

TFYP WORKING GROUP S.No. 66/2001

**REPORT OF
THE WORKING GROUP ON**

**DECENTRALISED PLANNING
& PANCHAYATI RAJ INSTITUTIONS**

**FOR
THE TENTH FIVE YEAR PLAN**

**GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
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INTRODUCTION

Democratic decentralisation and involvement of people in decision-making process was recognized by the Constituent Assembly, which enshrined it in the Constitution as one of the Directive Principles of the State Policy. Several initiatives were taken in the 1950s and 1960s to promote democratic decentralisation. However, the 73rd and 74th Constitutional Amendment Acts mark a watershed in the history of governance in the country. Panchayati Raj Institutions (PRIs) were introduced as a distinct third tier of government. At the time of the formulation of the Ninth Five Year Plan, the 73rd & 74th Amendment Acts were in the process of being operationalised. It was expected that PRIs that come up under the new Acts would be devolved functions, finances and the functionaries to enable them to emerge as institutions of self-government.

The provisions of the 73rd Amendment Act were extended to the Schedule V areas of nine States i.e. Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa and Rajasthan under Central Act 40 of 1996 i.e. The Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996. The Act is intended to enable tribal communities to assume control over their own destiny to preserve and conserve their traditional rights over natural resources. All States barring Jharkhand have enacted State Legislation to give effect to the provisions contained in Act 40, 1996. States other than Jharkhand have also amended most of the subject laws to bring them in conformity with the provisions of the Central Act, 40.

Democratic decentralisation in the Indian context is not an end itself. It is a process for harnessing, channelising and realizing the energies of the people with a view to bringing about social transformation where every member of the society gains his or her rightful place in the social, economic and political life the country. PRIs are expected to play a multifaceted role. They are vehicles for

political education and training in leadership. They have to be responsive to the needs of the community, impart values of equality and liberty, be transparent, accountable and efficient and to provide opportunities for mass participation in the process of development.

On the eve of the formulation of the Tenth Five Year Plan, the country has the experience of 7-8 years in the functioning of the PRIs. Elections in many States have taken place for the second time. In the terminal year of the Ninth Plan, it was felt that the time was opportune to review the progress of democratic decentralisation in the country and suggest measures for further deepening of this process in the Tenth Five Year Plan so that PRIs could play their designated role in the socio-economic development of the country. A Working Group was, therefore, constituted by the Planning Commission on “Decentralised Planning and Panchayati Raj Institutions.” for formulation of Tenth Five Year Plan. The composition and terms of reference of the Working Group are at **Annexure I**. Dr. George Mathew, Director, Institute of Social Science, New Delhi and Shri. K.Siva Subrahmanyam, Project Director (SFC Cell), National Institute of Rural Development, Hyderabad, attended the Working Group meetings as special invitees.

The Working Group was assigned the task of reviewing action taken by State Governments for effective empowerment of PRIs as mandated by the 73rd Constitutional Amendment Act. Review of implementation of Provision of the Panchayat (Extension to the Scheduled Areas) Act 1996 (PESA), a framework for delineation of functions and responsibilities between different tiers of PRIs, the assessment of capacity of PRIs to raise local resources, their ability to absorb resources transferred to them under various programmes and modalities for preparation of local plans were included in the terms of reference of the Working Group. The Working Group was also required to suggest measures, which could be taken for enabling Gram Sabhas to emerge as the bedrock of the panchayati raj system.

The Report is based on discussions in the Working Group meetings and inputs received from Members on specific issues of interest to them. The Report is organized in thirteen Chapters. Chapter I gives a background to the setting up of the Working Group. Chapter II, III and IV review the status of elections, devolution of powers, authority and responsibility and financial devolution to Panchayats. District Planning Committees (DPCs), Gram Sabhas and Panchayats in Scheduled areas are discussed in Chapters V, VI & VII. Role of Panchayats in Centrally Sponsored Schemes, issues of peoples participation, transparency, accountability and social audit and interface between PRIs and Voluntary Agencies are analysed in Chapters VIII & IX & X. Women, marginalized groups and panchayats and training requirements of panchayat representatives and functionaries are discussed in Chapter XI & XII. Chapter XIII contains recommendations on which action may be taken by the State Governments during the Tenth Five Year Plan for emergence of a vibrant and effective panchayati raj system.

CHAPTER – II

Elections to Panchayats

Importance of decentralisation particularly in a democratic system of governance cannot be over-emphasised. Local Government can be an effective channel of communication between the higher levels of governance and local communities. Greater participation in development planning and management not only promotes national integration by giving people in different regions of a country a greater ability to participate in planning and decision-making but also increases their stake in managing their affairs according to their needs and priorities.

Through the 73rd Amendment Act people were given the right to choose their own representatives in panchayats at each level. The Constitution provides for panchayats at village, intermediate and district level. Article 243 E (1) of the Constitution mandates the holding of panchayat elections regularly every five years. According to Article 243 E (3), an election to constitute a panchayat shall be completed before the expiry of its duration of five years or before the expiry of a period of six months from the date of its dissolution as the case may be.

Almost all the States to which Part IX of the Constitution applies have constituted panchayats according to the new provision except Assam and Arunachal Pradesh. Panchayat elections in the newly created State of Jharkhand are due. Among the Union Territories, panchayat elections have not been held even once in Pondicherry. Panchayats have also not been constituted at the Intermediate level in the UT of Chandigarh. At present 2,32,278 panchayats at village level; 5,905 panchayats at intermediate level and 499 panchayats at district level have been constituted in the country. These panchayats are manned by about 2.92 million elected representatives at all levels and are the broadest representative base that exists in any country of the world, developed or under-developed.

A. Panchayat Elections:

The following statement shows the status of panchayat elections in various States / UTs of the country:

Sl.	States / UTs	Elections last held	Elections due
1.	Andhra Pradesh	DP – 10 th Jan., 2001 GP – August, 2001	DP – July, 2006 GP - August, 2006
2.	Bihar	April, 2001	April, 2006
3.	Goa	GP-Jan. 1997 DP – Jan, 2000	January, 2002 January, 2005
4.	Haryana	March, 2000	March, 2005
5.	Himachal Pradesh	December, 2000	December, 2005
6.	Karnataka	GP-Feb., 2000 IP&DP – July, 2000	GP- Feb., 2005 IP&DP- July, 2005
7	Kerala	September, 2000	September, 2005
8.	Madhya Pradesh	January, 2000	January, 2005
9.	Chhattisgarh	January, 2000	January, 2005
10.	Maharashtra	DP & IP – March, 97 GP – October 1997.	March, 2002 October, 2002
11.	Manipur	GP & DP – 31.1.97	January, 2002
12.	Orissa	January, 1997	January, 2002
13.	Rajasthan	January, 2000	January, 2005
14.	Sikkim	October 6, 1997.	October 6, 2002.
15.	Tamilnadu	October, 1996	October, 2001
16.	Tripura	July, 1999	July, 2004
17.	Uttar Pradesh	Plains- June, 2000 Hills-1996	May, 2005 (Plains) 2001 (Hills)
18.	West Bengal	1998	2003
19.	A&N Islands	September, 2000	September, 2005
20.	D&N Haveli	October, 2000	October, 2005
21.	Daman & Diu	September, 2000	September, 2005
22.	Lakshadweep	Dec.97/Jan.98	Dec.2002/Jan.2003

GP- Gram Panchayat, IP- Intermediate Panchayat, DP- District Panchayat

Source: Ministry Of Rural Development

B. States Where Panchayat Elections Have Been Held Partially

Punjab – Elections to Gram Panchayats were held on June 21, 1998 and will be due in June 2003. Election to Intermediate and District Panchayats were held on 30.9.1994 and became due in September 1999. The State Government had made certain amendments to the State Panchayati Raj Act, which were contrary to the Constitution. The Punjab and Haryana High Court have struck down these amendments. The State Government has filed an Special Leave Petition (SLP) in the Supreme Court.

Gujarat – Election to Intermediate and District Panchayats have been held in September 2000. However, election to Gram Panchayats was due in July 2000. **It is reported that the elections for Gram Panchayats will be held by the end of December 2001**

Chandigarh – Gram Panchayat elections were held on 16.1.1999 and will now be due in January 2004. District Panchayat elections were held on 21.7.2000, which will be due in July 2005. **Elections to Intermediate Panchayats have not been held so far.**

C. States Where Elections Have Not Been Held

Arunachal Pradesh - The Panchayati Raj Bill of Arunachal Pradesh does not provide for reservation for Scheduled Castes (SCs), as this State has no indigenous Scheduled Caste population. The Central Government decided to exempt Arunachal Pradesh from making provisions for SCs in its Panchayati Raj Act. Accordingly the Constitution (86th Amendment) Bill, 1999 was introduced in the Rajya Sabha in December 1999. On 8.9.2000, the President accorded his assent to the Constitution Amendment Bill passed by the

Parliament in this regard. The Ministry of Home Affairs sought opinion of the Ministry of Law for according the Presidential Assent to the Arunachal Pradesh Panchayati Raj Bill, 1997. On 13.4.2001, the President accorded his assent on the Arunachal Pradesh PR Bill, 1997. The Government of Arunachal Pradesh has been requested to initiate appropriate steps at the earliest. It is reported that the State would hold panchayat elections by December 2001.

Assam - State Government first postponed panchayat elections in 1997 when these became due. Subsequently, the State Government indicated that they would hold Panchayat elections during November 2000. In November 2000 when the State Government was on the verge of a notifying elections, the High Court at Guwahati passing orders on a petition directed the State Government to dispose of representation on panchayat elections in the areas having Mising Autonomous Council before notifying elections. It is reported that panchayat elections would be held by November 2001.

Pondicherry - Elections have not been held in the Union Territory, as the matter relating to the validity of provisions pertaining to reservation for backward classes in the Pondicherry Panchayati Raj Act was subjudice. It is likely that panchayat elections would be held by December 2001.

NCT of Delhi - NCT of Delhi had suspended the Delhi Panchyati Raj Act and sought abolition of the Panchayati Raj system. However, it is now considering adopting the Seventy-third Amendment Act and reviving the panchayats.

Jharkhand – A newly created State. It is reported that elections will be held by November 2001.

Uttaranchal - A newly created State. It is reported that elections will be held by December 2001.

D. States Where The 73rd Amendment Act Is Not Applicable Or Yet To Be Adopted

Jammu & Kashmir - Ministry of Home Affairs requested the Government of Jammu & Kashmir to seek the views of the State Legislature to extend the provisions of the 73rd Amendment Act to the State of Jammu & Kashmir. Panchayat elections to Gram Panchayats were held in January - February, 2001 in terms of the State Panchayati Raj Act.

Meghalaya, Mizoram and Nagaland – The 73rd Constitutional Amendment Act is not applicable to these three States, as the traditional local institutions of self-government exist in these Schedule VI States.

The above paragraphs indicate major problems in holding panchayat elections. Postponement of elections on one pretext or the other and holding elections for different tiers at different points of time violate the spirit of the Constitutional Amendment. There are, however, many issues, which have been raised by State Governments in the context of reservation and rotation of seats, which would have to be resolved in the coming years. Some of them are listed below:

(a) Election of Sarpanches: The manner of election of Gram Panchayat Chairperson was left to the States' Legislatures. However, at the Panchayat Samiti and District Panchayat level, the Chairpersons were to be elected from the elected members of the respective body. The election of the Chairperson at intermediate and district planning level is, therefore, an indirect election. However, different States have followed different procedures for election of sarpanch of the Village Panchayat. In some States, they are elected directly, in many other States, they are elected by and from amongst the elected members of the Gram Panchayat. The Constitutional Amendment had in vision a parliamentary form of democracy even at the village level. Gram Sabha is expected to work as the Legislature in a State. The direct election of sarpanch in

view of many researchers, strikes at the very concept of parliamentary democracy, it not only concentrates enormous powers in one individual to the neglect of the other elected Members of Village Panchayat, it also increases the possibilities of co-option of the village sarpanch by the governmental machinery. In practices that are detrimental to the interest of the village community, indirect election of Sarpanch, which is provided for in many States, makes it necessary for sarpanch to carry the elected members of the panchayats with him. This is one aspect, which needs to be carefully examined, a view needs to be taken on the manner of the election of Gram Sarpanch.

(b) Reservation to the seats of Chairpersons in Panchayats: According to Article 243-D (4) of the Constitution, the State Legislature may, by law, provide reservation to the office of Chairperson in Panchayats at village level or any other level. The first proviso under Para - 4 of the Article stipulates that the number of offices of Chairpersons reserved for SCs / STs at each level of panchayats shall be in the proportion of population of SCs / STs in the State. The second proviso thereof provides that not less than one third of total number of offices of Chairperson at each level of panchayat shall be reserved for women. These provisions have been replicated by each States/UTs in their Panchayati Raj Act. All States / UTs except Bihar have implemented this policy.

The Patna High Court in CWJC No.3357 of 1994 and a batch of similar petitions, inter alia, directed that there should not be reservation to the post of Chairpersons of panchayats at these levels on the grounds that these are solitary posts and these reservations would amount to 100% reservation. SLPs against that Order filed by the Government of Bihar are pending in the Supreme Court as a Constitution Bench is yet to be constituted to hear these petitions. On the contrary, the High Court at Jabalpur upheld the policy of reservation of Chairperson in panchayats for SCs / STs while disposing of Writ Petition No.2059/99 and a batch of similar petitions.

(c) Withholding of Panchayat elections which are due: It has been experienced that in most of the cases delay in holding panchayat election is due to pending Court Cases. Some other States did not hold panchayat elections due to other reasons, natural calamities, or law & order problems, etc. It has also been observed that in most of the Court cases, grievances of aggrieved parties related to reservation of seats for SCs / STs / OBCs / women, delimitation of constituencies, percentage of representation of Chairpersons of lower tier to higher tier, etc. In most of the cases, State Governments have not pursued these pending Court cases vigorously for their early hearing so that final decision of the Courts become available as early as possible.

(d) Two-child norm for Panchayat elections: Madhya Pradesh, Himachal Pradesh, Maharashtra and Rajasthan have opted for two-child norm for panchayat elections. Clearly, the mandatory two-child norm for elected representatives has failed as a population control measure. This provision has repercussions on the dalits and weaker sections and it would be very difficult to get more number of contestants eligible for elections.

(e) Tenure of Chairpersons: In Karnataka and Maharashtra, the Chairpersons of panchayats are being filled by rotation after one year and two-a-half years respectively. Article 243-E (1) of the Constitution provides that every panchayat, unless sooner dissolved under any law, shall continue for five years from the date appointed for its first meeting. As such tenure of every panchayat is five years and the composition of panchayat includes its elected members, nominated representatives and Chairperson. If the tenure of panchayats is five years, it is apparent that tenure of Members as well as Chairpersons of panchayats should also be five years because Article 243-E does not speak specifically for Chairperson or for Members of panchayats. Article 243-D (4) does speak of rotation of the reserved offices to different panchayats at each level, but such rotation is not necessarily to be done within the normal tenure of five years. According to this provision, offices of the Chairpersons in the panchayats at all the three levels will be reserved for SCs / STs / Women by rotation to different

Panchayats at each level at the time of fresh panchayat elections and not within the normal tenure of five years.

(f) Rotation of reserved seats for weaker sections: Article 243 D of the Constitution deals with reservation of seats and offices of Chairpersons of Panchayats for SCs, STs, Women and Backward Classes. In regard to the seats for SCs and STs, Article 243 D (1) provides that the number of seats reserved for them in each panchayat should be proportionate to their respective population in the Panchayat area concerned, and that such reservation of seats may be allotted, by rotation, to different constituencies. Moreover, in terms of clause (2) of this Article, a minimum of one-third of such seats should again be reserved for women belonging to SCs / STs respectively. However, in the actual field situations, reservation of seats on the basis of prescribed provisions are posing a problem in panchayat areas where the SC/ST population constitutes a negligible percentage of the total population of the panchayat area concerned.

(g) Composition of two higher tiers of Panchayats: According to Article 243 C (2), each panchayat area shall be divided into territorial constituencies and all the seats in a panchayat shall be filled by persons by direct elections from territorial constituencies in the panchayat areas. Article 243 C (3) vests power upon Legislature of a State to make law to provide representation of Chairpersons of village panchayat at intermediate level and Chairpersons of intermediate panchayat at district level, and nomination of MLAs / MLCs and MPs to Zilla Panchayats. However, some States have fixed some number of seats for panchayats at intermediate and district level first and then fixed percentages of seats of Members for direct election and indirect elections. These practices are against the provision of Constitution.

(h) Panchayat elections on Political Party line: In some States, panchayat elections at all the three tiers or at the level of two higher tiers are held on Political Party lines. In the process, elected representatives of a panchayat who may have a majority on Party lines in the panchayats, may find it difficult to elect

a Chairperson from a weaker section in case the post is so reserved, if inspite of having a majority, they do not have any person from the community as a member of panchayat of their party, for which community the Chairperson's post is reserved. The Parliament in its wisdom visualized rural development through panchayati raj and total upliftment of all communities as a whole. If the panchayat elections are fought on Political Party line, it is likely to create ill feelings among people and would make cooperation difficult from different sections of people for developmental work.

CHAPTER – III

Devolution of Powers, Authority and Responsibilities on Panchayats

Notwithstanding the inclusion of the subject of 'local government' in the 'State List', the term 'State' used in Part - IV of the Indian Constitution is defined in such a way that it includes, inter alia, the Parliament and the Government of India. As a result, ever since the Constitution came into force, the Union Government has also been endeavoring to promote the cause of the panchayats. All such efforts demonstrate its genuine concerns, intentions and initiatives towards effective local self-government and decentralised democracy in the rural areas.

The term 'devolution' connotes transfer of authority from a higher to a lower layer government in respect of performance of certain functions, discharge of certain duties and exercise of certain powers that, under the supreme law of the land, belong to the former. It also implies 'decision-making' at the lower level of government. It means that when authority and power in respect of a specific activity is transferred from the State to the panchayats, the latter should have the prerogative of making "decisions" in respect of planning and implementation of such activity. Such freedom should not, however, be unfettered. Considering the level of development of the panchayats, the State Government would have to lay down certain broad guidelines within the confines of which panchayats will have to exercise the authority transferred to them. However, the nature and degree of State control and supervision should not be so stringent as to stifle the initiatives or decision-making process at the local level.

In the sphere of devolution of responsibilities on lower levels of governance, some important principles should, however, be kept in view. In the first place, the principle of 'subsidiarity' needs to be given adequate attention. Second, the State Government should not unilaterally withdraw the responsibilities and powers already granted to the panchayats without adequate

justification and prior consultation with the latter. Third, responsibilities, authority and powers granted to the panchayats should be extremely specific, clear and simple in order to be comprehended by the panchayats. In other words, the principle of 'specificity / itemisation' of 'responsibilities and powers devolved should be borne in mind by the State Government. Lastly, whenever functions or responsibilities are transferred to the panchayats, it should be ensured that the necessary funds, functionaries and freedom in decision-making also accompany such transfer.

Article 243 G while retaining the discretionary nature of the powers of the State Governments so far as they relate to devolution of powers and responsibilities on the panchayats, reads "subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to (a) the preparation of plans for economic development and social justice; (b) the implementation of schemes for economic development and social justice as may be entrusted to them, including those in relation to matters listed in the Eleventh Schedule. The Schedule lists 29 'matters' in respect of which specific schemes along with necessary powers and resources are expected to be transferred to the domain of the panchayats. Though several State statutes governing the panchayats already provide for a plethora of responsibilities which pertain to some of these 'matters', unfortunately many such provisions have not been given effect to, reducing the efficacy of panchayats in the process.

In several States, the conformity Acts merely reiterate the dispensation already in vogue. They do not significantly add to the existing functional domain of the panchayats. Strictly speaking, the State Governments, before enacting their Conformity Act(s), should have reviewed the adequacy and relevance of the existing provisions with a view to exploring the desirability of enlarging the

functional domain of their panchayats. Moreover, some of the 'items' listed as 'responsibilities' in the State Acts are couched in vague terms. A glance at the variety of these items reveals that they are a 'shopping list' of 'sectors', 'sub-sector', 'broad activities in a sub-sector', and sub-activities / specific responsibilities under a broad activity', with no 'role-clarity'. States should have endeavoured to entrust to the panchayats specific activities / functions / schemes so as to enable them to clearly understand their precise role in the developmental process. Moreover, several State Governments did not grant appropriate powers and authority in respect of the responsibilities already bestowed on the panchayats by the relevant statutes. Consequently, it would be difficult to assess the degree of devolution attempted by various States merely on the basis of statutory provisions, because follow-up action in terms of appropriate administrative measures to operationalise the intent of the legislature / legislation is still tardy in many cases. Besides, where certain additional responsibilities are transferred, the necessary resource flow and staff support do not accompany it. Furthermore, in some States the line departments still exercise the powers of supervision and control over the schemes of subjects 'transferred' to the panchayats.

In a few States like Rajasthan, Uttar Pradesh, Tamil Nadu and Gujarat State sponsored 'innovative' programmes / schemes have been launched which in several cases encroach upon the legitimate functional jurisdiction of the panchayats. Moreover, in the actual planning and implementation of these programmes / schemes, involvement of the panchayats is either absent or partial. Similarly, in many States their involvement in the works proposed and executed under the Constituency Development schemes of the MLAs / MPs is not significant. Except in the case of Jawahar Gram Samariddhi Yojana (JGSY) and the Employment Assurance Scheme (EAS), their involvement in other centrally sponsored rural development schemes is extremely limited.

The Ministry of Rural Development had set up a Task Force to examine the question of demarcation of functional responsibilities between different tiers

of the PRIs for the subjects listed in the XIth Schedule of the Constitution. The Committee submitted its recommendation in September 2001. The guiding principle for functional demarcation adopted by the Task Force was the principle of subsidiarity, which postulates that any function, which can be performed by a lower tier, should be handled by that tier alone and not by any higher tier of PRI. The Task Force has also reiterated that different tiers of PRIs are not subservient to each other in a hierarchical fashion. They form an organic structure where higher tiers play a supportive role towards the lower tiers. The Report has been circulated to the States for further action.

CHAPTER – IV

Financial Devolution to Panchayats

Article 243 H and Article 243 I of the Indian Constitution provide for financial devolution to the PRIs. Article 243 H empowers the State legislatures (a) to authorise, by law, to levy, collect and appropriate specified taxes, duties, fees and tolls on panchayats; (b) to assign State taxes, duties, fees and tolls to panchayats specific for purposes; (c) to provide for making grants-in-aid to the panchayats from the Consolidated Fund of the State; and (d) to constitute specified Funds for crediting all moneys received by or on behalf of the panchayats and for their withdrawal. This provision endows the State legislatures with the discretionary power to strengthen the finances of the panchayats through assignment of certain revenue powers to and sharing of State revenues with panchayats and payment of grants-in-aid to them. Article 243 I which is a mandatory provision for the States requires the State Governor to appoint a Finance Commission at the State level within one year from the date of commencement of the 73rd Amendment Act and at the expiry of every fifth year thereafter to review the financial position of the panchayats and to make appropriate recommendations to improve their finances.

Another far reaching mandatory provision of the 73rd Amendment Act relates to enlargement of the functional domain of the National Finance Commission constituted every five years by the President of India under Article 280. After 73rd Amendment Act, the Commission is required to suggest measures for augmentation of the Consolidated Fund of the States with a view to supplementing the resources of the panchayats, on the basis of the recommendations made by the State Finance Commissions (SFCs).

The 73rd Amendment through Article 243 H reiterated the arrangements already in vogue during the pre-Amendment era; nonetheless it has significantly altered the position in the area of State - Panchayat fiscal relations under Articles

243 I and 280 of the Indian Constitution. The State Finance Commissions and the National Finance Commission are mandated to improve not only the finances of the panchayats but also to make them an integral part of both State and Union Government finances.

An analysis of the existing situation governing panchayat finances after the post – 73rd Amendment era however reveals that the financial devolution effected by the States so far is still not in tune with the provisions of the Amendment Act (**Annexure-II**). A few important features of panchayat finances, which warrant improvement, are as follows:

- (i) Several State statutes governing the panchayats provide for mandatory levy of certain taxes and non-taxes by the panchayats, particularly the village - level panchayats, such as a tax on houses / buildings and lands. States like Bihar, Orissa, Rajasthan make the very levy of taxes and non-taxes entirely optional for the panchayats. Such discretionary revenue powers to the panchayats are not exercised by the panchayats in several cases in these States. However, it is absolutely necessary to make the levy of certain tax and non-taxes by the panchayats compulsory. Among compulsory levies, taxes on lands and buildings, user charges, fees of various kinds deserve special mention. Such a measure would atleast curb the tendency on the part of the panchayats to be lax in the levy and collection of local revenues. In this connection it should be recognized that a unit of local government would be able to transform itself into a unit of self-government only when it makes effective and fuller use of all the revenue powers granted to it under or by the state statute governing it. Functional autonomy becomes an ‘utopia’ in the absence of financial autonomy, it is imperative that the panchayats are made responsible to levy and collect the tax and non - tax revenues assigned to them, no matter the quantum of such locally -mobilized revenues.
- (ii) As it is difficult for the State Governments to assign separate tax and non-taxes to the intermediate and district-level panchayats, the statutes

- governing them may be suitably amended authorizing them to levy surcharges / cesses on State Government taxes / non-revenues.
- (iii) The State Governments should be required to prescribe the relevant guidelines / rules / powers of the panchayats in respect of all the revenue powers that are statutorily assigned to them by their respective State legislatures. This issue needs to be pursued by the Union Government in all earnestness since, as a matter of principle, the executive governments should not be allowed to either delay or 'subvert' the express provisions made, by law, by their respective legislatures. A time limit for prescribing such relevant rules / guidelines / powers of the panchayats in respect of each revenue power granted to the panchayats is urgently called for.
 - (iv) In conformity with Article 243 H the State legislatures should legally prescribe the taxes, fees, tolls and duties to be assigned to the panchayats as well as the State revenues to be assigned to panchayats instead of leaving these issues to be decided by the executive government. Some of the State taxes which deserve to be shared with the panchayats comprise the profession tax, entertainment tax, land revenue, cesses on land, motor vehicle tax, etc. Profession tax, not levied in some of the States, may be exploited by the State Governments concerned, and the revenue proceeds thereof may be transferred to the panchayats.
 - (v) All State Governments pay grants-in-aid to the panchayats for a variety of purposes. A major portion of these grants belongs to the category of 'specific grants' tied to particular purposes. Some grants emanate directly from the State Government, others from the line departments of the State Government, District Rural Development Agency (DRDA), and from higher to lower tiers of PRIs. During the last one decade, grants under some of the centrally sponsored rural development programmes such as Jawahar Gram Samridhi Yojana (JGSY), Employment Assurance Scheme (EAS), National Social Assistance Programme (NSAP) etc. are also being received by the panchayats for implementation of schemes or distribution to the target groups. Similarly, for the first time in the history of panchayati raj, grants as per the recommendations of the Tenth and Eleventh Finance

Commissions are also earmarked and distributed to panchayats. Thus, broadly speaking, the grants being paid to the panchayats emanate both from the State and Union Government, although the relative share of the former in the total is still very large. Nevertheless, despite the recommendations of State Finance Commissions, the system of grants in most of the States is not rationalized. It still suffers from 'inadequacy' and 'uncertainty'. In view of this, State Governments may initiate urgent measures to streamline and integrate the various grants paid to the panchayats. At the same time, it may be ensured that panchayats are not simply reduced to the status of mere implementing agencies of the State Governments. When the panchayats are endowed with certain revenue raising powers, efforts must be made, and incentives provided to facilitate their fuller use by the panchayats. Matching contribution by the State Governments to resources raised by panchayats could be one of the options. Provision could also be made for contribution by panchayats before they could avail of grants under State and Central Schemes. Contributions from the panchayats could be prescribed with due regard to the level of development of their respective territorial jurisdictions. State could prescribe the extent of contribution keeping in view the State specific conditions.

- (vi) The States in mid-1990s constituted the first State Finance Commissions and except in Bihar, all other SFCs submitted their recommendations. However, follow-up measures by the States to implement the recommendations of their SFC has been weak. In several cases, the pace of such implementations is very slow, although the Second SFCs have already been set up in many States. State Governments should therefore take expeditious measures to ensure that all recommendations of their SFCs, which are agreed to, are implemented through relevant legislative, administrative and financial measures within a given time limit to be presented in the State legislatures.

PRIs have been given vast functions with few sources of revenue. The functional autonomy of the PRIs cannot be operationalised unless the finances of the PRIs are set on sound footings, with clearly defined sources of revenues. There is, therefore, a need to introduce a concept of “separate tax domain for the local bodies” which takes into account their functional domain. Assignment of sources of revenue, which are buoyant, is, therefore, an imperative, which would have to be considered by the State Governments. The collection of taxes by PRIs lies largely within the domain of the gram panchayats. These panchayats, however, do not possess any separate machinery for levying and collection of taxes and other user charges. The State Governments would have to look into this aspect and create a suitable structure for revenue collection in gram panchayats.

CHAPTER-V

District Planning Committees

Economic development with equity and justice to all sections of society has been a guiding principle of Indian Planning. Though there is a general perception that planning in India has always been top down with reliance on a trickle down approach for percolation of fruits of economic development to the poorer sections of the society, the Five Year Plans have consistently advocated decentralized planning as a means to involve local community in the planning process. The First Five Year Plan itself recognized the need to break up planning exercise into National, State, District and Local Community Level Plans. The Community Development Blocks established in 1952, were one of the first attempts at decentralized planning. Successive Five Year Plans have reinforced the concept of planning from below and their integration both in the State and National Plans.

The process of decentralised planning was given greater impetus with the passage of 74th Constitutional Amendment Act, which provided for constitution of District Planning Committees (DPCs) to consolidate the plans “prepared by the Panchayats and Municipalities in the district and to prepare a draft development plan for the district as a whole”.

Functions of DPCs: One of the major functions of the DPC is to prepare a draft development plan for the district as a whole after taking into account the plans prepared by the panchayats and the municipalities in the district. While preparing draft development plan DPC should keep in view the matters of common interest between the panchayats and the municipalities including spatial planning, sharing of water, other physical and natural resources, the integrated development of infrastructure & environmental conservation and the extent & type of available resources in the district.

However, the experience of last eight years is not very encouraging. To achieve the objectives, it is necessary to have a bottom up approach i.e. planning process starting from gram panchayat in consultation with gram sabha, going up to the district panchayat. Such planning with the involvement of people will be need based. The important aspect of decentralized planning is identifying ingredients of a - (a) strategy of rural development, (b) determination of spatial and temporal sequences of activities and their coordination, (c) infrastructure for essential services, and (d) social institutional framework. These four elements are correlated in such a way that failure on any these four elements is likely to distort not only the process of planning but also the way benefits accrue to various sections of population. Another important aspect of the rural development strategy and decentralized planning is to maintain proper coordination not only among different sets of functionaries but also among different sectors of the rural economy. For this, both forward and backward linkages are to be maintained among the panchayat functionaries.

Constitution of DPCs: The State Governments are required to constitute DPCs as envisaged under Article 243 (ZD) of the Constitution (74th Amendment) Act to facilitate the process of decentralized planning. DPCs are to be set up in each district to prepare composite plans covering both urban and rural areas. The State Legislatures have been vested with powers to make laws to determine the composition of the DPCs and the manner in which the seats in the DPCs shall be filled. However, it has been stipulated that not less than four-fifth of total members of such Committee shall be elected by, and from amongst, the elected members of panchayats and municipalities in the ratio of rural and urban population of the district. The manner of selection of Chairperson of the DPCs has been left to the States.

Status of constitution of DPCs: Despite the passage of eight years, many States are yet to constitute the DPCs. Only eleven States, namely Haryana (only in 4 Districts), Karnataka, Kerala, Madhya Pradesh, Orissa, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal and three Union

Territories, namely, Andaman & Nicobar Islands, Daman & Diu and Lakhsadweep have taken action to constitute DPCs. The setting up of DPCs must receive top priority by the State Governments, as it is only then that planning would genuinely begin from the grass roots.

In many States DPCs are being chaired by Ministers and Officials of the State Government. This is against the spirit of the 73rd Constitutional Amendment Act. The Chairperson of district panchayat or municipalities, depending upon the proportion of rural and urban population in a district should be the Chairperson of the DPC. The manner of selection of Chairperson of DPC is vested with the State Legislature without any clear provision having laid down in the Constitution. If the Ministers or the officials of the State Government are selected as Chairpersons of DPCs, it will be against the vision of the autonomy of micro units that must be treated as autonomous centres of growth responsible for conceiving; initiating, executing and implementing development plans (details at **Annexure III**).

Problems in Functioning of District Planning Committees: An analysis of Annexure III indicates that the progress of constitution of DPCs has been very unsatisfactory. One the factors underlying reluctance of States to set up DPCs, has been the existence of District Planning Bodies / Boards before the Constitutional Amendment came into force. The different roles of zilla parishads and municipal bodies in a district have also emerged as a major bone of contention in constituting effective DPCs. Since DPCs under the 74th Constitutional Amendment are a mandatory requirement, States would be expected to sort out the issues that have prevented them for constituting DPCs in the past. One of the solutions could be to enlarge the jurisdiction of zilla parishads, which at present is confined to the rural areas, to the entire district. The election procedure for members may also be amended to provide for election of zilla parishad members both from rural and urban areas.

People's Preparedness for District Planning : The planning process requires a clear perception of needs and priorities of a particular area and the

resources that would be available in a given time frame to provide for those needs. Unfortunately, in many parts of the country, rural communities as yet are not fully equipped to handle the task of planning as envisaged in 74th Amendment Act. The training programmes that are undertaken for training panchayati raj functionaries, should concentrate on providing basic skills of planning to the rural population. Another factor that obstructs the emergence of local planning is the pattern of flow of funds to the rural areas, which is largely tied to schemes of Central and State Governments. There is, therefore, a need to provide pooled funds to village panchayats so that they could plan for their requirements depending on their needs

In Kerala, a Voluntary Technical Core (VTC) was created, consisting of technical, experienced people to assist the panchayats. Similarly, in other States, voluntary groups and institutions need to be identified for providing assistance, training and support for effective implementation of programmes at the local level.

CHAPTER - VI

Gram Sabha

Gram Sabha is the center of democratic power in the village. The Constitution of India defines Gram Sabha as a body “consisting of persons registered in the electoral rolls relating to a village comprised within the area of panchayat at the village level”. It is the repository of all powers and responsibilities bestowed on PRIs through the 73rd Amendment Act. The Gram Sabha as a collective body discusses issues and problems, needs and aspirations of the village, including problems faced by special groups. Gram Sabha based comprehensive planning is the basis of local self-governance. Gram Sabha consists of people themselves while Gram Panchayat consists of their elected representatives. Gram Sabha is an institution of “Participatory Democracy” while Gram Panchayat is an institution of “Representative Democracy”. Gram Sabha “elects” while the Gram Panchayat is “elected”. The Constitution 73rd Amendment Act explicitly provides for both “powers” and “functions” of Gram Sabhas. Article 243-A states as under:

“Article 243 A - Gram Sabha – A Gram Sabha may exercise such powers and perform such functions at the village level as the Legislature of a State may, by law, provide.”

Most State Governments have provided for a weak Gram Sabha and listed out only ritualistic and formal functions – such as mobilisation of shramdan, maintenance of communal harmony, passing of annual accounts etc. Their major function continues to be to identify beneficiaries of rural development schemes. A perusal of Panchayati Raj Acts of different States reveals that Gram Sabha is required to -

- i) Examine Annual Accounts and Audit Report.
- ii) Consider taxation proposals.
- iii) Consider budget proposals.
- iv) Discuss report of the administration.
- v) Review existing schemes/works.
- vi) Review panchayat activities.

- vii) Review current and future programmes.
- viii) Select local schemes.
- ix) Approve village plan.
- x) Identify beneficiaries.
- xi) Undertake programme for family welfare.
- xii) Maintain register of development activities.
- xiii) Promote social harmony.
- xiv) Mobilize peoples' participation.

In many States, Gram Sabhas have not been given the final decision making powers. They only recommend / give proforma approval.

In Assam, Bihar, Kerala, Madhya Pradesh, Maharashtra, Orissa, Tamil Nadu and Uttar Pradesh gram sabha meetings are required to be held four times in a year. In Andhra Pradesh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Manipur, Punjab, Rajasthan, Sikkim, West Bengal and Lakshadweep Gram Sabhas meet twice in a year whereas in Tripura Gram Sabha meeting is held only once in a year. Most State Governments / UTs have prescribed a quorum for the Gram Sabha meetings. Bihar, Goa, Karnataka, Manipur, Orissa, Rajasthan, Sikkim, Tamil Nadu, Daman & Diu and Lakshadweep have fixed quorum as one-tenth of members. The following States have prescribed certain other conditions while fixing quorum as one-tenth of total members: -

Assam	-	1/10 th or 100 members whichever is less
Gujarat	-	10% of electoral roll or 50 persons, whichever is less.
Haryana	-	1/10 th of electorate for special meeting but no quorum for general meeting.
Madhya Pradesh	-	1/10 th of electorate, 1/3 rd have also to be women.
A&N Island	-	1/10 th of electorate for ordinary meetings and 15% of total electorate for special meetings.

The following States have prescribed different percentage of quorum along with other conditions: -

- Andhra Pradesh - Not less than one-half of the total number of members.
- Himachal Pradesh – 1/5th for general meetings, 1/10th for adjourned meetings, One-half for special meetings to consider 'No Confidence Motion' of Pradhan etc.
- Kerala- Not less than 50 members.
- Maharashtra - 15% of electoral rolls or 100 persons whichever is less.
- Punjab - 1/5th of electorate for regular meetings, 1/10th of electorate for re-summoned meetings.
- Tripura - 1/8th of electorate for Gram Sabha and 1/5th for Gram Sansad.
- Uttar Pradesh - 1/5th of electorate.
- West Bengal - 1/20th of total members for Gram Sabha, 1/10th of members for Gram Sansad.

Attendance in Gram Sabha meetings has been rare. Gram panchayats jurisdiction extends to 5 -10 villages in many States. Distances make it difficult for many, especially for women, to attend the meeting. Annual meetings are too unwieldy and held only for proforma approval of accounts. The time when Gram Sabha meeting is held is also very important. People may not attend if they have to lose a day's wages. Other reasons usually cited are – personalised nature of village politics, lack of proper venue and reluctance of elected representatives to convene meetings. Most States / UTs have failed to prescribed a procedure for implementation of the Gram Sabha decisions. In many States, Gram Sabhas have been asked to conduct social audit. Even in such cases, the remedial measures to be taken based on the social audit report have not been spelt out.

Many Evaluation Studies have pointed out that villagers view gram panchayats only as a means for selection of beneficiaries for various development programmes. Beyond this the PRIs have nothing tangible to offer to

the non-beneficiaries. Instances have also come to light where in the absence of a quorum, the meeting is adjourned on the same day meeting is reconvened as there is no requirement of a quorum for a reconvened meeting. In effect, the decisions are taken by panchayats without participation of the people.

However, these factors cease to operate when real powers are vested in gram sabha and State Government mobilises public participation. Wherever these problems have been resolved, gram sabhas have done well.

In recognition of the centrality of gram sabha in the PRI edifice, the Government of India declared 1999-2000 as the 'Year of the Gram Sabha'. All Chief Ministers / Lt. Governors were addressed pointing to the need for considering a minimal package of powers for Gram Sabhas.

- a) Every habitation or a group of habitations may be designated as a 'village' for the purposes of constituting Gram Sabha.
- b) The relationship between the Gram Sabha and the Gram Panchayat may be the same as between the Legislature and the Government. The panchayat should be accountable to the Gram Sabha in unequivocal terms.
- c) The Gram Sabha should have full powers for determining the priorities for various programmes in the village and approval of budget. Prior approval of Gram Sabha should be made mandatory for taking up any programme in the village.
- d) The management of natural resources including land, water and forest by any authority whatsoever should be made subject to the concurrence of the Gram Sabha. In particular consultation with the Gram Sabha should be made mandatory before acquisition of land / other forms of land transfer.
- e) The Gram Sabha should be vested with full authority to manage all affairs concerning intoxicants.
- f) Participation of women, SC and ST members in the Gram Sabha should be made mandatory with suitable provision for their presence in the quorum of Gram Sabha meetings.
- g) The Gram Sabha should have the power to evolve its own procedure for conducting its business including decision-making.

Powers of gram sabha and panchayati raj institutions in Schedule V Areas prescribed in the Provision of the Panchayats (Extension to the Scheduled Areas) Act 1996 are wide ranging. The scope of these powers is not dependent on any legislative action by the State Governments. Gram Sabhas in Scheduled V areas have clear-cut role in managing natural and community resources. Ownership rights of Minor Forest Produce (MFP) have been vested in the gram sabha and panchayats. Although 'contours' of powers of gram sabha need not be defined afresh, State Governments are required to amend existing subject laws in consonance with the provisions of Central Act 40 of 1996.

Gram Sabha should be given a greater role in managing financial resources given to Panchayats. In this regard, the first meeting of the gram sabha in every financial year should be converted in a budget session where the resources that are likely to be available under different programmes, should be placed before the Gram Sabha and views of the gram sabha on utilization of these resources should be elicited. In the subsequent gram ssabha meetings, the expenditure on projects agreed to by the gram sabha should be reviewed.

Gram Sabha is not only an institution articulating the needs and aspirations of the community but also a forum for mobilizing community participation. Truly empowered gram sabhas can prevent abuse of power by the panchayat. They could also assist the panchayats to implement development programmes. They could act as watch dog to protect community interests and common property resources. At present, gram sabhas attract only the potential "beneficiaries". The States / UTs must devolve more powers upon panchayats, particularly gram panchayats and remove provisions which undermine gram panchayats / gram sabhas. Gram Sabhas also have to learn to define their own agenda and seek local solutions. Agenda of gram sabha meetings must transcend their presently limited jurisdiction. States could extend powers enjoyed by gram sabha in Scheduled areas to the gram sabha in non-scheduled areas to make them the real fulcrum of the panchayati raj system.

CHAPTER – VII

Panchayats in Scheduled Areas

The Provisions of the Panchayat (Extension to the Scheduled Areas) Act, 1996 (PESA) was enacted on 24th December 1996. It is applicable to the nine States which have Scheduled areas under the Vth Schedule: Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa and Rajasthan. All these States except Jharkhand have enacted State Legislations to give effect to the provisions of PESA, as required by the Central Act.

Socio-economic conditions of tribes in the Vth Schedule areas are different from the tribes in North East India as also from other communities inhabiting non-scheduled areas in their respective States. Tribals are (a) more vulnerable to economic exploitation and (b) have customary modes of governance and social traditions unlike those found among non-tribal communities. The Constitution, therefore, recognized the need for a separate administrative structure and made a provision for it under the Vth Schedule. The Vth Schedule enables the Governor (on the advice of the Tribal Advisory Council) to make special laws regarding the transfer of land to non-tribals to prevent land alienation, regulate money lending, and modify the application of any other state laws to scheduled areas. In practice, however, apart from land alienation laws, state laws have generally been extended to scheduled areas without any changes.

PESA internalizes the spirit of the Vth Schedule. It gives power to the village communities or gram sabhas themselves to frame rules that are suitable for local customs and conditions. PESA assumes that tribal communities are in general less differentiated and more homogenous than non-tribal villages, and that the community (whether organised in the form of a hamlet or group of

hamlets) functions through a form of participatory democracy. Gram Sabha has, therefore, been given a place of prominence in PESA.

The powers assigned to gram sabhas under PESA may be divided into four categories:

- (i) **Mandatory features:** State legislation on panchayats must be in consonance with the customary law, social and religious practices and traditional management practices of community resources; every gram sabha shall be competent to safeguard and preserve the traditions and customs of the people, their cultural identity, community resources and the customary mode of dispute resolution. The gram or village that is to form the basis of the gram sabha can be defined locally – as a habitation, hamlet, or set of hamlets. The gram sabha must approve development plans before implementation by the panchayats, identify beneficiaries and provide a certificate of utilisation of funds to the panchayat.
- (ii) **Powers to be consulted:** the gram sabha or the panchayats at the appropriate level must be consulted before land acquisition for development projects and before resettlement of people in scheduled areas. However, actual planning and implementation of projects in scheduled areas continues to rest at state level.
- (iii) **Power to recommend:** The prior recommendation of the gram sabha or panchayats at the appropriate level is necessary for the grant of licenses or mining leases for minor minerals, and for the auction of the concession to exploit minor minerals.
- (iv) **Management functions:** The gram sabhas (and the panchayats at the appropriate level) have the specific powers to regulate liquor sales, enforce prohibition, prevent land alienation, manage village markets, exercise control over money lending to tribes, exercise control over government functionaries in the social sector, exercise control over local

plans and resources for such plans. In addition, the gram sabhas have been given ownership over Minor Forest Produce.

While leaving the details to the State Legislations to issue necessary instructions in respect of above functions, PESA, 1996 makes two other important recommendations:

- (1) the State Legislations shall contain safeguards to ensure that higher levels of panchayats do not usurp the powers of lower levels or of the gram sabha.
- (2) while designating the administrative arrangements at district level in scheduled areas, state legislations should follow the pattern of the VIth Schedule.

While the last recommendation has been ignored altogether, in other respects too, the various State Acts are not fully in conformity with the Central Act. All fall short of implementing the spirit of PESA. In many States, intermediate level panchayats have been provided greater powers and functions than the Gram Sabha. In fact, as it currently stands, PESA is so hemmed in by other State and Central laws and the existing structures of the bureaucracy that it has not made a major impact on the socio-economic conditions of the tribals. PESA was intended to make tribals masters of their own destiny. The underlying assumption was that given the homogeneity of tribal groups in scheduled areas, gram sabha / panchayat in their area would be in better position to conduct its affairs compared to gram panchayat / gram sabha in non scheduled areas where many other safeguards had to be provided to ensure equitable treatment of scheduled castes, scheduled tribes and women. However, the powers which have been devolved by the State Governments by the Acts enacted in pursuance of PESA, have not internalized the spirit of PESA. For example, land and forests central to the livelihoods of tribal communities, are effectively not within the control of tribals inhabiting the area. The provision of mandatory consultation

before land is acquired for development projects lacks teeth as recommendations of gram sabha / gram panchayat can be ignored. No remedial measures have been provided in the State Acts in this regard. In recent years, even though gram sabhas have passed resolution against land acquisition (Kashipur in Orissa for an Aluminum Project), the gram sabha's recommendation was over-ruled. It subsequently led to violent protests and police firings in December, 2000. Greater powers to gram Sabha in respect of land acquisition and management of forest resources will have to be devolved, if such occurrences are to be avoided in future.

PRIs in the tribal areas should be effectively involved in implementation of Tribal Sub Plan (TSP) strategy especially for ensuring that the basic minimum services are adequately and equitably provided by concerned line departments; selection of suitable projects which would be relevant to the needs of tribals and accepted by them in the areas of agriculture, horticulture, animal husbandry and other relevant sectors; to function as effective negotiators between the tribals and the mainstream development and regulatory institutions as tribals are otherwise isolated and lack capacity to negotiate; weigh the impact of liberalization and market economy on the tribals and initiate steps to protect their interest; developing capabilities to take up independent developmental projects especially for survival, protection and development of Primitive Tribal Groups (PTGs); revitalising tribal customary laws as effective means to handle various problems internal to the tribal society and their way of life; articulating the tribal interests and ethos and suitably dovetailing the same in any innovative/developmental project under taken in the tribal areas.

Land alienation is a major problem in tribal areas. The lowest unit of PRI with the help of gram sabha should be empowered to identify individuals whose lands have been alienated and by whom and to promptly report the matter to the competent authority for restoration of the land. Block level panchayats or Zilla Parishads as the case may be, should ensure that subsequent to the restoration of the land the beneficiary is enabled to cultivate the land under concerned

programmes with assistance obtained through appropriate convergence and linkages so as to eliminate the possibility of future alienation. Zilla Parishads may also promote cluster-based programme for such beneficiaries under various economic development schemes.

Block level panchayats should also have a distinct role in identifying thrust areas of development and to prepare area development plans wherein various connected programmes are converged and send them to the Zilla Parishad for appropriate dovetailing under the district Plan / Tribal Sub-Plan. Modification of State and Central laws that contravene PESA and real & effective powers to gram sabha are two important concerns that will have be addressed in the Xth Plan period.

CHAPTER – VIII

Role of Panchayati Raj Institutions in Centrally Sponsored Schemes

According to Article 243 (G) of the 73rd Constitutional Amendment Act, the States are required to devolve adequate powers and responsibilities on the PRIs in order to make them effective institutions of local self-government. The responsibility for the preparation of Plans for economic development and social justice and its implementation in relation to 29 subjects listed in the Eleventh Schedule is also bestowed on the PRIs.

Different Ministries and Departments of Central Government implement Centrally Sponsored Schemes (CSSs) pertaining to 29 subjects. As per the Constitutional mandate in respect of the subject matters listed in the Eleventh Schedule, functions, functionaries and funds have to be devolved on the PRIs for planning and implementation of schemes. In reality, however, the involvement of PRIs with respect to these 29 items has been minimal in most States. It has been observed that State Governments as well as Central Ministries have not taken concrete steps to integrate PRIs in their strategy of planning and implementation of CSSs under their purview. They continue to be implemented departmentally with the sole exception of the Jawahar Rozgar Yojana (JRY) / Jawahar Gram Samridhi Yojana (JGSY) which is implemented through PRIs.

In so far as the programmes of the Ministry of Rural Development are concerned, PRIs have been involved in the implementation, monitoring and review of their programmes. However, in respect of CSSs implemented by other Central Ministries, PRIs role is either non-existent or minimal. A review of implementation of CSSs of Department of Health and Family Welfare, Department of Education, Ministry of Environment and Forests shows that several parallel delivery systems like District Health and Family Welfare Society, Village Education Committees (VECs), Mahila Sangh, Lok Jhumbish Parishads, Joint Forest Management (JFM) Committee, have been constituted. In addition, a large number of CSSs are implemented through the NGOs. There is no formal

structure put in place to involve PRIs in the implementation of the schemes undertaken by the set ups created by different Ministries and the schemes implemented by the NGOs.

One of the major tasks of the PRIs is the preparation of plans for fostering economic development and social justice. The district development plans would have to be prepared through the institution of the DPCs. It is expected that gram sabha would list out priorities and assist in the selection of beneficiaries for various programmes and schemes. In this way, the aspirations of the people would be articulated. Thereafter, village level plans will have to be prepared which would be incorporated in the intermediate plans (block level) and finally merged into a district plan. Some States have already identified the works / schemes of sectoral departments to be undertaken at the different levels.

The CSSs implemented by the Ministry of Rural Development, provide for a distinct role of PRIs. Jawahar Gram Samridhi Yojana is implemented by panchayats. The role of PRIs in some of the schemes of Ministry of Rural Development is described in the following paragraphs.

Jawahar Gram Samridhi Yojana

Jawahar Gram Samridhi Yojana (JGSY) has been designed to improve the quality of life of the rural poor by providing them additional gainful employment. The primary objective of JGSY is the creation of demand-driven village infrastructure including durable assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is the generation of supplementary employment for the unemployed poor in the rural areas. People living in villages constitute the target group of JGSY. Preference is given to SCs / STs, families living below the poverty line and physically handicapped persons. Village Panchayat is the sole authority for preparation of Annual Action Plan for this scheme and its implementation with the approval of gram sabha.

Swaranjayanti Gram Swarozgar Yojana

Swaranjayanti Gram Swarozgar Yojana (SGSY) aims at establishing a large number of micro-enterprises in the rural areas, building upon the potential of the rural poor. The programme has been designed to provide support and encouragement to tap the inherent talents and capabilities of the rural poor. The village panchayats are actively involved in the process. This scheme has been conceived as a holistic programme of micro-enterprises covering all aspects of self-employment, viz., organisation of the rural poor into self-help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. The SGSY will be implemented by the District Rural Development Agencies (DRDAs) through the intermediate panchayats. The process of planning, implementation and monitoring would integrate the banks and other financial institutions, the PRIs, NGOs as well as technical institutes in the districts.

Watershed Development Programmes

Watershed Development Programmes of the Department of Land Resources in the Ministry of Rural Development aim and impress upon involving the PRIs at district, block and village level. Under the Guidelines for Watershed Development, funds are released to DRDAs / Zilla Parishads (ZPs). In some states like Karnataka and Madhya Pradesh, the funds are released to Zilla Parishads directly. In quite a few cases, Zilla Parishads themselves act as Project Implementing Agencies for watershed development projects. If these models are adopted in other States, there will certainly be greater involvement and participation of ZPs in watershed development programme. Under the Guidelines for Watershed Development, at a micro watershed level (village level), there is a provision for Watershed Development Fund for post project

maintenance of assets created. However, maintenance of assets in the post project phase has been reported as a major problem in the evaluation studies of Watershed projects. Therefore, there is a need for involvement of village panchayats for maintenance of these assets. With a view to enabling the village panchayats to undertake the task of maintenance of assets created, it is necessary that grants-in-aid are given to the village panchayats.

Other Ministries and Departments of Central Government have yet to clearly spell out the role of Panchayati Raj Institutions in Centrally Sponsored Schemes implemented by them. There is an imperative need for the Central Ministries to simplify their programme's guidelines and indicate a *modus operandi* for involvement of PRIs in executing programmes which relate to the subject matters that fall within the functional domain of the PRIs. In case of Externally Aided Projects (EAPs), there is a tendency to set up separate formations for their implementation. Even for the EAPs, the role of PRIs should be clearly spelt out.

CHAPTER - IX

People's Participation, Transparency, Accountability and Social Audit

Mahatma Gandhi visualised panchayats in the following words – “ The Panchayat shall have all the authority and jurisdiction required. Panchayats will be the legislature, judiciary and executive combined to operate for its year of office. There is perfect democracy based upon individual freedom. The individual is the architect of his own government. My idea of village swaraj is that it is a complete republic...” It has been argued that people's participation is essential for the success of rural development programmes. Peoples participation should be encouraged as the people in villages know their needs better than government officials working at block, district and state levels. Non involvement of people in the development programmes is also a great concern and challenge to rural development. No programme can be a success without the people's involvement.

Participation is not a process of involving every one and reducing all to a common denominator. Rather, it consists in evolving institutional structures from which diverse individuals with a sense of dignity and self-respect determine their own destinies. The 'peoples participation perspective' in its operational design will imply that most plan options be complimentary, supportive and reinforcing in character.

People's participation broadly is of three types. Firstly, where people, come forward on their own to participate without any external support and force. Secondly, where people participate because of some mandate and official endorsements. Thirdly, where people participate because it has been made compulsory and its violation may invite coercion. Compulsory participation is not desirable. Between spontaneous and sponsored, the former is more suitable.

This will sustain for a longer period as well as establish the ideal participatory environment.

People's participation in developmental schemes can be ensured only if such schemes are implemented through panchayats. Gram Sabha should be empowered to fix priority of development work, to select the work site and beneficiaries. Enhancing public awareness about the schemes through print & electronic media, street plays, puppet shows can ensure people's participation. The involvement of Non-Government Organisations would greatly help in mobilisation of people's participation. The rural development programmes should be based on the felt needs of the people in order to achieve greater people's participation and sustainability of development.

One of the cardinal principles of autonomous self-governing institutions is accountability to the local people. It is necessary to evolve appropriate institutional fora to ensure accountability of panchayats to the people. There could not be a better institution than the gram sabha to ensure accountability to the people. The evolution of suitable fora and more importantly their institutionalization for demanding accountability of panchayats by the local people is the final answer for keeping the elected bodies on the right track. It is, therefore, necessary to give adequate attention to this issue instead of attempting to control elected bodies through state bureaucracy.

Under many of the State Acts, the gram sabha is intended to ensure that the decisions made by the gram panchayat are transparent. The elected representatives are accountable to the electorate. For this, it is necessary that: (a) the number of members attending a meeting of the gram sabha should be large enough to make their participation meaningful; (b) subjects discussed in the gram sabha should be of substantial interest to the members at large; and (c) all activities including selection of beneficiaries for various welfare programmes to be carried out by the gram panchayats have to be approved by the gram sabha.

Many evaluation studies have pointed out that most of the people, especially those from the Scheduled Castes / Scheduled Tribes were never informed about the dates and venue of the gram sabha meetings. Even if they had attended the gram sabha meetings, the dominant community members did not pay attention to their voices. The experiences in this regard, however, varies across States.

In Kerala a number of steps have been taken to enforce transparency. Monitoring Committees are appointed by the gram sabha for every public work and the elected Members cannot chair such Committees. All plan documents, including those related to beneficiary selection, estimates, bills and vouchers of works have been declared public documents, which any citizen can access. Photocopies have to be supplied for a fee on demand within seven days of an application. State Government has decided to install photocopying machines at the headquarters of all gram panchayats of the State to facilitate this process. At the site of every public work, it is prescribed that daily notice be pasted which lists the names of workers with wages earned, materials purchased with unit costs, quantities, transport charges and contingency expenses. The independent monitoring committee of the gram sabha has to ensure that the notices are accurately prepared and displayed daily. The State Government has also prescribed the construction of a large notice board at the headquarters of every ward, called the Vaarta Board, where these and other notices must compulsorily be displayed, otherwise subsequent grants to the panchayat would be withheld.

The procedure prescribed in Kerala for the selection of beneficiaries also has salutary elements of transparency. The gram panchayat is required to lay down numerical weightage for priority in selection of beneficiaries. As an illustration, in Kunner Thukal Panchayat, for award of house sites, widows are given a weightage of 10 points, disabled persons and persons with serious chronic illnesses 10 points, for each girl of marriageable age 5 points, each school-going child 2 points, landless workers and farmers with less than 5 cents of land 5 points. These criteria are widely publicised, including on the notice

board. Selection of the beneficiaries by the gram sabha are based strictly on award of points on the prescribed criteria, and objections are invited before the lists are finalised. This system favours the most disadvantaged irrespective of caste, creed and political affinity.

The right to information in the functioning of the panchayats is crucial to ensuring transparency in implementation of developmental schemes. Transparency is the most essential part, which is needed both for changing people's perception regarding these bodies as well as for creation of proper environment for peoples' participation. Kerala example could be replicated in other States as well.

The concept of social audit starts from the principle that in a democracy the decision makers should account for the exercise of their powers and that these powers are used as far as possible, with the consent and understanding of all concerned. Social audit is an instrument of social accountability of an organisation. Sensitizing the target groups about benefits of any programme and identifying gaps in the implementation of the programmes; scrutiny of the implication of technological choices for people; review of the programmes being implemented keeping in view their interests, priorities and perceptions; and making the system open and accountable to the people, are necessary to make social audit effective. For example, the People's Plan Campaign in Kerala very forcefully brought out the possibility of institutionalising the powers and role of the gram sabha through the transformation of PRIs from agencies executing predetermined programmes and schemes of the Central or State Government into financially, functionally and administratively empowered institutions of self-government.

The Government of Madhya Pradesh has also issued instructions for procedure to be followed for conducting social audit by gram sabha. The instructions of the Government of Madhya Pradesh prescribe that in the event of the gram sabha reaching a conclusion after enquiry that there have been

irregularities or corruption in the implementation of any work, it would send a report with full details to the Sub Divisional Officer (SDO). The SDO would be required to register a case in his or her Court under the Panchayati Raj Act. The SDO would then constitute an inquiry committee, which would include an elected representative of the panchayat who is not connected with the work, a technical officer and a private individual. The Committee would enquire within a time limit prescribed by the SDO. The SDO would nominate an officer to place the report before the gram sabha. In case the gram sabha concludes that corruption did take place, the SDO would be required to take legal action. This is by no means a fully satisfactory procedure, but it is the only instance in any State, in which the social audit by the gram sabha has some mandatory legal outcomes.

An interesting contrast is Rajasthan where a people's organisation Mazdoor Kissan Shakti Sanghathan (MKSS) has facilitated pioneering social audit by gram sabhas into a number of public works. However, despite clear evidence of corruption and even admittance of guilt in certain cases, the local administration did not take punitive or remedial action. The Government of Rajasthan promulgated the Rajasthan Panchayati Raj (Amendment) Ordinance, 2000, which empowers local village communities to exercise direct statutory control over the implementation of all works implemented within the ward of which they are members. This is a response to powerful and determined grass roots movements of poor rural communities in Rajasthan for the right to information, and the actual practice of social audit by village communities, which came to be known as 'Jan Sunwais or public hearing'. The Ordinance vests village communities with legal authority, and in fact goes so far as to lay down explicitly that utilisation and completion certificates can only be awarded by ward sabha after the conduct of ward sabha meeting.

The Government of India has made social audit mandatory. A copy of the instructions issued by the Ministry of Rural Development in this regard is at **Annexure IV**. Social Audit should be backed with mandatory legal outcomes in the event of leakage detection. It is, therefore, necessary for the States to frame

rules to lay down detailed procedures for the conduct of social audits so that its processes conform to the principles of natural justice, and there are necessary and binding outcomes of pursuant to social audit process.

CHAPTER - X

Interface between Panchayati Raj Institutions and Voluntary Agencies

People's initiatives express themselves in several ways – citizens' groups, neighbourhood organisations, associations to safeguard community interests and culture, pressure groups, voluntary organisations to protect the rights of the people in general and the vulnerable and marginal groups in particular, trade unions, cooperatives, etc. Non Governmental Organisations (NGOs) and Voluntary Agencies (VAs) may have an international, national, regional or local base. They are not location specific. The local organizations / associations are generally community-based organisations (CBOs). There are also associations and societies registered at the district or state level, with a district authority as its chief (like the district blindness control societies, watershed development committees, joint forest management committees, water users' committees, etc.). Administrators, professionals and users belong to these organisations.

Decentralised institutions in the voluntary sector are community initiatives which protect people's rights and assets and improve the socio-economic status of local communities. They are broadly speaking, citizens' initiatives and their organisations in civil society. In the Indian context, voluntary organisations have played an important role in deepening social values for democratic decentralisation by striving to promote system of governance based on provision of entitlements to people rather than as governance based on patronage. NGOs in many parts of the country have acted as vigilance and pressure groups on elected leaders of the community to act within the boundaries of the law of the land and not in its violation.

The voluntary agencies can play an important role in innovating new methods and approaches to deal with vexing issues, plan cost-effective project implementation, and get effective involvement and participation of the people.

They have access to expertise and are competent in their own areas of operation.

From the Seventh Plan onwards, the Government have recognised the positive contribution of the voluntary sector. It clearly articulated role for Voluntary Agencies in a district in the following areas:

- (i) To supplement the government efforts so as to offer the rural poor choices and alternatives;
- (ii) To activate the delivery system and to make it effective at the village level in response to the felt needs of the poorest of the poor;
- (iii) To disseminate information;
- (iv) To make communities as self-reliant as possible;
- (v) To demystify technology and to bring it in a simpler form to the rural poor.
- (vi) To train a cadre of grassroot volunteers;
- (vii) To mobilise and organise the poor and generate awareness to demand quality services and impose a community system of accountability on the performance of the village level government functionaries.

It is at the local level (in villages, towns and wards of corporations) that the majority of people conduct their day-to-day lives. There is face-to-face interaction with almost everyone in a locality. When the State reaches out to that level, its government comes under closer scrutiny. Here, citizens' groups can interact with the State, even confront it, and demand the local government's support for their own effort to sustain or improve the quality of life of individuals as well as the community.

At the outset, it has to be recognised that in terms of numerical strength and operational reach, voluntary agencies cannot be compared with PRIs. In many villages and small towns there are no voluntary agencies at work at all. The programmes of recognized voluntary agencies rarely cover all districts in a State. Where strong local groups have been set up, for example, for natural resource management such as the Joint Forest Management Committees, Water Users groups, etc., their coverage is restricted to a few hamlets and villages.

In comparison, there are 2,32,278 village panchayats, 5905 panchayat samitis at the block / taluka level, and nearly 499 district level zilla panchayats. Therefore, it should be borne in mind that panchayats as local self-government institutions are everywhere, while voluntary agencies are not.

The Eighth Five-Year Plan (1992-97) stressed the role of people's participation through Civil Society Organization. "It is necessary to make development a people's movement... A lot in the area of education (especially literacy), health, family planning, land improvement, efficient land use, minor irrigation, watershed management, recovery of wastelands, afforestation, animal husbandry, dairy, fisheries and sericulture, etc., can be achieved by creating people's institutions accountable to the community. The focus of attention was on "developing multiple institutional options for improving the delivery systems by using the vast potential of the voluntary sector".

It is within above premise that the problems and possibilities of the relationship between VAs and panchayats / municipalities have to be addressed. However, it may be pointed out here that VAs / NGOs have certain limitations. Most of them are single leader oriented; their areas of operation are limited, often confined to a few villages, a block or portion of a district. They are not accountable to the local people in any legal sense of the term, many have no internal democracy, and they largely depend on the government or international aid agencies for funds.

Therefore there is a need to conceptualise the relationship between PRIs and NGOs and establish a linkage between them. NGOs should work under the direction and supervision of the PRIs especially if Subjects dealt with by the NGOs fall under jurisdiction of the panchayats as they are financed by the public funds.

The delineation of areas where NGOs and PRIs can help each other keeping in view the larger interests of the poor, will have to be done. NGOs can

help PRIs (i) in capacity buildings through training, exchange programmes and information sharing with panchayati raj functionaries; (ii) play a vital role in the exercise of district planning especially in village planning, resource mapping, identification of schemes for development; (iii) in activating the gram sabha which is the basic tier of panchayati raj structure.

NGOs can benefit from closer co-operation with PRIs in a number of ways.
For example:

- (i) PRIs can identify NGOs and provide them better opportunities to get involved in development processes;
- (ii) NGOs could associate panchayat in their area of work. This will give gram sabha / gram panchayat an opportunity to assess the performance of these organizations in the field of delivering development benefits;
- (iii) Panchayats with their regulatory functions and emphasis on policy making can also entrust implementation of some of these development programmes and plans like agricultural marketing, dairy development etc. to the NGOs;
- (iv) The PRIs can help the NGOs in providing sustainability to the NGOs initiatives. For instance, reviews of a number of watershed development programmes already implemented have shown that they have become unsustainable after a period of time, owing to lack of maintenance. Unless they are brought under the overall supervision and management of the panchayats, which are permanent in nature, the assets created under most of these projects cannot be put to use effectively over a period of time;
- (v) As a general policy, it may perhaps be desirable to get assets built up through the community with NGOs assistance and thereafter transfer them to the local bodies for maintenance at the end of the project. West Bengal Government has decided to transfer the

assets created under their scheme for construction of dug wells, shallow wells, tube wells and river - lift irrigation schemes (taken up with World Bank assistance) to the panchayat for maintenance. This experiment needs to be evaluated for evolving a clear policy on the question of maintenance of assets.

CHAPTER - XI

Women, Marginalised Groups and Panchayats

Democratic decentralisation would be rendered meaningless unless gender-equity is ensured. The pace of development in any civil society would be slow if women who constitute about 50 per cent of the population are left out of the development process. India with a female population of over 495 million possesses a vast reservoir of womanpower, which exceeds the combined total population of the south-east Asian countries.

The 73rd Amendment to the Indian Constitution for the first time in the history of Indian polity, provided for a *minimum* number of seats and political offices in the panchayats for women. In the context of meager representation of women in the National and State legislatures *vis-à-vis* their population, reservation of *not less than* one-third of the total number of seats and posts of chairpersons of panchayats should be considered a significant landmark in the process of political empowerment of women.

The available data in respect of the first post 73rd Amendment panchayat elections in the States show that, of the total number of 29.2 lakh elected representatives of panchayats at various levels, about 10 lakh are women. A large majority of them were elected for any political representation for the first time. Again, 9.2 lakh of these women representatives were elected to the village panchayats itself. Similarly, Scheduled Caste and Scheduled Tribe members accounted for 3.65 lakh and 2.50 lakh respectively.

The 73rd Constitution Amendment has greatly contributed to the political empowerment of the women and marginalised communities in the rural society. It has thrown open political opportunities in the panchayats to these disadvantaged sections. There are of course sceptics who cite some of the

disabilities like illiteracy, family responsibilities, poverty, lack of experience and exposure, awareness and communication skills which are more pronounced in case of women as compared to men, as inhibiting factors for effective participation of women in the decision-making process at the local level. Similar arguments were advanced in regard to the reservation of political offices to the Scheduled Castes and the Scheduled Tribes. In a male dominated society, the idea of political empowerment of women and weaker sections was bound to face opposition. Even the women and the marginalised communities in the rural area were not initially very confident of their abilities to assume leadership in the panchayats.

The leadership that emerged after panchayat elections had to cope with several problems due to their traditional social conditioning. Entrenched rural power structure was reluctant to share power with newly emerging groups. Nomination of women relatives for seats reserved for women in the panchayats was a common occurrence. Many of these women who never ventured leaving their homes contested the polls with their campaigns run by husbands or other family members. Caste equations, money and muscle power were also used to ensure, victory in several cases. Even in respect of seats and offices of chairpersons reserved for the Scheduled Castes and Scheduled Tribes, there were attempts by the feudal landed gentry to fix their 'men' or their wives at the helm of affairs in a significant number of villages.

There were several instances where the elected women chairpersons, particularly at the village panchayat, had to depend exclusively on their family members in performing their official duties. Many of these women members and sarpanches did not know the nuances of panchayat administration and had to depend on their men for transacting official business. In fact, a number of instances have been reported where the husbands or brothers of the women sarpanches had, on behalf of and with their tacit approval, presided over the panchayat meetings and took part in the deliberations. In regard to the elected sarpanches and members of the Scheduled Castes and Scheduled Tribes in the

village panchayats, they had to depend on the explicit or implicit support of their 'masters' who are the traditional power-holders. Even the officials working at the village level are also not favourably reconciled to working under the control of women sarpanches.

The situation is, however, not very disappointing in the case of higher level panchayats. With a few exceptions, women and members of the marginalised groups who are relatively literate and have either political ambitions or family history of political participation, volunteered to contest the elections and participate in the political decision-making process of these panchayats. Nevertheless, these women had also to depend on their own family members, relatives and friends for electioneering. However, compared to the situation in the village panchayats, the degree of their dependence on men for transacting their official business as elected leaders is limited.

One of the significant achievements of the provisions of the 73rd Amendment Act concerning reservation of seats and political offices in favour of women and the disadvantaged sections of the rural community is that it had improved their awareness and perception levels and has created an urge in them to assert their rightful share in the decision-making process at the local level. A brief spell of five to eight years is too small in the history of a nation to judge the rationale of political empowerment of the women and other weaker sections. Social change in the rural India is already perceptible. Information and education campaigns, outreach of mass media, increased spatial and social mobility have engendered a churning in the rural areas that can only gather momentum in the coming years. There is a greater urge among the weaker sections to improve their educational, social and economic status. They have begun to realise that political empowerment in the ultimate analysis holds the key for their social and economic betterment. The ultimate hope for these groups lies in their ability to build coalitions that support processes that lessen the disabilities, which plague them.

CHAPTER - XII

Training Requirements of Panchayat Representatives and Functionaries

The panchayats have existed in this country in most of the States for last 40-45 years. However, 73rd Constitutional Amendment Act, 1992 for the first time clearly articulated their functional responsibility. The elected representatives are responsible for the subject matters listed in the XIth Schedule of the Constitution. They have to plan, execute and monitor developmental schemes in these sectors. This calls for not only basic skills in project planning and implementation but it also requires management skills and the ability to coordinate with different governmental organizations. The training on these matters is not only a necessity for the elected representatives of the panchayats, even the government functionaries who have to deal with PRIs, have to be sensitized to the need for a different work culture in view of the emergence of the PRIs as a third tier of Government.

Government, semi-Government and NGOs undertook training of PRI functionaries on hand in the aftermath of the 73rd Amendment Act. National Institute of Rural Development (NIRD), Hyderabad, has played an important role in this regard by training groups of people as resource persons for further training. State Institutes of Rural Development (SIRDs), Extension Training Centres (ETCs) and other Training Institutions of the State Governments have also imparted training to PRI functionaries. Sensitization camps have been held to generate awareness on the role of PRIs in socio-economic development. However, these efforts are not adequate either in terms of their coverage or the intensity of training. A more concerted approach to training has to be formulated to equip the panchayati raj functionaries as also the government officials to discharge the duties assigned to them under the Panchayati Raj Act.

Approach to Training

Training of panchayati raj functionaries and representatives should be accompanied by research and education. Training interventions should have both training and non-training issues as their vital components. All training interventions should, therefore, focus on both training as well as non-training issues, which impinge upon training so that the large gap that exists between legal-constitutional position of the panchayats and the field reality could be significantly bridged. The training programmes must have at least two components, one, the thematic component, which includes the constitution, powers and authority as also the duty and responsibilities of the PRIs. The second component should relate to the sectional issues.

A sound approach to training must focus on the significance of preparing people for proper planning for socio-economic development in the light of needs of the area in which they live. Training approach should keep in mind the impact of specific customs, traditions and conventions of the people whom it intends to train.

An training framework for conducting training programmes for panchayati raj functionaries could be as follows:

1. Training the Master trainers.
2. The master trainers in turn train the district level trainers who are district level panchayati raj functionaries.
3. The district functionaries in turn train the executive officers of the taluka level panchayats, as also representatives from the NGOs.
4. Taluka functionaries to train the gram panchayat members.

It has often been seen that training is given as one time input and its impact is only marginal. This has to be changed by making training a continuous process.

Training materials / manuals should be comprehensible to the people. Given the level of literacy and educational achievements in our country, the training manuals should be in local languages / dialects. Training materials must take into account the vital facts viz., what type of training, training for whom and why of training. Accountability and transparency must be important components of all training programmes.

The scope of training should include within its fold the following:

1. Duties and responsibilities, and power and authority.
2. Financial management – resource mobilization, budgeting, accounting, auditing, etc.
3. Social issues – reproductive health, child development, environmental issues, human rights etc.
4. Constitution, concerned acts, rules and regulations, development schemes etc.
5. Training content should also include how to work in a group, building esprit- de-corps, developing leadership skills, decision making acumen, motivation and morale building etc.
6. Self-governance, social justice and ethics in public affairs.
7. Training can be organized under the following heads for panchayats and municipalities:
 - (a) Participatory Poverty Assessment
 - (b) Participatory Vulnerability Mapping
 - (c) Participatory Resource Planning
 - (d) Participatory assessment and action related to education, health and infrastructure.
 - (e) Participatory Heritage Mapping
8. Training content should aim at linking training interventions to development programmes.
9. Emerging areas like Natural Disaster Management, micro-level planning etc. should be included in training programmes..
10. Gender Sensitization.

Capacity Building

Capacity building must be undertaken in all its operational, behavioural and ideological / philosophical dimensions. One of the important ways for capacity building is through setting up of state resource centres, which would

bring people together and would also equip the training institutions in capacity building of the functionaries and elected representatives of the panchayats.

Capacity building should be from the top. That is to say, that the national and state level institutions, which are better equipped should take the lead in enhancing the capacities and capabilities of the lower level panchayati raj institutions. Capacity building must be undertaken to enhance institutional / organizational competence as well as individual competence, which includes rights and responsibilities, legal education, technical education, perspective building for the individuals, and perspective competence building for the organizations. Initiatives have been taken in this regard by the Ministry of Rural Development in collaboration with United Nations Development Programme (India). Six State Institutes of Rural Development have been selected as Regional Resource Centres. These Centres would service the other training institute located in the region by building up their capacity.

Networking for a coordinated approach to training:

Networking of the training institutions / organizations leads to participatory information development, through creation of data banks as vital treasure houses of information. Information technology enables linking of organizations. The setting up of State Resource Centres could act as the data bank for information – collection, dissemination and retrieval. Horizontal learning should also be complemented with learning from other countries with similar experiences in rural reconstruction through exchange programmes. Networking should, therefore, be both horizontal as well as vertical.

To take the issue further, networking on specific issues like gender sensitization could provide the necessary push to these important concerns. Building up of community support networks for women members should be an important component of training interventions. The linkages should not only be established between the Panchayati Raj Institutions per se but also between

various people's institutions and panchayats. There has to be effective coordination between the panchayats, politicians, bureaucrats and NGOs who are the major stakeholders in the process of rural reconstruction.

Catalogue of Best Practices

Highlighting successful practices and programmes of various panchayati raj bodies through mass media and various other fora would go a long way in strengthening of panchayati raj institutions in the long run. The networking of training institutions can provide a significant input to sharing of success stories and best practices. Training interventions must have a positive undertone by sharing the best practices.

CHAPTER –XIII

Conclusions and Recommendations

The empowerment of PRIs as institutions of self-government shows wide variations across States. Many States, which did not have a strong history of PRIs before the Constitutional amendment of 1992, have devolved substantial powers to PRIs. However, in majority of the States, PRIs have not evolved in consonance with the spirit of the Amendment Act. Though political devolution in terms of elections has been accomplished, even this has been beset with problems. The performance of States on functional and financial devolution presents a mixed picture. A few States have made considerable progress. Innovative ways have been devised to strengthen the PRIs movement by some States. However, in a large number of cases, functional and financial devolution has still not taken place. Considerable efforts will have to be made in the Tenth Five Year Plan to strengthen the process of democratic decentralisation. Some of these steps are enumerated below:

Elections to Panchayats

Panchayat elections are a mandatory feature of the process of decentralisation set in motion by the 73rd Constitutional Amendment Act. Elections should be held before the expiry of the term of panchayats on the pattern of Lok Sabha and Assembly elections. The issues of delimitation of constituencies, reservation of seats for SC / STs and women, rotation of seats should be settled well in advance so that disputes can be minimized. State Election Commission should be strengthened and vested with greater powers for conducting panchayat elections.

Devolution of Functions

Panchayats should be entrusted with complete responsibility for subject matters listed in the XIth Schedule of the Constitution. The allocation of functions on each subject between the three different tiers should be clearly delineated to facilitate role clarity. Necessary powers along with control over the staff dealing

with these subjects should be given to panchayats. Administrative backup by transferring control of DRDA to Panchayats should be accomplished.

Financial Devolution

For decentralisation to be effective, panchayat finances will have to be strengthened. The panchayats should be provided pooled fund as opposed to project tied grants. The assignment of buoyant taxes and schemes to encourage resource mobilisation by panchayat for matching contribution should be explored. Appropriate mechanism for periodic revision of tax assessment and collection should become a part of the financial arrangement. Administrative support for account keeping, auditing has to be put in place.

District Planning Committees

Progress on constitution of DPCs has not been given adequate attention by the State Governments in majority of the cases. Constitution of DPCs has been enjoined by the Constitution to actualize people's participation in the development process. The issue of interface between DPCs created under the Panchayati Raj Acts and other bodies dealing with District Plan created earlier should be resolved. The Chairperson of the District Panchayat should be nominated as the Chairperson of the DPCs.

Empowerment of Gram Sabha

Gram Sabha is the fulcrum of panchayati raj system. It remains a weak organization at present with only recommendatory powers. Powers of gram sabha given to panchayats in PESA area may also be extended to the gram panchayats in non-scheduled areas as well. Capacity building of the gram sabhas for planning and conduct of social audit should receive priority in the training programmes. Information and education campaigns should be undertaken on large scale to sensitize panchayat members about their roles and responsibilities in the panchayati raj system. Meetings of the panchayats should be widely publicized. The first meeting of the gram sabha in the financial year should be held in the nature of a Budget Session where expected revenues from

different sources should be informed to the people. The gram sabha could then plan for utilization of these funds on projects that address prioritized needs of the community.

Training

Training of gram sabha members, elected representatives of PRIs as also the officials interacting with panchayati raj system is of utmost importance in generating awareness and sensitizing people to the requirements that are necessary to make democratic decentralisation a success. Training should be need-based and contextual. It should focus on the institutional aspect of panchayats and its role for planning and for development. The importance of equality, democratic and secular values, inclusiveness and participation in decision-making should form part of training curricula. Networking with different institutions involved in training PRI functionaries and capacity building of such institutions should be given importance.

Panchayati Raj Institutions and Voluntary Agencies

PRIs and Voluntary Organisations both have important and complementary role to play in the rural setting. Since the area of operation of panchayats and voluntary organizations tends to coincide, it is necessary to evolve mechanisms, which facilitate cordial relations between PRIs and voluntary organisations. People's organizations can play a catalytic role in promoting political empowerment and social change. They could bring with them professional and technical skills. Kerala experiment of Voluntary Technical Core could be replicated in other States as well in this regard.

Empowerment of Women and Other Marginalised Groups

Political representation provided to women and other marginalised groups has been one of the significant achievements of the 73rd Amendment Act. Women in majority of the case have come forward to participate in the democratic process. Marginalised groups have made similar gains as well. Though in many instances, problems of capture of PRIs institutions by dominant

groups have been reported; by and large, the political empowerment has generated an awareness in these sections regarding their rights and duties that they are expected to perform in the new set up. With the passage of time, these forces are likely to gather momentum. Social change, which is already perceptible, is likely to become more pronounced in the coming years. These forces that support empowerment of these groups need to be encouraged.

Implementation of PESA

PESA was enacted to enable tribal communities to lead their lives in conformity with their social norms and customs. Elections under PESA in some of the States are still to be completed. These need to be held. The Central and State Acts that contravene provision of PESA need to be amended. Control over minor forests produce should be made an effective provision. The issue of reserved forest in PESA area and access to forest should be resolved.

People's Participation, Accountability, Transparency and Social Audit

People's participation in the panchayati raj system is a pre-requisite for accountability and transparency in functioning of the panchayati raj institutions. People, should, therefore, be motivated to participate in the development programmes by taking up sustained information campaigns in rural areas. Voluntary Organisations could be involved in this process as well. Social audit by Gram Sabha, right to information access to information at nominal cost should be built into the panchayati raj system. Legal status should be given to the social audit conducted by the Gram Sabha.

**M-12018/1/2000-RD
Government of India
Planning Commission
(Rural Development Division)**

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**Yojana Bhavan, Sansad Marg
New Delhi, December 19, 2000**

ORDER

Subject: Composition of the Working Group on Decentralised Planning and Panchayati Raj Institutions (PRIs) constituted for the Formulation of the Tenth Five Year Plan.

It is proposed to set up a Working Group on Decentralised Planning and Panchayati Raj Institutions (PRIs) for the formulation of the Tenth Five Year Plan.

II. The composition of the Working Group will be as under: -

- | | | |
|----|--|-------------|
| 1 | Dr. Rohini Nayyar
Adviser (RD)
Planning Commission | Chairperson |
| 2 | Additional Secretary & Financial Adviser
Ministry of Rural Development
Krishi Bhavan, New Delhi-110001 | Member |
| 3. | Secretary
Panchayati Raj
Government of Assam
Dispur | Member |
| 4. | Secretary
Panchayati Raj
Government of Madhya Pradesh
Bhopal | Member |
| 5. | Secretary, Panchayati Raj
Government of Kerala
Thiruanantpuram | Member |

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6. Secretary, Panchayati Raj
Government of Rajasthan
Jaipur Member
7. Shri S.P. Jain,
Director,
Centre for Panchayati Raj,
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8. Shri Chandan Datta
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Society for Participatory Research in Asia (PRIA),
42 Tughlakabad Institutional Area, New Delhi-110062 Member
9. Shri K.B. Srivastava
National Institute of Rural Development
Rajendra Nagar, Hyderabad- 500 030 Member
10. Ms Sujaya
88, Godawari Apartment
Alaknanda, New Delhi-110019 Member
11. Shri Vinod Vyasulu
Centre for Budget and Policy Studies
SV Complex, 1st Floor, 55 KR Road
Basavangudi, Bangalore 560004
Fax: 91-80-6618401 Member
12. Ms. Nandini Sunder
Reader
Institute of Economic Growth,
Delhi University, Delhi Member
13. Shri Ajay Mehta
Sewa Mandir, Old Fatehpura
Udaipur, Rajasthan
Tele: 0294 - 560951 Member
14. Indira Rajaraman
National Institute of Public Finance and Policy
18/2 Satsang Vihar Marg
Special Institutional Area New Delhi-110067 Member

- | | | |
|-----|---|-------------------|
| 15. | Shri G Palanithurai
Rajiv Gandhi Chair for Panchayati Raj Studies,
Department of Political Science and
Development Administration
Gandhigram Rural Institute – Deemed University
Gandhigram – 624 302, Chennai, Tamil Nadu | Member |
| 16. | Shri John Samuel
Director
National Centre for Advocacy Studies
Block D & E, Serenity Complex
Ramnagar Colony
Pune – 411 021 | Member |
| 17. | Smt. A. Madhavai
Shivaji Road, Korutla,
Karimnagar (District) , Andhra Pradesh | Member |
| 18. | Ms Sudha Pillai
Joint Secretary (Panchayat Raj)
Department of Rural Development
Ministry of Rural Development
Krishi Bhavan, New Delhi-110001 | Member- Secretary |

Elected representatives from the States (specially women Pramukhs) may be invited as special invitees.

III. The Terms of Reference of the Working Group will be as follows:

- 1) To review the action taken by each State Government for empowerment of Panchayati Raj Institutions (PRIs) as per the 73rd Constitutional Amendment Act so that they can function as an effective institution of local self-Government.
- 2) To review the implementation of the Provisions of the Panchayats (Extension to the Scheduled Area) Act, 1996 in the States with Scheduled V Areas.
- 3) To suggest a framework for earmarking of functions and responsibilities between different tiers of PRIs.
- 4) To specify the sequence of schemes and activities listed in the Eleventh Schedule of the Constitution, which could be brought within the purview of the different tiers of the PRIs.

- 5) To assess the capacity of the PRIs to raise local resources and make necessary recommendations in this regard.
- 6) To analyse the capability of PRIs at different levels to absorb the financial allocations made to these organizations under different schemes, including the Eleventh Finance Commission's award and suggest modalities to ensure fiscal discipline and financial accountability at different levels.
- 7) To suggest a frame work for preparation of local plans which are not only prepared by the people themselves and reflect their felt needs and aspirations, but also consistent with State and National priorities.
- 8) To examine the role of Gram Sabha vis-à-vis the village panchayat and suggest measures which would engender spirit of cooperation between the PRI functionaries and Gram Sabha.
- 9) To assess the adequacy of legislative provisions and executive instructions for empowerment of women and socially disadvantaged groups and suggest measures for strengthening the participation of these groups.
- 10) To lay down guidelines for interface between PRIs, Non- governmental Organisations and other Community Based Organizations working in a panchayat area keeping in view the responsibilities entrusted to these organizations.
- 11) Assess the training requirements in Tenth Plan and suggest training modules / pattern for elected PRI functionaries and Government officials.

IV. The expenditure of the members and non-official members on T A / D A in connection with the meeting of the Working Group will be borne by the Planning Commission as per rules and regulations of T A / D A applicable to Grade – I Officers of the Government of India.

V. Chairperson may co-opt experts and constitute sub groups for specific tasks.

VI. The Working Group will submit its final report to the Planning Commission by 31.05.2001.

(T.R. Meena)
Deputy Secretary (Administration)

ANNEXURE-II

Status of Devolution of Departments / Subjects with Funds, Functions and Functionaries to Panchayati Raj Institutions - Statewise

Sl	States/UTs	No. of Departments/Subjects Transferred to Panchayats with			No. of Departments/Subjects Yet to be Transferred to Panchayats with		
		Funds	Functions	Functionaries	Funds	Functions	Functionaries
1	Andhra Prd	05	13	02	24	16	27
2	Arunachal Prd.	-	-	-	29	29	29
3	Assam	-	-	-	29	29	29
4	Bihar	-	-	-	29	29	29
5	Jharkhand	-	-	-	29	29	29
6	Goa	-	-	-	29	29	29
7	Gujarat	-	-	-	29	29	29
8	Haryana	-	16	-	29	13	29
9	Himachal Prd.	02	23	07	27	06	22
10	Karnataka	29	29	29	-	-	-
11	Kerala	15	29	15	14	-	14
12	Madhya Prd.	10	23	09	19	06	20
13	Chattisgarh	10	23	09	19	06	20
14	Maharashtra	18	18	18	11	11	11
15	Manipur	-	22	04	29	07	25
16	Orissa	05	25	03	24	04	26
17	Punjab	-	07	-	29	22	29
18	Rajasthan	-	29	-	29	-	29
19	Sikkim	29	29	29	-	-	-
20	Tamil Nadu	-	29	-	29	-	29
21	Tripura	-	12	-	29	17	29
22	Uttar Prd.	12	13	09	17	16	20
23	Uttranchal	12	13	09	17	16	20
24	W.Bengal	12	29	12	17	-	17
25	A&N Islands	-	-	-	29	29	29
26	Chandigarh	-	-	-	29	29	29
27	D&N Haveli	-	03	03	29	26	26
28	Daman&Diu	-	29	-	29	-	29
29	NCT Delhi	Panchayati Raj System is yet to be revived					
30	Lakshadweep	-	06	-	29	23	29
31	Pondicherry	-	-	-	29	29	29

The provision of the 73rd Constitution Amendment Act 1992 are not applicable to the States of Jammu & Kashmir, Meghalaya, Mizoram and Nagaland

Source: Ministry of Rural Development

ANNEXURE – III

Status of District Planning Committees – Statewise

SI	States/UTs	Status of constitution of DPCs
1	Andhra Pradesh	Not constituted
2	Arunachal Pradesh	Not constituted
3	Assam	Not constituted
4	Bihar	Not constituted.
5	Goa	--
6	Gujarat	Not constituted
7	Haryana	Only in 4 Districts. Rest under consideration
8	Himachal Pradesh	Not yet but it is under consideration
9	J & K	Not applicable
10	Karnataka	Yes. In 17 out of 20 districts. After reorganisation there are 27 districts. All DPCs will be reconstituted now.
11	Kerala	Yes, Chairperson of DP is Chairperson of DPC
12	Madhya Pradesh	Yes. District in charge Ministers are Chairpersons. Responsibilities of District Government given to the DPCs
13	Maharashtra	Not constituted
14	Manipur	Yes in 2 districts. Out of 4. Adhyksha, DP is Chairperson
15	Meghalaya	Not applicable
16	Mizoram	Not applicable
17	Nagaland	Not applicable
18	Orissa	Yes, Chairperson of DP is Chairperson of DPC
19	Punjab	Not yet but its constitution is under active consideration
20	Rajasthan	Yes, ZP President is Chairperson of DPC
21	Sikkim	Yes
22	Tamil Nadu	Yes. Will become operational after election of members from Panchayats & Municipalities. Chairperson, DP is Chairperson
23	Tripura	Yes. Cabinet rank ministers are Chairpersons.
24	Uttar Pradesh	Yes. Ministers are Chairpersons.
25	West Bengal	Yes, Chairperson of DP is Chairperson of DPC
26	A&N Islands	Yes
27	Chandigarh	Not in favour as 90% of population covered by Municipality
28	D&N Haveli	Yes.
29	Daman & Diu	--
30	NCT Delhi	State PR Act is under suspension
31	Lakshadweep	Yes. Chief Development Commissioner is Chairperson
32	Pondicherry	Elections not held

Proposal for Monitoring Indicators to Assess Gram Panchayat Functioning

(D.O. No.N.11011/36/97-PR dated 4th December, 1998 - Issued by Ministry of Rural Development)

Gram Sabha (GS) Functioning

1. Number of GS meeting held and out of which number of meeting held with full quorum during the last one year.
2. Number of women who attended GS meeting as a percentage of total population of women.
3. Number of SC/ST who attended GS meeting as a percentage of total population of SC/ST.
4. Whether GS is preparing action plan for public works based on needs assessment.
5. Whether GS is making final selection of beneficiaries for all beneficiaries-oriented schemes.
6. Are proceedings of GS recorded, read out and approved during the meeting of the GS itself?

Gram Panchayat (GP) functioning

1. Number of GP meeting held and out of which number of meeting held with full quorum during the last one year.
2. If women head the GP, do they personally attend to their duties or do male relatives proxy?.
3. Participation of women members in GP meetings.
4. Is a village plan prepared by the GP based on resolutions passed by the GS?
5. Percentage of achievement in implementation of schemes sponsored by the Centre and / or State. Does the GP raise resources independently of Government grants?

6. Have subject-specific committees been constituted and are they functioning properly?

Transparency

1. Are Statement of Accounts, muster rolls, bills, vouchers, etc. read out and discussed in GS meetings?
2. Are these documents available for inspection in GP building?
3. Are certified copies available to citizens on demand?
4. Use of Notice Board or other mode of communication for important announcement and information sharing with people.
5. Whether there is any complaint for mis-utilisation of funds?

Miscellaneous

1. Percentage of hand-pumps which are functioning.
2. Percentage of girl children of eligible age-group attending school
3. Number of malnourished children who have been identified and raised to suitable levels of nutrition.
4. Action taken by GP to protect common roads, culverts, water bodies and forests.
5. Functioning of school and PHC located under the jurisdiction of GP.
6. Relationship with Patwari, Health Worker, Teachers, Village Level Workers, Village Auxiliary Worker, Panchayat Secretary, etc.

Process of Selection

1. Weightage of 25 points for each of the above stated categories.
2. Nomination would be invited by District Collector from Zilla Parishad, Panchayat Samitis at block level and Gram Panchayats, in a format which would contain a self-assessment based on these criterion.
3. Collector would short list up to 3 Panchayats from each block (the Collector would nominate a team comprising one social scientist, one NGO representative and one officer to verify the claims).

4. A Committee comprising the Chairperson of the Zilla Parishad, Collector and Project Director / CEO of DRDA would take final decision based on their Report.

(file name: final report wg)

