local institutions may or may not lead to better cooperative outcomes and help communities better manage resources. In Goa, the state oversaw the disenfranchisement of a traditional local institution (*comunidade*) and created two new institutions – the Panchayats (an institution with larger membership) and the Tenants Association as a resource management institution. The idea was to bring greater homogeneity to land ownership and provide land to the tiller. The state additionally took responsibility to financially support the maintenance of embankments. However, the new associations were not able to manage the public works.

The resultant outcome could be described as a coordination failure. In the absence of social capital among agents with no prior history of cooperation a Pareto inferior situation has emerged [Seabright 1994]. As anticipated by Baland & Platteau (1998, 1997) privatisation of communally-owned lands left little incentive for individual agents to internalise the externalities which was earlier being done by the *comunidades* and has transformed the resource from being 'regulated' to an 'unregulated' one. By 'regulated' here we mean there are regulations regarding both membership and the manner of resource use, i.e., there is an authority structure [Baland & Platteau forthcoming: 3], which had a relatively homogenous membership. These constitute ideal conditions for efficient management of a resource or the production of a local public good [Libecap 1989, Baland & Platteau 1998]. The intervention of the state and the attempt to create new institutions by decree has caused an authority

structure to disappear and the situation is now one of ‘unregulated’ decentralised interactions among landholders. Unfortunately, conditions of equal distributions do not necessarily lead to an efficient outcome [Baland & Platteau forthcoming] -- in this case the production of a local public good, the embankments. This is because there seem to be no incentive for an individual agent or group of agents who would bear the cost of provision of the public good and internalise a sufficiently large proportion of the externalities produced by the maintenance of a local public good, the embankments.

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