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Panchayati Raj five years of Experience

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FOREWORD

In December, 1992, Parliament passed the 73rd Constitutional Amendment aimed at effective democratic decentralisation in the country. Since then, the Central Government took the initiative for its effective implementation. This report reflects upon the present state of Panchayati Raj in the country and the enabling role played by the Central and State Governments towards strengthening it, following completion of five years of the Constitution Seventy Third Amendment.

This report also makes an examination of the role of State Governments. Panchayat despite being a State subject, many State Governments have only incorporated the mandatory provisions of the 73rd Amendment in their respective Acts. This restricts the scope of functional decentralisation and devolution. Functional powers and responsibilities have been given to Panchayat bodies without framing appropriate rules, procedures and providing for structural changes.

Moreover, functional devolution without simultaneous financial devolution has no meaning under the process of decentralisation. Except in a few States, Finance Commission's report has not been accepted. In the States where it has been accepted, it does not provide sufficient financial allocation or give the power to decide, to carry forward the functional role. This report also contains the various documents and policy guidelines prepared by the Central Government, the findings and reflections on its use and brings out some issues before us.

We hope this report will be a useful document for the staff members of Voluntary Development Organisations, Civil Society Associations, Panchayat members and government functionaries who facilitate the process of strengthening local self- governance and people centred development processes, to enable them to take appropriate measures.

We are grateful to Dr. Mahi Pal for preparing this report.

Centre for Participation and Governance
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The Constitution Seventy Third Amendment Act, 1992 has cast heavy responsibility on the Centre as well as the States to establish Panchayats as Institutions of Self Governance, meaning thereby that panchayats should be given functional, administrative and financial autonomy. Thus, the Centre and the States have joint responsibilities in terms of realising this goal within the federal framework of Indian polity.

In the present study an attempt has been made to evaluate the role of the Union Government in making Panchayats institutions of self-governance as envisaged in Article 243 G of the Constitution, thus supplementing the efforts of the State Governments in terms of initiating various policies and programmes at their level. For this purpose, various policies and programmes initiated by the Centre have been examined in this study. While doing this the efforts of the State Governments have also been examined.

The study has been divided into two parts. In part I, the evolution of Panchayats, efforts in strengthening them before the 73rd Amendment, salient features of the Constitution (Seventy Third Amendment) Act, 1992, committees constituted and conferences organised by the Union Government for making strong and viable Panchayats and a critical evaluation of the powers and functions devolved to the Panchayats by state legislators have been discussed. In part II, the role played by the Union Government for conducting timely elections to the Panchayats, devolution of powers and functions to Panchayats, strengthening of administrative set up of Panchayats, training of Panchayat functionaries, financial devolution to Panchayats and decentralised planning as reflected in the approach to the 9th plan etc. have been critically examined. This is followed by a conclusion.

I am very grateful to the Society for Participatory Research in Asia (PRIA) for helping me author this study. I hope this study will be very useful to social activists, academia's, elected representatives, researchers and trainers.

Mahi Pal

CHAPTER-I

EVOLUTION AND STRENGTHENING OF PANCHAYATS BEFORE THE CONSTITUTION (73RD AMENDMENT) ACT, 1992

Since the Vedic period, in one form or the other, Panchayats have been an integral part of rural socio-economic life. The British government had ruthlessly destroyed Panchayats during its Raj in India. But in the last quarter of the 19th century Lord Ripon took the initiative to establish popularly elected institutions at the local level in order to perform certain functions falling within their jurisdiction. As a result, rural and urban local bodies were established in different parts of the country. In the 20th century, it was M.K Gandhi who for the first time wanted to revive the Panchayats. It was due to him that Panchayats were introduced in the constitution under Article 40 of the Directive Principles of State Policy, which says that, "the state shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as an institution of self-government." Although Panchayats were made part of the constitution, no legislation was immediately enacted to implement it.

1.2 In the post-independence period, instead of establishing Panchayats as vehicles of economic development and social justice in rural areas, Community Development Programme and National Extension Service were launched, aimed at bringing about an all-round development in the country. But these programmes could not evoke people's participation in rural development. Thus, in order to enquire into the causes responsible for the indifferent attitude and apathy of the rural population towards these programmes and to suggest the remedies, a team for the study of community projects and National Extension Service was constituted under the chairmanship of Balvantrai Mehta, which submitted its report on the 24th of November, 1957. This committee laid the foundation - stone of Panchayati Raj in India. In its own words, "So long as we do not discover or create a representative and democratic institution which will supply the local interest, supervision and care necessary to ensure that expenditure of money on local objectives conforms with the needs and wishes of the locality, investing it with the adequate power and assigning to it appropriate finance, we will never be able to evoke local interest and excite local initiative in the field of development". Thus, the committee recommended the establishment of a three tier Panchayati Raj system across the country. This report received support from the first Prime Minister. Most of the states adopted Panchayati Raj Acts modelled on the pattern recommended by the Balvantrai Mehta Committee. "By 1959, all the states had passed Panchayat Acts, and by mid 1960s, Panchayats had reached all parts of the country. More than 217,300 village panchayats, covering over 96 per cent of the 579,000 inhabited villages and 92 per cent of the rural population had been established. On an average, a Panchayat covered a population of about 2,400 in two to three villages. There was enthusiasm in rural India and the people felt that they had a way in affairs affecting their daily lives".

1.3 But interest and support for Panchayati Raj did not last long. The apathy towards Panchayats started emerging. The flow of funds for block development started declining. In many States elections to these bodies were postponed indefinitely. In some States parallel institutions came into being which have marginalised the Panchayats. The crux of matter in marginalising the Panchayati Raj system was the unfriendly attitude of political elites at higher levels because they perceived emerging leadership of Panchayati Raj as a threat in their respective constituencies.

1.4 The Committee on Panchayati Raj Institutions (popularly known as Ashok Mehta Report) in its report submitted in August 1978, while evaluating the progress of Panchayats mentioned that the story of Panchayati Raj went through a phase of ascendancy (1959-64); phase of stagnation (1965-69) and the phase of decline (1969-77). The committee identified a number of factors such as creation of Small Farmers Development Agency (SFDA), Drought Prone Areas Programme (DPAP) and Intensive Tribal Development Project (ITDP), responsible for the declining importance of the Panchayats. A separate body parallel to the Zilla Parishad (ZP) was created under the chairpersonship of a Minister. Unwanted

staff was transferred to the Panchayats by the state government. Resources meant for the Panchayats were also tampered by the state government. In a nut shell "the lukewarm attitude of the political elite at higher levels towards strengthening of the democratic process at the grassroots was generally at the crux of the matter. Of particular significance in this connection is the relative cooling off of enthusiasm of MPs and MLAs in some states visa-vis Panchayati Raj because they perceived a threat to their position in their respective constituencies from the emerging Panchayati Raj leadership. In the ultimate analysis, all this led to a weakening of political support to PRIs and of the administrative will to work through them".

1.5 The Ashok Mehta Committee for making the Panchayats strong institutions, among others, had recommended constitutional status to the panchayats, participation of political parties in Panchayat elections for ensuring clear orientation towards development and social justice and facilitating relation with higher level political process, adoption of a two tier system at district and mandal panchayat level covering a population of 15000 to 20000, reservation for weaker sections and establishing financing body, like a Panchayati Raj Finance Corporation for providing credit to the panchayats. This committee also prepared a draft bill to amend the constitution of India in order to reconstruct, reinforce and revitalise the PRIs to make them an organic part of the Indian democratic process and elevate Panchayats from being a development agency to Political Institutions for fulfilling people's aspirations.

1.6 It may be mentioned here that the Centre did not make any serious effort towards implementing the recommendations of this committee. Had the Centre shown any interest in developing Panchayats by enacting amendment to the constitution at that time, they might have emerged as a strong pillar of federal polity of India.

However, some states like West Bengal, Karnataka and Andhra Pradesh implemented this report. The lukewarm response and apathy of the then Union government towards decentralisation may be seen from the fact that though the Karnataka government had sent the Karnataka Zilla Parishad, Taluk Panchayat Samitis, Mandal Panchayats and Nyaya Panchayat Bill 1983 to the Centre for the President's assent towards the end of 1983, it received assent only in the second week of July 1985, that too after the announcement by the then Minister for Panchayati Raj in Karnataka, Abdul Nazir Saab that he would go 'on fast in front of the Rashtrapati Bhawan if the assent, was not given by the President."

1.7 In mid-1980s¹ the union government had constituted the committee for the Concept Paper on Panchayati Raj Institutions (widely referred to as L M Singhvi Committee) which submitted its report in June 1986. This committee also recommended that the PRI should be constitutionally recognised, protected and preserved by the inclusion of a new chapter in the constitution. Local self-government and more particularly, Panchayati Raj Institutions, should be constitutionally proclaimed as the third tier of government. The Committee had also annexed in its report the same draft bill which was appended in the Ashok Mehta Committee Report of 1978.

1.8 Towards the end of the eighties, the union government had started a series of consultations and workshops on working out modalities for constitutionalizing the panchayats. By the end of 1988, a sub-committee of the consultative committee of parliament under the chairmanship of P K Thungon was constituted which among other things suggested constitutional status for the PRIs.

1.9 It is against this background that on 15 May 1989 the Constitution (64th Amendment) Bill was introduced in the Parliament. Although this Bill got a two-thirds majority in the Lok Sabha, in the Rajya Sabha it failed to get through and hence could not be enacted. In 1990 the National Front government headed by VP Singh took a fresh view on strengthening Panchayats. On 7 September 1991 the National front government introduced the 74th Amendment Bill which was a combined Bill on Panchayats and Municipalities. But it could not be taken up for discussion because of the dissolution of the Lok Sabha and this Bill too lapsed.

1.10 It may be relevant here to have a quick and concise comparative analysis of these two Bills.

1. The 64th Bill does not contain the provision of constituting gram sabhas while the 74th Amendment Bill has given vital role to the gram sabha in PR system.

2. The 64th Bill makes it compulsory on the part of the states to establish a three tier system of Panchayats at the village, block and district levels. In the case of those states having population less than 2 million, intermediate tier is dispensable. On the other hand, the 74th Bill makes it obligatory for the state to establish a single tier system of Panchayati Raj at the village level and the rest are left to the state legislatures.

3. 64th Bill made provisions for all seats in a Panchayat to be filled by persons elected by direct election from the constituency as against the 74th bill which made provisions that all seats at the lowest tier and not less than 50 per cent of seats at any other level should be filled by persons elected by direct election from territorial constituencies.

4. The 64th Bill provides nearly 30 per cent of total seats for women as against the 74th Bill which made provisional not less than one third seats for them. Besides, as per the 74th Bill state legislatures can reserve seats for Backward Classes.

5. Although both the Bills provide provision for constitution of Finance Commission, the difference was that the 64th Bill made provision for submitting the recommendations to the governor as against the 74th Bill which made provision to submit its recommendations to the state government.

6. As per the 64th Bill Panchayats shall keep the accounts in such form as the Governor prescribes based on the advice of the Comptroller and Auditor General of India. Against this the 74th Bill does not mention the manner or form of audit of Panchayat.

7. The 64th Bill provides for Election Commission, the 74th Bill does not make such a provision.

8. The 64th Bill does not provide grounds for disqualification of a member, the 74th Bill provides grounds for a member to be disqualified.

9. The 64th Bill does not bar courts from interfering. As against this, the 74th Bill provides for non-interference in matters relating to delimitation of seats or of seats allotment.

1.11 It may be concluded that the 64th Bill had such provisions which sought to strengthen centralisation or the Centre through its representatives in state capitals intended to have control over the PRIs. That is why it could not muster required support in the Rajya Sabha. On the other hand the 74th Bill strengthened the federal structure of the Indian polity as it did not empower the Centre to have direct control over PRIs.

CHAPTER II

SALIENT FEATURES OF THE CONSTITUTION (SEVENTY THIRD AMENDMENT) ACT, 1992

Introduction

The Congress (I) government led by P.V. Narasimha Rao assumed office in June, 1991 at the Centre which brought a comprehensive amendment Bill in the form of the Constitution 72nd Amendment Bill, 1991. It was introduced in the Parliament on the 16th of September, 1991 which was later referred to a Joint Select Committee of Parliament in December, 1991 for examination. The committee submitted its report to the Parliament in July, 1992. Consultations on various provisions of the Bill were held with the representatives of different political parties and necessary amendments were carried out through consensus. Finally, the constitution 72nd Amendment Bill was passed with almost full unanimity in the Lok Sabha on the 22nd of December, 1992 and in the Rajya Sabha, on the 23rd of December, 1992. After securing ratification of the Bill from 17 states, in record time, the Bill was submitted to the President of India for his assent. The President's assent was accorded on 20th April, 1993 and the Constitution 73rd Amendment Act, 1992 came into effect from 24th April, 1993. As mentioned in the earlier chapter, the Ashok Mehta Report in 1978 had recommended constitutional status for the Panchayats but it took one and-half decade to constitutionalise them.

2.1 The provisions of the act with regard to the states can be broadly categorised as mandatory and enabling, or, discretionary provisions.

2.2 Mandatory provisions

1. Establishment of Gram Sabha at village level consisting of people registered in the electoral roll relating to a village falling within the area of Panchayat.
2. Establishment of three tier system of Panchayati Raj at village, intermediate and district levels in all states and UTs except those states having population less than 20 lakhs.
3. At all levels, Panchayats will comprise of persons chosen by direct election from respective territorial constituencies.
4. All members of Panchayats elected directly or indirectly shall have voting rights in Panchayat meetings.
5. The chairpersons of the intermediate and the apex tier of Panchayats will be elected from among directly elected members.
6. Reservations for SCs and STs in membership and offices of chairpersons will be provided based on their population in a panchayat.
7. Not less than one third membership and office of chairpersons will be reserved for women.
8. Five year term for all tiers of Panchayats. If a Panchayat dissolves earlier than this for whatever reason, fresh elections will be held within 6 months. In case the term remaining is less than 6 months, it is not mandatory to hold election for this period.
9. Constitution of a State Finance Commission within in one year from the commencement of the act and thereafter at the expiry of every five years has been provided. By this amendment a sub-clause "bb" has also been inserted in Article 280 of the Constitution. As per this clause the Central Finance Commission shall recommend to the President, the measures needed to augment the consolidated fund of a state to supplement the resources of the Panchayats in the state on the basis of the recommendations made by the Finance Commission of the state.

10. Constitution of the State Election Commission for the supervision, direction and control of the preparation of electoral rolls and conducting of elections to the Panchayats.

11. The act shall not be applicable to the Scheduled Areas referred to in clause (2) of Article 244.

12. Constitution of district planning committee at district level. Although this provision is given in the 74th Amendment with respect to urban areas, it is equally applicable in rural areas as decided by the State Ministers of Panchayats.

2.3 Discretionary provisions

2.3.1 As the subject of PRIs is under the domain of the state list in the Indian federal system, the Central Act has therefore given discretionary powers to the state on devolution of powers, functions, authority and finance etc. Following are the enabling provisions given in the Central Act for the states:

(i) Powers and functions of the gram sabha

(ii) Membership of the chairperson of gram Panchayat in the Panchayat at intermediate level and of the chairperson of the Panchayat at the intermediate level in the Panchayats at the district level.

(iii) Membership of the MP, MLA and MLCs at intermediate and district levels. (iv) Mode of election of the chairperson at the gram Panchayat level.

(v) Reservation of seats in favour of backward classes of citizen in terms of membership as well as chairpersonship, on different tiers of Panchayat.

(vi) Power, authority and responsibility of the Panchayats which may be necessary for them to function as institutions of self-government, and make provisions for devolution of powers and responsibility to Panchayats at the appropriate levels 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 entrusted to them including subjects contained in 11th schedule of the Constitution.

(vii) Authorise a Panchayat to levy taxes, duties, tolls and fees in accordance with the laid down procedure. Allocation of taxes, duties, toll and fees levied by the state among the Panchayats. Decide the amount of grant-in-aid to the Panchayats from the consolidated funds of the state.

(viii) Constitution of the State Finance Commission.

2.3.2 The text of the Constitution (Seventy Third amendment) Act, 1992 is given in annexure I. The provision for constituting the District Planning Committee although given in the article 243 ZD of the 74th Constitution Amendment Act, it is also relevant for Panchayats. The text of the 243 ZD is given in annexure II.

2.3.3 It may be seen from the above discussion that the 73rd Amendment Act provides a broad framework for states to implement Panchayats such that they function as institutions of self-government.

Uniform three tier structure of Panchayat system, election every five years, reservation

for SC, ST and women etc. are mandatory on the part of the states but devolution of powers, authority and financial resources have entirely been left to the state government.

2.3.4 As per Article 40 of the Directive Principles of State Policy the state shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as unit of self-government. But as it was not mandatory on the states to organise Panchayats and endow them with adequate powers, they could not become a vehicle for rural development. Thus, to correct this anomaly the 73rd amendment to the constitution was made in 1992. The following provisions of the Act will strengthen Panchayati Raj system in the country.

2.4 Gram Sabha

Back in 1963, the report of the study Team on the Position of Gram Sabha in Panchayati Raj Movement had suggested that the Gram Sabhas should statutorily be recognised in each state'. But all the states did not enact Panchayat legislations to this effect.

2.4.2 With the enactment of the 73rd Amendment Act, it has become mandatory on the part of the states to make the Gram Sabha an integral part of their Panchayati Raj legislations. Consequently, all states have made the Gram Sabha an integral part of their Panchayat legislations. In this respect therefore, the Central Act has established direct democracy at the village level, which will enable each and every voter to take part in their development.

2.5 Regular and timely elections are ensured

With some exception like West Bengal, states have not conducted regular elections to the Panchayats. For example in Bihar, election to the gram panchayat, panchayat samiti and zilla parishad were held in 1978, 1979 and 1980 respectively. In Tamil Nadu elections to the Panchayats were held in 1996 after a gap of ten years. But as per constitution 73rd Amendment Act, regular and timely elections have been made mandatory. If Panchayats are dissolved, elections must be held within six months.

2.6 Reservation for weaker sections

Studies revealed that Panchayats where they existed were dominated by strong sections like landlord and money lenders of rural society. There was no scope for SCs and STs to participate in these local democracies. The Dantwala Committee in 1978 even went to the extent of saying that "Panchayati Raj Institution acts as a gate keeper and prevents the flow of benefits to the weaker sections of the rural community'. The constitution 73rd Amendment Act ensures reservation for SCs and STs enabling them to participate in decentralised governance and development.

2.7 Reservation for women

Like the weaker sections women also do not have a say in local governance. The 73rd Amendment Act also ensures that at least one-third seats in the panchayat will be reserved for women as Gram Panchayat members, and chairpersons. In this way the act has released the suppressed energy of women which will strengthen the panchayat system in the coming years.

2.8 Adequate financial resources

Panchayats have been starving for financial resources. Leave alone undertaking developmental activities, they have not been able to even properly maintain community assets. They have also not got sufficient share from the state. According to the CAARD Report "the tax and non-tax income (including grants) realised by the Panchayati Raj Institutions constituted 4 per cent of the tax and non-tax revenue of all the states and 3 per cent of all state tax and non-tax revenue and capital receipts".

Although these observations relate to 1981-82, there is not much difference in the situation at ground level even today. Thus, for ensuring sufficient financial resources for the Panchayats, the provision for constitutional State Finance Commission has been made in the Central Act.

2.9 State Election Commission

The act also provides for constitution of State Election Commission with the purpose of supervising, directing and conducting elections to the Panchayats.

2.10 Constitution of District Planning Committee

The District Planning Committee will be established at district level to consolidate the plans prepared by the Panchayat and the municipal sectors. While preparing the draft plan it will also take into account spatial planning, physical and natural resources, infrastructure and environmental conservation.

2.10.2 Hence, the central act provides for a statutory body at district level for preparing the development plan of the whole district. Before the Amendment, planning committees were constituted in almost all the states but they were merely integrating and implement the sectoral programmes of the state government relating to rural areas.

2.10.3 Timely election to the Panchayats will give sustainability to the system, representation of weaker section and women will give representative character to these bodies, State Finance Commission will devolve financial resources to them and District Planning Committee will consolidate plan of the district. These provisions will surely give new lease of life to the Panchayati Raj system in the country. But the one drawback of the act is that it has not clearly stated, the powers and functions of the gram sabha and panchayats as this has entirely been left to the discretion, of the states.

CHAPTER III

IMPLEMENTATION OF THE CONSTITUTIONAL AMENDMENT ACT, 1992

G. Venkatswamy the then Minister of Rural Development while moving the Bill to further amend the Constitution of India following clearance from the Joint Committee, reiterated that the Directive Principles of state policy laid down in Article 40 of the Constitution " casts a duty on the Centre as well as the states to establish and nourish the village Panchayats so as to make them effective, self-governing institutions:". But since then, with the exception of some states like Maharashtra and Gujarat and West Bengal, Andhra Pradesh and Karnataka following the Balvantrai Mehta Committee recommendation and the Ashok Mehta Committee report respectively, the track record in general of states has been poor. Thus it became necessary through constitutional sanction to establish "democracy at the grass-root level as it is at the state level or national level"². He further added that "we strongly feel that genuine democracy can grow only when the state and the centre work together" . The Minister while describing the salient features of the Bill said that "the state governments are at liberty to enact their own laws to provide for a strong Panchayati Raj set up within their states, we will also evolve suitable guidelines in this regard to assist the state governments in undertaking comprehensive legislation in this regard, if they so desire. We reiterate our commitment to the emergence of democratic bodies at the grassroots level elected on the basis of equality and justice, timely representative of people and genuinely concerned with their development".

3.2 While spelling out the financial provision of the Bill he said that " one of the weaknesses of the existing Panchayati Raj institutions is that they are starved of funds. They have very little resources of their own and they usually dependent on the state government for their funds. The financial grants are given at the will and pleasure of political executive on an ad-hoc basis. We feel that unless the Panchayats are provided with adequate financial strength, it will be impossible for them to grow in stature. We have, therefore, proposed in the Bill, a system of financial transfer to the Panchayati Raj bodies on a mandatory basis. For this purpose, we have provided for a Finance Commission to be set up every five years in order to evolve suitable criteria and make appropriate recommendations to strengthen the financial base of Panchayati Raj bodies. It is our hope that this will ensure to the Panchayati Raj bodies a measure of financial strength which would enhance their autonomy and authority". He concluded his speech by quoting the following lines of Mahatma Gandhi. Independence must begin at the bottom. Thus, every village will be a republic or Panchayat having full powers. Now let us evaluate the role played by the Centre and the States in realising the dream of Gram Sawaraj through Panchayats.

3.3 It was mandatory on the part of the state legislature to amend their Panchayat acts in conformity with the central legislation within a year of coming into force. In the following part of this chapter, we will discuss the efforts made by the Centre in helping the states to legislate their Panchayat Acts in conformity with the Central Act in chronological order.

3.4 Meeting of the parliamentary consultative committee on rural development:

As soon as the constitution 73rd Amendment Act came into force on April 24, 1993, a meeting of the parliamentary consultative committee was held on 14th May 1993 to discuss the working of the Panchayati Raj Institutions in the context of the Amendment Act. The committee offered following suggestions for strengthening the PR system.

- (i) Convening of a chief ministers conference to work out legislative and administrative modalities, with guidance of the central government.
- (ii) Imparting training to the Panchayat functionaries
- (iii) Monitoring of allocation and utilisation of funds earmarked for PRis

- (iv) Clear and precise demarcation of Panchayat functions
- (v) Regular meeting of district collectors with panchayat chairpersons
- (vi) Strengthening of the institution of gram sabha.

3.5 Conference of Ministers/ Secretaries in-charge of Panchayats:

On July 3rd, 1993 a conference of ministers and secretaries in-charge of Panchayats of state and union territories was held at parliament house annexe to discuss and deliberate on the salient features of the constitution (73rd amendment) act 1992, action plan for amending the state legislation and to hold election, publicity and awareness campaigns, constitution of district planning committees and action plan for training of elected representatives and the official of the Panchayats.

3.5.1 The deliberations of this conference have been very relevant for the smooth sailing of conformity legislations as it spelt out the actions to be taken on their parts. Among others, two important contribution of this conference were:

a) It had worked out clause and sub-clause wise implications of the amendment for the state governments. The mandatory and discretionary provisions of the act to be incorporated in state Panchayat Acts have been given in annexure III.

b) The recommendations of the conference among others have been, for the states to establish Panchayats as the institutions of self-government. Its recommendations touch upon various aspects of the Panchayats ranging from conducting of election, principle of devolution of functions and powers to the Panchayats, imparting training to the Panchayat functionaries and extension of the provision relating to the constitution of District Planning Committee as a part of Panchayati Raj. The recommendations of the conference have been given in annexure IV.

3.5.2 Besides, a suggestive framework of the Panchayat Bill prepared by the National Institute of Rural Development was also circulated in the conference. A decision was taken to constitute a committee comprising of Ministers of Panchayati Raj from different states, which could meet at least twice a year to share their experiences and also to discuss the problem of revitalising Panchayats.

3.5.3 Accordingly on 8th September, 1993 a Committee comprising of Panchayat Ministers from the states of Maharashtra, Andhra Pradesh, Karnataka, West Bengal, Bihar, Assam and Punjab was constituted. Panchayat Ministers of Uttar Pradesh, Rajasthan and Madhya Pradesh were the special invitees to this committee.

3.6 Conformity legislations

Out of the 25 states and 7 UTs, the 73rd Amendment Act was required to be enforced in 21 states and 6 UTs. As for the rest, it was not applicable in the case of Meghalaya, Mizoram and Nagaland as these states form part of the Sixth Schedule Areas. Article 370 of the constitution gives special status to J&K state with the result that the provisions of the amendment are not been valid here. Among the UTs, it is not applicable in Delhi as it has urban areas only.

3.6.2 All the States/UTs had passed their legislations in conformity with the Central Act within the prescribed time of one year starting 24th April, 1993. This is a mile stone in the history of PR system in the country because it established a uniform pattern of local democracy across the country. But on the other hand, most of the conformity legislations were passed hurriedly without any serious deliberations. For example in UP, the Panchayat act was passed so hurriedly that the opposition was not even allowed to discuss it in detail. The government pacified the opposition by arguing that if the Act was not passed by April 23, a constitutional vacuum would be created. Annexure V gives the state wise detail of

the dates of passing the conformity legislations. This information points to the fact that most of the states and UTs passed Panchayati Raj Acts on the eve of the prescribed date.

3.6.3 Here, it may be mentioned that the conference of minister and secretaries of Panchayats held on July 3, 1993 had impressed upon all states, with the exception of those mentioned above, to amend their Acts in conformity with the 73rd Amendment Act as early as possible, preferably before the 31st of December, 1993. But it may be seen from annexure V that only 6 states have amended their acts before December, 1993.

CHAPTER IV

FUNCTIONAL, ADMINISTRATIVE AND FINANCIAL DEVOLUTION TO THE PANCHAYATS BY THE STATE GOVERNMENTS- A STUDY OF SELECT STATES

Before discussing the functions and powers devolved to the Panchayats by the states, let us spell out the meaning of the institution of self-government- the expression used twice in Article 243 (d) and Article 243 G of the Amendment Act. As per Article 243G the state legislatures may by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institution of self• government and such a law contained provisions of the devolution of the powers and responsibility upon Panchayats at appropriate level 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 i11 relation to the matters listed in the eleventh schedule. This is the heart and soul of the whole scheme of decentralisation through Panchayati Raj. Although the term institution of self-government is not expressed in the act, the expression is well-understood. Only those institutions which fulfil three basic condition namely (a) institutional existence, i.e. decisions are taken by the people's representatives, (b) institutional capacity, i.e. the institution is empowered to make rules independently and (c) financial viability, i.e. it is sufficiently empowered to raise financial resources to meet its responsibilities, can qualify for being called institutions of self government. Keeping these in view let us see whether Panchayats in different states emerged as institutions of self government. In other words whether they enjoy functional, administrative and financial autonomy.

4.2 Objectives of select state Panchayat Acts, have been given in annexure VI. It may be seen from this that objectives of the most of the state Panchayat Acts reveal that their emphasis has been on establishing the new Panchayats for better administration of rural areas, greater people's participation and effective implementation of rural development programmes. Except for a few states, all state acts do not say that their objective is to establish Panchayats as institutions of self• government. Therefore, it appears that, the states wanted only to establish Panchayats as agencies of their governments. Even the states where their statement of objectives mentioned that they were establishing Panchayati Raj as institution of self government, the contents of the Panchayat Acts of those states did not conform with the goal of the Constitutional Amendment.

Now let us examine the provisions of select states panchayat acts to find out whether they have given functional, administrative and financial autonomy to Panchayats.

4.3 Andhra Pradesh

In this state the Panchayat act was passed on 21st April, 1994 i.e. two days before the deadline.

- The Gram Sabha is a weak body since the power to sanction different development programmes lies with the Gram Panchayat and not with it.
- Clear-cut demarcation of functions among the three tiers has not been spelt out in the Act.
- PRIs have no final say in the matter of budget.
- Administrative autonomy has also not been accorded to the panchayats with the state government controlling the staff serving in panchayats at all levels, from gram panchayat to zilla parishad. Not only this, the state government and its bureaucracy have been empowered to supervise and control the local government.

Although state panchayat act was amended in conformity with the central act on 21-4-94 and election to the three tiers were also held in 1995, the State Finance Commission (SFC) has not submitted its report to the government so far. Thus, the Panchayat instead of emerging as a institution of self government, has emerged as an agency of the state government.

4.4 Bihar

- The Gram Sabha has not been made the approving and sanctioning authority. However, it is obligatory that it meets quarterly.
- Provision for constituting a vigilance committee to act as watch dog, from among those who are not the members of Gram Panchayat, to oversee the functioning of the Gram Panchayat. This is a welcome feature of the act, as of now, only on paper which could be emulated by other states.
- Although functions of different tiers have been clearly demarcated, they are not adequate in certain areas like education, health etc.
- As per section 85 (5), State government may constitute a service for each zilla parishad. But in reality, key functionaries at all panchayat levels are state government appointees who are also transferable by it. In fact, State government has supremacy and controlling powers over the Panchayats.
- A welcome feature of the act is Panchayats' judicial functions.

The Amended Act has not been implemented since panchayat elections have not taken place in the state. The Act which has become disputable is lying in the Supreme Court. Last panchayat elections in Bihar were held during 1978-80.

4.5 Gujarat

- Gram Sabha is a weak institution as it is a discussing body.
- Cardinal principle of allocation of functions has been honoured to a great extent in the state. However, its policy with regard to some functions like education needs re-examination. This function has not been distributed at the level of panchayat tiers.
- Provision for constituting Panchayat service is given in the Act. There will be three . cadres at taluka and local levels etc. For this, a Gujarat Panchayat Service Selection Board will be constituted. Besides, a District Panchayat Service Selection Committee and a District Primary Education Staff Election Committee will be constituted at district level to recruit the Panchayat and Primary Education Staff.
- The act has provided for an elaborate financial arrangement for different tiers. The Gujarat Panchayat Act undoubtedly reflects a better understanding of democratic norms for inter-panchayat control at different levels.
- The act also provides for a State Council for Panchayats under the Chairmanship of the State Panchayat Minister.
- The act does not provide constituting the District Planning Committee. This is a weak aspect of the act.

4.6 Haryana

- Although certain functions pertaining to 16 Departments have been transferred to the Panchayats, corresponding modalities for transferring staff and resources have not been completed so far.
- Moreover, transferred functions are merely an eye wash for the panchayats since nothing worthwhile has been given to them.

The act has a number of provisions which instead of empowering the people, strengthen the hands of the state government and its bureaucracy. Election to the Panchayats were held in December 1994.

4.7 Himachal Pradesh

- The Himachal Pradesh Panchayat Raj Act is another example of an act which does not give administrative and financial autonomy to panchayats for discharging their responsibility properly and effectively. All the key functionaries at all tiers are state employees.
- In case Panchayat appoints its staff, approval of the prescribed authority is necessary. Their service conditions will be regulated according to rules framed by the government.
- The state government or a prescribed authority may also suspend a resolution or order of a Panchayat on certain grounds and may remove any functionary of the Panchayat from office.

Although after holding the Panchayat elections in 1995, certain functions of 15 Departments ranging from agricultural development to social welfare have been transferred as of July 1996, specific modalities to transfer corresponding power, staff and resource are being worked out.

4.8 Karnataka

In Karnataka the functions of the Gram Panchayat, Taluka Panchayat and Zilla Parishad have been listed under schedule I, II and III respectively of the act.

- In allocating functions at all levels, the cardinal principle of what can be done at a particular level should be devolved to that level, has been kept in mind. However, this pales in front of section 312 of the act which empowers the state to omit, amend or add any activity, programme or scheme covered under the abovementioned schedules.
- The State Finance Commission (SFC) has also submitted its report to the state government. It has recommended that the existing share (34.29%) of PRIs and urban Local Bodies in the non-gross revenue own receipts of the government might be increased to 36 per cent. And of that 85% might be transferred to the PRIs and the rest to the urban local bodies. It is also recommended that the practice of allocating Rs. 25 lakhs to a MLA under Local Areas Development Fund may be abolished. Besides, the present practice of allocating Rs. 1 lakh grant to each Gram Panchayat under section 206 should be continued as additional financial assistance to them.

4.9 Kerala

In Kerala, election to all tiers of Panchayats were held in 1995. The Panchayat Act piloted by the UDF Government headed by K Karunakaran vests powers in the hands of the State government and its bureaucracy, to govern the Panchayats. Recently, LDF government after coming to power started amending the State Panchayat Act in the light of the Constitution Amendment Act. As per the latest provisions,

- Secretaries of all three tiers have been put under the supervision and control of the presidents of panchayats.
- Provision for constituting the District Planning Committee under the chairmanship of the ZP president has been made.
- The State government has also constituted a committee of experts which would suggest changes in the act to be carried out for making panchayats institutions of self government.
- The SFC in the state has recommended that additional tax resources should be given for decentralised planning.

4.10 Madhya Pradesh

It was the first state which had conducted the Panchayat elections in 1994 after amending its Panchayat Act in conformity with the Central Act.

- Certain functions of 25 Departments have been devolved to the panchayats.
- Important departments like irrigation, higher education and co-operatives will be placed outside the purview of the Panchayats based on a recent proposal of the State government.
- Collectors, Divisional Commissioners and Sub-Divisional Magistrates have been given the power to inspect Panchayats. Panchayats in a sense have been put in reverse gear.
- The SFC has submitted its interim report in which it has recommended that 2.9% of the total tax and non-tax revenue of the state during 1994-95 should be devolved to PRIs during 1995-96.

4.11 Punjab

Elections to the panchayats at all the three levels were held during 1993-94. Although the Panchayat Act was amended on 21st April 1994, devolution of powers and functions to the Panchayats is still in its early stages.

- Panchayats have not been involving themselves in planning and implementation of various economic and social justice activities.
- In order to strengthen district level administration, the post of Chief Executive Officer who is of the rank of Additional Deputy Commissioner has been created in the state.
- The SFC which submitted its report on December 31, 1995 recommended that 20 per cent of the net proceeds of stamp duty, motor vehicles tax, electricity duty and entertainment tax collected by the state government should be shared by the PRIs and Urban Local Bodies. The panchayat samitis and zilla parishad should be empowered to sanction schemes upto Rs. 5 lakh and Rs. 10 lakhs, respectively. The GPs should also levy mandatory tax on professionals, trades, commission agents and traders. To ensure public accountability, the SFC has advised setting up of a Public Accounts Committee at the district level.

4.12 Rajasthan

The Rajasthan Panchayati Raj Act is an example of a highly controlled Panchayati Raj system.

- Section 92 empowers the state government to be the chief superintending and controlling authority of Panchayati Raj Institutions. It can also cancel any resolution of the Panchayats.
- In case of an emergency, even the collector is empowered to cancel the resolution of the gram panchayat or panchayat samiti.
- The state government can dissolve a panchayat if, it is satisfied that it is not competent to perform or defaults in its performance or exercise of powers after examining its explanation.
- The act has assigned a number of functions to the different tiers of panchayats but they have not been backed by adequate administrative support.
- Although provision of constituting the District Planning Committee under the chairmanship of the chairman of the ZP is provided for in the Act, it has not been constituted so far.

4.13 Uttar Pradesh

Although Gram Panchayat, Khestra Panchayat and Zilla Panchayat Acts were amended in conformity with the Central Act on 22 April 1994, elections to all the tiers of the Panchayats were held in 1995.

- What functions are to be performed by which tier of the panchayat is not clear. Political instability in the State appears to be the reason for the delay in doing so.
- Certain functions have also been devolved to the panchayats. But specific modalities to transfer corresponding power, staff and resources have not been worked out so far.

4.14 West Bengal

Example of West Bengal is entirely different from the other states because after left front assumed power in 1977, elections to these institutions were held regularly. Panchayats therefore have strong roots in the state.

- Besides earmarking certain funds against certain schemes and programmes to the Panchayats, untied funds are also assigned to the panchayats for planning the developmental schemes in their own way.
- In the state organic link among all the tiers of panchayats exists which further strengthens the system in the state.
- The public accounts committee constituted under the chairmanship of the leader of the opposition in Zilla Parishad is a unique feature of the state which should be emulated by other states.
- The SFC has recommended substantial devolution of functions, powers and responsibilities in favour of the Panchayats. The SFC in its report has recommended for awarding functional, administrative and financial autonomy to the panchayats. It has also recommended strengthening of District Planning Committee. It suggests setting up of a State Panchayat Finance Corporation for enabling panchayats to take easy loan from it for taking up developmental activities in their respective areas.

4.15 Conclusion

It emerges from the above discussion that the underlying philosophy of the 73rd Constitution Amendment Act envisaging panchayats as institutions of self government has not been kept in mind by the state governments while amending their panchayat acts apparently in conformity with the Central Act. The State governments have merely incorporated mandatory provisions in their Acts. They have not honoured the enabling provisions of the Act, which in real sense will enable the panchayats to function as institutions of self-governance.

CHAPTER V

ELECTIONS TO THE PANCHAYATI RAJ INSTITUTION

One of the main objectives of the 73rd Amendment Act was to give life to grassroots democracy by holding elections regularly. Article 243 N stipulates that Panchayats which were in existence immediately before the commencement of the Constitution (73rd Amendment) Act 1992, shall continue till the expiration of their duration unless sooner dissolved by a resolution passed to that effect by the legislature of that state.

5.2 Under this Article the panchayats of Arunachal Pradesh, Maharashtra, Assam, Sikkim, Orissa (GP and PS) Himachal Pradesh (GP, PS) and GPs of Manipur and Goa were protected. At the end of December 1994 (i.e. 8 months after the state conformity legislation) elections were due in Andhra Pradesh, Bihar, Gujarat, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh. Elections were also due for zilla parishad in the state of Goa, Himachal Pradesh, Manipur and Orissa. In Karnataka elections were due at intermediate and apex tiers. Annexure VII gives the progress of Panchayat elections in the states and Union Territories.

5.3 The constitutional provision for holding elections to the panchayats has been spelt out by the Ministry of Rural Development in the following words. "According to the provisions of article 243B, 243I and 243N, panchayats should be in position at any given point of time and if due to any reason they are not in position in any state, elections should be conducted within such reasonable period of time as is absolutely necessary for the same. Ministry of Rural Development had obtained legal opinion on this issue and the Ministry of Law has confirmed the stand of the Ministry of Rural Development. Accordingly concerned states have been apprised of this legal position and requested to conduct panchayat elections at the earliest."

5.4 In order to hold elections to panchayats, the Ministry has addressed defaulting states. Funds released by the Ministry of Rural Areas and Employment and various rural development programmes were temporarily also withheld during 1994-95 which were subsequently restored on receiving assurance from the state governments that they would hold panchayats elections expeditiously.

5.5 The conference of Panchayat Ministers and Secretaries of States/ UTs held on September 11, 1995 also recommended that "As failure to constitute Panchayati Raj Institutions would amount to violation of the constitution, the states should constitute them, wherever due, by the end of the year at the latest, and to notify the precise schedule of elections by October 2, 1995 which is Mahatma Gandhi's 125th birth anniversary".

The Prime Minister in his inaugural address also stressed upon the need to hold panchayat elections and told the state representatives "that holding elections to PRIs was as sacrosanct as holding elections to Parliament or the Legislative assemblies or the Councils. He continued that not holding elections to the panchayat bodies was testimonial to violating the Constitution and there is no way that one can escape from this constitutional obligation. He urged the states to remember that holding panchayat elections according to their convenience was a thing of the past".

5.6 The participants of the panchayat adhayakshas sammelan held in New Delhi on 9th and 10th October 1995 also recommended that wherever panchayats have not been constituted, elections must be held immediately.

5.7 The Ministry of Rural Areas and Employment has continuously urged the states to hold elections at the earliest and apprised legal position in this regard. The election process in Bihar and Tamil Nadu has been hampered due to litigation related to provision of reservation for backward classes in panchayats. In Bihar the Court directed the state government to revise the list of backward classes and limit the extent of all reservations to 50 per cent of the total seats. The Bihar government has filed a Special Leave Petition in the Supreme Court against the judgement of the Patna High Court. Elections

in Tamil Nadu were held in October 1996. In Orissa where panchayats were dissolved in August 1995, elections should have been held within six months but due to faulty delimitation of constituencies, the issue of reservation for SCs, STs and women and due to prevailing drought conditions elections were not held even after one and half years of their dissolution. The elections to panchayats were finally held in January, 1997.

5.8 The National Committee of Panchayat Ministers in its meeting held on 23rd October 1996 again called upon the defaulting states to hold panchayat elections immediately and uphold the sanctity of the Constitution.

As of today election to panchayats are due in Bihar, Goa, Manipur, Lakshadweep and Pondicherry. The state wise details of latest position of Panchayat election is given in Annexure VIII.

5.9 Thus, although not holding panchayat elections within the stipulated time was a violation of the constitution, the Centre's regulating role has only been one of impressing states to conduct poll at the earliest. The Union Minister for Rural Areas and Employment made record by invoking article 356 against erring states. But the defaulting states did not take it seriously, continuing to announce the dates for election only. Finally, the election process has been bogged down by the interference of courts in matters relating to delimitation of constituencies and reservation for backward classes.

CHAPTER VI

DEVOLUTION OF POWERS AND FUNCTIONS TO THE PANCHAYATS

The conference of Secretaries and State/UTs Panchayat Ministers on the Constitutional 73rd Amendment Act, 1992, held on July 3, 1993 was a starting point in terms of the Central government providing action points emerging from the Central Act and the tasks to be performed by the state and central governments.

6.2 The action points emerging from the 73rd constitutional amendment act (see annexure III) under article 243 G, which deals with power, authority and responsibility of Panchayats throw light on the mandatory and discretionary implications of this important article. Under mandatory implications state legislatures are to devolve power and authority, to enable the panchayats to function as institutions of self-government. A provision is to be enacted for devolution of powers and responsibilities to the panchayats for preparation of plans and implementation of schemes for economic development and social justice of various subjects including those in the 11th schedule.

6.3 Under discretionary implications it says that State legislatures have the discretion to examine the various subjects, to detail and devolve powers and responsibilities to the panchayats with respect to as many subjects as may be appropriate, keeping in view the spirit of the amendment and local conditions. In this connection the state may also like to take a view on merging the DRDA with the district panchayat, if deemed fit.

6.4 But we have seen in chapter IV that states have not kept this article in mind while amending their acts. Now let us see what role the Centre has played after suggesting the action points emerging from the 73rd Constitutional Amendment Act for the states in the next chapter. Below the efforts made by the Centre have been critically examined.

6.5 Panchayati Raj in India - An appraisal

6.5.1 The Ministry of Rural Areas & Employment had set up a task force to work out a framework for functions with devolution of corresponding powers and responsibilities in respect of 29 subjects as given in the 11th schedule. Keeping in view the Constitutional Amendment Act most of the States theoretically transferred powers and authority to the three tiers of PR system. It was decided to study the extent of devolution of powers to the panchayats in selected states.

6.5.2 This work was done by the National Institute of Rural Development (NIRD) which carried out an appraisal of ten states, viz Andhra Pradesh, Gujarat, Assam, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and West Bengal. This appraisal was primarily conducted to get first hand information on the measures taken by the states visa-vis panchayats to decentralise governance and development.

6.5.3 The NIRD study concludes that "the system of Panchayati Raj has yet to get the needed grounding. While the bodies have been constituted, these have not been assigned powers and functions to be able to play their role which has been mandated in the constitution. There is an apparent reluctance on the part of the state government to take appropriate measures in this regard. This is surely not in conformity with the spirit of the 73rd Constitution Amendment "1. After 3 months the NIRD also did an analytical study of 5 states viz Andhra Pradesh, Gujarat, Karnataka, Maharashtra and West Bengal.

6.6 Devolution of powers and functions to Panchayati Raj Institutions – A suggestive frame work.

6.6.1 The NIRD has prepared a suggestive framework for devolution of powers and responsibilities to PRIs in respect of 29 subjects listed in the 11th schedule of the Constitution. No doubt, the suggestive framework gives an elaborate distribution of functions among the three tiers of panchayats relating to

these subjects but it does not contain any guidelines for the states, and if such functions are devolved to the panchayats they will not be able to function as institutions of self government.

6.6.2 In a much better way, allocation of educational functions among the three tiers of panchayats has been suggested by the Committee on Decentralised Management of Education (CABE) constituted by the Ministry of Human Resource Development, Government of India in 1993. A functional framework regarding human resource development suggested by the NIRD and the CABE committee on Decentralised Management of Education has been given in annexures IX and X respectively.

6.6.3 It is evident from annexure IX that the NIRD 's devolution framework has made panchayats as assisting, maintaining, motivating, identifying and supervisory agency. It does not contain any suggestions for states to make Panchayat an approving, sanctioning and controlling institution. On the other hand the CABE committee (Annexure X) has proposed to give controlling powers to the panchayats. Besides, it also gives the composition of the education committee along with provision of funds and organisational administrative support to it.

6.6.4 Thus, the devolution framework suggested by the NIRO at the initiative the Ministry of Rural Areas and Employment has not kept to the letter and spirit of article 243G of the constitution. It also shows that NIRD an apex institution did not study properly the efforts made so far to strengthen Panchayati Raj before suggesting the framework.

6.6.5 In subsequent meetings of the state panchayat musters, it has been recommended to the states to devolve powers to the panchayats keeping in view the devolution framework suggested by the NIRO.

6.7 Centrally Sponsored Schemes

6.7.1 Above we have discussed the role played by the government of India in implementing article 243G of the constitution. A question arising is that if the Centre is so serious about strengthening Panchayati Raj why has it introduced centrally sponsored schemes (CSSs) of the nature of the functions devolved to the panchayats under 11th schedule of the constitution. In the following section the CSSs initiated by the Government of India after the amendment act have been discussed.

6.7.2 The MPs Local Areas Development Scheme (MPLADS) under which each Member of Parliament will have the freedom to suggest to the District Collector works to be done not exceeding Rs. 1 crore per year within her or his constituency was announced by the Prime Minister in the Parliament exactly a year after the 73rd and 74th constitutional amendments bills were passed by the Parliament in order to establish panchayats and municipalities as institutions of self - government at the district and sub-district levels. Incidentally all 23 items of work to be implemented under the MPLADS are from the 29 subjects listed in the 11th schedule. Hence, this scheme is entirely against the letter and spirit of the constitutional amendment act.

6.7.3 On 15th August, 1995, about 3 years after the passing of 73rd Amendment Bill by the Parliament the Prime Minister announced 3 CSSs namely, National Social Assistance Programme (NSAP) Nutrition Support to Primary Education (NSPE) and Rural Group Life Insurance schemes. These schemes again go against the spirit of decentralisation. While "in principle, centrally sponsored schemes should be confined to schemes of an inter-state character ; matters infringing on national securities ; selected national priorities where central supervision is essential for effective implementation; and multi state externally financed projects where central co• ordination is necessary for operational regards t,2. These five CSSs announced by the centre are principally wrong because these schemes enable the centre to enter into areas which legitimately belong to the panchayats.

6.7.4 In the month of February 1997, the Centre again launched a CSS named " Ganga Jal Yojana" which is once again is not in keeping with the spirit of the 73rd amendment.

CHAPTER VII

MEASURES TAKEN TO STRENGTHEN ADMINISTRATIVE SET UP OF THE PANCHAYATS

Administrative autonomy for the panchayats is no less important than functional and financial autonomy. We have seen in chapter four that except for one or two states, panchayats do not have even basic administrative infrastructure to carry out their responsibilities. They are practically agencies of the state government. Let us see the role played by the Centre in this regard.

7.2 The issue of strengthening the administrative set up of panchayats has not been made a part of the recommendations of the conference of the Panchayat Ministers held on July 3, 1993. However, action points emerging from the 73rd Constitution Amendment Act, mentioned earlier (given in annexure III) suggests to the states to take a view on merging the DRDA with the district panchayats, if deemed fit. Its importance was eventually felt and in the State Panchayat Ministers conference held on September, 11, 1995, it was made an agenda item in the following words: "Consistent with the need for devolution of powers, functions and responsibilities on PRIs at the three levels, an appropriate administrative set up would have to be evolved and strengthened in all the states. The administrative set up for the Zilla Parishads, Panchayat Samitis and Gram Panchayats has to be strengthened in such a way that these bodies are able to perform their assigned functions effectively. In view of the steep rise in the plan expenditure, the accounts wing of PRIs, particularly at the district and block levels has also to be suitably strengthened. This will require reorganisation of the administrative set up at all levels viz. district, block and village by suitable adjustments. Each state will have to keep in view its own administrative set up while planning such an exercise. In the reorganised set up, different, sectoral departments will have to work in close co-ordination with and under the overall supervision and guidance of zilla parishads. This will pave way for better co ordination, accountability and effective implementation of programmes ".

7.3 About a month later the Sammelan of the Panchayat Adhyakashas held in New Delhi during 9-10 October in 1995 also recommended strengthening of panchayats administratively and technically, as well as creating a separate cadre of staff for panchayats.

7.4 Besides, the Sammelan also recommended that the DRDA be put under the guidance of the zilla parishad and the chairperson of the zilla parishad be made an ex• officio chairperson of the DRDA. In addition to this, the Sammelan gave 20 recommendations relating to various aspects of PR system (given in annexure XI). This sammelan gave an opportunity to the delegates to voice their demands for strengthening local democracy in the spirit of the constitution.

7.5 As a result of this, the Ministry of Rural Areas and Employment on 6th November, 1995 instructed the state governments to restructure the DRDAs with a view to make its governing body more representative, putting it under the overall supervision, control and guidance of the zilla parishad and making DM/collector/DC the member secretary, who was earlier the chairperson of the governing body of the DRDA. The instructions for restructuring the DRDA and provision for the constitution of its governing body are given in annexure XII.

7.6 One can point out a number of omissions and commissions in the restructuring order and question the separate identity of this voluntary agency but a welcome feature of this order is that it makes ZP chairperson the ex-officio chairperson of the DRDA and the DM its member secretary (in place of its chairperson). However, in most of the states these instructions have not been operationalised so far. In Himachal Pradesh instead of the chairperson of ZP a state minister is chairing the DRDA. In December, 1995 the suggestive framework for devolution of powers and functions to Panchayati Raj Institutions prepared by the NIRD also worked out the norms and modalities for strengthening panchayats both technically and non technically. The organisations set up based upon its suggestions are given in annexure XIII. The Ministry of Rural Areas and Employment has continuously been apprising the states about the recommendations of the meetings of various national committees on panchayat ministries held subsequently.

7.7 It may be concluded from the above discussion that the need for strengthening Panchayati Raj machinery to shoulder responsibilities given to them following the constitutional amendment has been recognised both by the centre and the states. But they have not taken any concrete time bound action beyond discussing the issue at meetings. Two examples given below show the seriousness on the part of the centre to strengthen administrative capacity and capability of panchayats.

7.7.1 In the Department of Rural Employment and Poverty Alleviation of the Ministry of Rural Areas & Employment there is a scheme for strengthening block level administration. Under this scheme budgetary allocation during 1995-96 was Rs. 16.15 crores which was not increased during 1996-97. Keeping in view the enhanced responsibilities at the block level after the constitutional amendment, its allocation should have been increased. This shows that the Ministry which has been impressing upon the states to strengthen the decentralised machinery did not oblige panchayats, where it could.

7.7.2 Planning commission has a scheme to assist the states in strengthening planning machinery at the state and district levels, under which two third expenditure on new technical planning staff at the state level and half this expenditure at the district level

will be borne by it. During 1995-96, against an allocation of Rs. 6 crores an amount in the region of Rs. 83 lakhs was released to the state governments. Moreover, the allocation under this scheme of Rs. 6 crores during 1995-96 was reduced to Rs. 1 crore during 1996-97. This shows non-seriousness on the part of the Centre to strengthen decentralised administrative machinery. In April 1993, the report of the NDC Committee on Micro Level Planning and Involvement of People at Grassroots Level had recommended strengthening the planning machinery at sub-district level. As follow up action the Planning Commission sought the comments of State governments that did not like this idea of strengthening planning machinery at the sub-district level.³ The reasons for non- acceptance of the proposal by the states appears to be their limited involvement in creating such planning infrastructure in the panchayats. It means, neither the Centre nor the States have been seriously pursuing strengthening of administrative machinery of the panchayats.

CHAPTER VIII

TRAINING OF PANCHAYAT FUNCTIONARIES

In order to realise the goal of decentralisation, the conference of Ministers/Secretaries of Panchayats of States and UTs held on July 3, 1993 has recommended imparting adequate training to all officials and non-officials involved in Panchayati Raj system at different levels. To achieve this, existing panchayat training infrastructure needs to be revitalised and strengthened, and a comprehensive calendar of training programmes should be worked out from 1993-94 onwards. Accordingly, an action plan for training of elected representatives and the officials of panchayats was evolved (given in annexure XIV).

8.2 On 16th December, 1993 the Ministry of Rural Development constituted a task force on preparation of modules for Distance Education Post Literacy Campaign which would work in collaboration with Indira Gandhi National Open University to prepare self instructional material for telecast, to disseminate information regarding various aspects of Panchayati Raj and suggest training modules for elected representatives. Besides, as the Ministry has been giving priority to the training of panchayat functionaries, it has in the first instance identified 3 national institutions viz, National Institute of Rural Development, Lal Bahadur National Academy of Administration and Indian Institute of Public Administration to organise training of trainers, who would be drawn from the states, who in turn would impart training in their respective states. These premier institutions had organised 15 programmes for 326 trainers from different states upto September 1995.

8.3 Besides, the Ministry has also given financial assistance to the State Institute of Rural Development (SIRD) for strengthening its faculty and developing suitable training material for panchayat functionaries. Similarly, the ETCs have also been strengthened for imparting training to officials and non-officials of panchayats.

8.4 During 9-10 October, 1995, a sammelan of panchayat adhyakashas was also held in Delhi, which was attended by about 6800 delegates from different parts of the country. This sammelan also endorsed the need for imparting training to newly elected panchayat representatives. In this Sammelan reading materials namely, Basic Features of Indian Constitution, Evolution of Panchayati Raj and the Constitutional (73rd Amendment) Act, 1992, Rural socio-economic conditions, Madhya Pradesh Panchayat Raj Adhiniyum, 1993 and Role of Panchyati Raj Institutions in planning and implementation of anti-poverty programmes (both in Hindi and English) produced by IGNOU were distributed amongst the delegates.

8.5 In the series of efforts made by the Centre to impart training to panchayat functionaries and disseminate various information about decentralised governance, among other things the Ministry of Rural Areas & Employment also set up a High Level Committee under the chairpersonship of Secretary Department of Rural Development comprising of representatives from various Ministries and Organisation, the purpose being to prepare modalities for conducting interactive training programmes for panchayat functionaries through television and radio. Following are the broad terms of reference of this committee:

- (a) To draw up a suitable plan of action for the utilisation of Doordarshan Earth Stations in the states for transmitting training programmes.
- (b) Work out schedule of time slots for beaming of programmes
- (c) Work out cost estimates for utilisation of the Earth Stations, satellite etc.
- (d) Preparation of time schedule for different activities/milestones.
- (e) To identify institution for preparation of software for training.

8.6 The CAPART under the Ministry of Rural Areas and Employment has also been providing financial assistance to NGOs, for conducting training and awareness building programmes on various aspects of Panchayati Raj aimed particularly at the weaker sections of rural society including those who

have for the first time been elected as leaders of panchayats. Multi-media approach, consisting of self-learning print material, audio and video programmes and counselling programmes are also being adopted by the Ministry of Rural Areas and Employment. But the National Committee of Panchayat Ministers in its meeting held on 23rd October, 1996 observed that some of the states have yet to take initiatives in this regard. The states have also been called upon to accelerate the process of training for which they can claim financial assistance from the Centre.

Progress

8.7 So far 15 training programmes for 326 trainers have been conducted by the three premier Institutes viz. NIRD, IIPA and LBSNAA. As pointed out by the Working Group on Decentralised Planning and Panchayati Raj, a major part of the training efforts in terms of TOT has been completed, approximately 50 such courses were organised to meet the requirement.

8.8 Annexure XV depicts the number of elected representatives trained/under training in selected states. Though not accurate it appears from the table that Haryana,

Karnataka, Orissa, Sikkim and Punjab have trained more than 75 per cent of their elected representatives. In the States of Tripura and Himachal Pradesh, persons trained/under training are more than the total number of elected representatives in these states. It raises doubts about the entire data pertaining to training achievements shown in the Working Group Report.

As per the Working Group Report on Decentralised Planning and Panchayati Raj, besides NIRD there are 23 SIRDs, 1 IO Gram Sevak Training Centres and other institutions present in the country for imparting training to panchayats functionaries. However, the question is, are these institutions sufficient for imparting training to more than 30 lakhs elected representatives?

8.9 Now let us evaluate the efforts the Centre has made for strengthening these institutions since 1992-93. Annexure XVI depicts the outlay for schemes of the Ministry of Rural Areas & Employment for strengthening training infrastructure for awareness generation programmes and panchayat development. It may be seen from the annexure that although on the whole the outlay since 1991-92 has been enhanced by 24 per cent, but if taken individual scheme-wise, it has a mixed status. Out of these schemes, outlay for the schemes at SL No. 2 - 4 meant for strengthening infrastructure at state and sub-state levels has decreased by 46 and 14 per cent respectively whereas outlay of scheme, SL. No. 3 has remained the same in 1996-97 as during 1991-92. It shows that so far no attention has been paid by the ministry for revitalising and strengthening training infrastructure at state and sub-state levels despite the necessity for training and retraining more than 3 million elected panchayat representatives.

CHAPTER IX

FINANCIAL DEVOLUTION

The financial position of the PRIs have been weak since the beginning. They have always been depending on the grant received by the state, which was given to them by the political executive on an ad-hoc basis. Thus, in the absence of adequate financial resources they could not grow. Therefore, they were not able to fulfil people's aspirations. In view of this, provisions have been made in the 73rd Amendment Act to empower panchayats to impose taxes, to mobilise their own resources besides constituting the State Finance Commission (SFC) to review their financial position and make recommendations to the Governor for transferring resources from State to panchayats. All the states have constituted the SFCs in the stipulated time, and SFCs of Kerala, Assam, Karnataka, Madhya Pradesh, Rajasthan, West Bengal and Punjab have already submitted their reports to their respective governors. The reports of the remaining SFCs are expected to be submitted in the near future.

9.1 Let us now discuss what role the Union Government has played in strengthening the financial base of the panchayats in terms of helping the SFCs, which do not have a good track record, as well as directly devolving finances to them. The Centre, particularly the Ministry of Rural Areas & Employment has initiated several measures in this regard, which are discussed below:

1. The Ministry of Rural Areas & Employment has constituted a Resource Group under the chairmanship of Dr. Raja J Chelliah, Fiscal Adviser to the government of India, with the purpose of advising and extending technical assistance to the SFCs. The Resource Group in its meeting held on 10th November 1994, among other things took a decision to establish a special cell at the National Institute of Public Finance and Policy (NIPFP) to provide technical assistance and support to the SFCs. Accordingly, a SFC Cell with a budget of Rs. 34 lakhs was constituted at the NIPFP with the purpose of:

(a) focusing on developing guidelines in respect of principal tasks entrusted to the SFCs as per Article 243 I and 243Y of the Constitution.

(b) responding to the tasks assigned to the SFCs

(c) undertaking studies on specific issues pertaining to panchayats and municipal finances having implications for fiscal correction and associated reforms.

(d) facilitating flow of information through appropriate methodologies.

To achieve these objectives four workshops were organised in New Delhi, Hyderabad and Mussoorie in which chairpersons, members of the SFCs, experts and academicians took part in the deliberations. These workshops enabled the SFCs to sort out various issues and methodological questions regarding financial devolution to the panchayats without interfering with their powers and authority.

2. The Ministry of Rural Areas & Employment has also sponsored a study on finances of PRIs in 3 States, Rajasthan, Maharashtra and Gujarat, conducted by the NIPFP New Delhi. The study findings state that the intermediate tiers have hardly mobilised any funds on their own. Their job is to implement the instructions of either the ZPs or the state governments. ZPs mobilised their own resources, which in Gujarat and Maharashtra is merely 3 to 5 per cent of their total budget. In Rajasthan, ZPs are entirely dependent on states grants.

3. The Tenth Finance Commission, Government of India has recommended an adhoc grant-in-aid of Rs 4380.93 crores to be given to the panchayats for developmental activities for the period 1996-97 to 1999-2000. The Government of India has accepted the recommendation. The Centre has issued

guidelines to the states regarding utilisation of this award of the Central Finance Commission². The state- wise and year-wise allocation of the Central Finance Commission is given in annexure XVII.

4. The State panchayat ministers conference held in September 1995 also urged the states to establish the tradition of accepting the recommendations of the State Finance Commissions':

9.2 The above discussion reveals that the Centre has taken several steps for strengthening the financial position of the panchayats by accepting the recommendations of the 10th Finance Commission and establishing the Resource Group for facilitating the working of the SFCs in recommending devolution of resources to the panchayats. However, even after the 73rd Amendment Act, the Centre entered into the functional jurisdiction of the states and the panchayats by launching several Centrally Sponsored Schemes, which have already been discussed elsewhere in this study. For example, the annual average central share of Centrally Sponsored Schemes (CSSs) which was Rs. 4623 crores during 1991-92 (period in which the Amendment Bill to the constitution regarding Panchayat was in the parliament) was increased to Rs. 16,000 crores during 1995-96,⁴ an enhancement of 246 per cent in the span of two years.

9.3 About the CSSs, the Chief Minister of Madhya Pradesh while participating in the conference on Basic Minimum Services during 4-5 July 1996, New Delhi, rightly observed that "Experiences of these schemes, in general, would indicate certain drawbacks-like peripheral focus, varying sharing patterns, in-commensurate funding, unclear availability and a/location of central assistance, pre-exemption of limited state plan resources and unsustainable financial burden on states at the end of plan period Centrally Sponsored Schemes also fetter with the discretion of the states to choose programmes and schemes appropriate to their requirements. It would, therefore, be appropriate if the outlays for these schemes in the central plan are transferred to the state, keeping in view their size, population of weaker sections, incidence of poverty, relative backwardness and disparities in social infrastructure.

9.4 Hence, if Centre is really interested in establishing panchayats as institutions of self-governance, the CSSs which are in the functional domain of the states need to be transferred to them. The States in tum should devolve these schemes, which are in functional domain of the panchayats to the panchayats.

9.5 Secondly, the Centre has not strengthened the federal character of the Indian polity through implementation of constitutional provisions aimed at firming the financial base of the states. It is a well known fact that the states do not have high yielding taxes as the Centre. Given this, the Centre has not shown any political courage to give the power to levy certain taxes, such as estate duty on non organisational property, tax on railway passengers, tax on newspapers and advertisements and consignment tax etc. to the States, the entire yield from which Constitutionally belongs to the states.

9.6 The share of the states from the divisible pool of the income tax, etc has also dwindled because the Centre has imposed surcharge on income tax, not shared by the States.⁷ Thus, how can one presume that the states will devolve economic resources to the panchayats when they themselves are financial problems. The remark by MJK Thaaraj, "a starving mother like state government cannot ensure the financial health of the local bodies" made in 1978 is still relevant after about two decades.

CHAPTERX

EXTENSION OF THE PROVISIONS OF CONSTITUTION (73RD AMENDMENT) ACT 1992 IN SCHEDULED AREAS.

Article 243M (1) of the Constitution 73rd Amendment Act, 1992 excludes the scheduled Areas and the tribal areas referred to in article 244 from application of the provisions of the Part IX of the Constitution. However, Article 243 (4) (b) provides that the Parliament may, by law, extend the provisions of this part to these areas, subject to such exceptions and modifications as may be specified in such law and no such law shall be deemed to be an Amendment of the Constitution. Against this background the Ministry of Rural Areas & Employment had constituted a committee of select MPs mainly from Scheduled Areas and experts under the chairmanship of Dileep Singh Bhuria, MP, on 10th June 1994, to make recommendations regarding the law for extending the provisions of the Part IX of the constitution to Vth schedule areas. The committee submitted its report in January 1995.

10.2 The Conference of Panchayat Minister's and Secretaries of state/UTs held on September 11, 1995 had recommended that keeping in view the recent High Court judgements and the recommendations of the committee of Members of Parliament and experts on law concerning extension of provisions of Constitution 73rd Amendment Act, 1992 to Scheduled Areas, the Government of India should introduce in the Parliament a law relating to this subject as provided in article 243 M (n) (b) as soon as possible after consultations with the states. Finally, a Bill on extension of part IX of the constitution in Scheduled Areas was introduced in the Parliament, which was adopted by the Rajya Sabha and the Lok Sabha on December 12 and 19, 1997, respectively. It became an Act on 24th December, 1996 after receiving the assent of the President.

10.3 The salient features of the provision of the Panchayats (Extension to the Scheduled Areas) Act 1996, among others are, the state legislations that may be made shall be in consonance with the customary law, social and religious practices and traditional management practice of community resources, constitution of gram sabha in every village which shall enjoy the sanctioning and approving powers in respect to various programmes and projects concerning its jurisdiction. The offices of the chairpersons in the panchayats at all levels shall be reserved for the Scheduled Tribes, Their reservation at every panchayat shall not be less than one half of the total number of seats. The text of the Act is given as annexure XVIII.

10.4 This Act has been welcomed by the tribal organisations as it will pave the way for establishing a new socio-economic order in Scheduled Areas and if implemented effectively would establish partnership between the state and the tribals. Hence, it is a right step on part of the Centre for strengthening grassroots democracy.

CHAPTER XI

DISTRICT PLANNING COMMITTEE

Article 243 ZD of the Constitution 74th Amendment Act, 1992 relating to the municipalities provides for constitution of District Planning Committees (DPCs) at district level to consolidate the plans prepared by the panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole. The constitutional provision for this committee is given in Annexure II. Thus, DPC in the real sense may be designated as the third tier of the government at district level mainly looking after developmental and social justice activities.

11.2 In the first conference of the State Minister of Panchayats held in July 1993, it was suggested that DPC should be formed according to the Article 243ZD and while nominating the members to the DPCs, "care may be taken to ensure that the presidents of the zilla panchayats always get a place in the District Planning Committee."

11.3 The suggestion of the Centre for getting a place for the president of the ZP in the composition of the DPC was not in the right direction. Instead, the Centre should have suggested that the ZP. President or Mayor be made the chairperson of this committee depending on the population of the district (rural I urban).

11.4 Although, in this meeting it was agreed to assume that Article 243ZP is a part of the 73rd Amendment Act, some states like Madhya Pradesh and Gujarat did not make provisions for this in their respective Panchayat legislations. However, later on they made provision regarding the DPC in their Acts.

11.5 Some State like Assam, Bihar and Rajasthan made provisions in their Acts for making the chairpersons of the ZP, the chairperson of the DPC. In contrast some states like Manipur made provision for making District Magistrate as the chairperson of this Committee. But no State has taken interest in constituting this committee which is very important for realising the recommendations of various committees since independence on Panchayati Raj and decentralised planning so that people's participation in plan formulation and execution materialises. The Ministry of Rural Areas and Employment has also addressed the States to make the DPC a part of the panchayat legislation. And later on, the conference of the State Panchayat Ministers held on September 11, 1995 recommended that "now that the Panchayats are in position, states were asked to introduce and seriously pursue multi-level decentralised planning and activate their District Planning Committee". This conference has also given recommendations on various aspects of Panchayati Raj, which may be seen in Annexure XIX.

11.6 The Panchayat Adhyakashas Sammelan held at New Delhi during 9-10 October, 1995 has also recommended that appropriate mechanism will have to be evolved for preparation of district plans keeping in view the socio-economic requirements and resource availability. The United Front government had organised a conference of Chief Ministers' on Basic Minimum Service during July 4-5, 1996 at New Delhi which also recommended that the District Planning Committee should be set up at the district-level to strengthen decentralised planning process through rural and urban local bodies for the purpose of providing basic social services in a planned and time bound manner.

11.7 In the series of meetings of the National Committee of Panchayat Ministers held on 23rd October, 1996 on Decentralised planning and constitution of District Planning Committee was on the agenda of the meetings. The meeting held that "state governments should take immediate steps to set up planning committee wherever these committees have not been constituted so far as per the constitutional provisions in this regard. The chairperson of the zilla parishad or mayor of the municipal committee should be the chairperson of the DPCs. The DPCs should be constituted without waiting for constitution of all level bodies".

11.8 For the first time the issue of making the ZP chairpersons the chairperson of DPCs was made the agenda item at the meeting of the State Ministers. It would have been better if this was made an action point in the first meeting of the State Ministers of Panchayats held on July 3, 1993 after the panchayats became a part of the constitution. It appears that due to this a uniform pattern in terms of making provisions regarding constituting the DPC did not emerge from the states.

CHAPTER XII

LAND REFORMS

Land which is the most important factor in the power structure of rural India is controlled by a few. The space provided for the weaker sections including women in panchayats through 73rd Amendment Act could be made more effective if land were to be transferred in their favour. The West Bengal example is well known, where land reforms have given a sound footing to the development of panchayats by way of enabling landless and marginal sections of rural society to assert themselves effectively in decentralised governance.

12.2 It has been noticed that wherever a progressive legislation was made or effected in connection with land reforms for egalitarian reasons and social justice, the objectives were defeated by litigation. Keeping this in view 27 land reforms related laws were placed in the 9th schedule of the Constitution as per Constitution (78 Amendment) Act, 1995. This will facilitate implementation of land reforms which in turn will strengthen the PR system in the country.

12.3 As implementation of land reforms has been a part of the 11th Schedule of the constitution, panchayats should be involved effectively in making the land reforms a success and ensure proper distribution of surplus land among the landless. This effort of the Centre would economically empower the weaker sections of the rural community. Hence, it is a welcome step on the part of the Centre as a supportive measures for strengthening panchayati raj system in the country.

CHAPTER XIII

PANCHAYATI RAJ AND DECENTRALISED PLANNING-APPROACH TO THE NINTH FIVE YEAR PLAN

Panchayati Raj and approach to the Ninth Five Year Plan

Now let us analyse the approach of the coming five year plan in context of the rural local government and see whether the views expressed by the United Front in their manifestos and Common Minimum Programme are reflected in the Approach Paper of the Planning Commission. The Planning Commission has adopted an approach of promoting and developing people's participatory institutions like panchayati raj institutions as one of the objectives of the ninth plan. The approach of the 9th plan towards Panchayati Raj and Decentralised Planning is given in Annexure XXI. Let us discuss briefly the main points of the approach.

13.2 Functions and Powers

13.2.1 The approach paper has admitted that functions and powers devolved to the Panchayats by the states through their legislation in conformity with the 73rd Amendment Act have not been sufficient to enable them to function as institutions of self-government. Hence states are required to further to endow powers and functions to the panchayats keeping in view the 29 subjects listed in the 11th schedule of the Constitution. For performing these functions panchayats require additional technical and administrative infrastructure. Since the functions which have been performed by the state so far were supposed to have been performed by the panchayats, according to the approach paper the staff of the States handling these function will also be transferred to the panchayats. In this way instead of recruiting new staff, redeployment of personnel will be needed in the coming plan. Allocation of functions among three tiers of panchayats will be based on the cardinal principle of what can be done at particular level should be done at that level only.

13.3 Financial Resources

13.3.1 Apart from grant received from the states and the central government through CSSs, the panchayats will be empowered to raise their own resources through taxes. The CSSs will be directly tied to the PRIs. For having an idea of resources for panchayats, annual plans of the states would have separate head for them. Borrowing for productive infrastructure projects will be encouraged in the coming plan. Besides, it is also maintained that the recommendations of the NDC for setting apart 41 per cent of plan resources for decentralised planning will be operationalised.

13.4 District Planning Committee

As in most of the states the DPCs have not been constituted so far, it will get top priority in the plan for preparation of integrated district development plan.

13.5 Training policy and People's Participation

13.5.1 A comprehensive and time bound training policy will also be evolved for equipping the panchayat functionaries to discharge their responsibilities in an effective manner. People's participation is also proposed in the 9th plan through beneficiaries and functional committees provided in conformity legislations of the panchayats.

13.5.2 What is contained in the approach paper is not even that which has been recommended by the conferences and committees of the panchayat ministers held in July 1993 and onwards?. Although, the Centre has been apprising the state governments about the letter and spirit of the Constitution Amendment, the states on their part have not taken Centre's advice sincerely. Therefore not much is expected from the States to strengthen panchayats unless the Centre would show courage to establish

panchayats as institutions of self government from its level. In this way approach paper appears as an additional cog in the wheel.

13.5.3 What is important for making the panchayats institutions of self-governance is adequate devolution of power and functions to them. For this, another amendment to the constitution is required. This should have been focused in the approach paper if the Centre in the 9th plan period wanted to operationalise decentralised planning under panchayati raj. In this regard observations of the Chief Minister of Madhya Pradesh who made a case for another amendment in the constitution in following words is a telling reference:

13.5.4 "But it all depends on the democratic structure that we have and on how much power, how much strength you want to give to the panchayat system. And now it depends to a great extent on the person who sits in the Chief Minister's chair. What has been given can always be taken back. So, that possibility is always there. Therefore, the key problem is that unless the constitution is amended again to clearly specify the powers of the Gram Panchayats, Block Panchayats and Zilla Parishads, the ultimate power would always remain with the person sitting in the Chief Minister's chair. How much he wants to give and how much he wants to keep with him, this is how I see the Panchayati Raj as it stands today' ".

CHAPTER XIV

CONCLUSION AND TASK AHEAD

In the study we have discussed various programmes, policies and other initiatives taken by the union government relating to awarding functional, administrative and financial autonomy to the panchayats. Following conclusion have emerged from it:

1. Although Union Government has worked out clause-wise, implications for the states as of July 1993, well before the deadline prescribed by the constitutional amendment act for conformity legislations, the State governments have merely implemented mandatory provisions in letter and spirit of the constitution. They have not taken seriously Article 243G of the constitution which is an enabling provision for the State to endow panchayats with as much power as would enable them to emerge as institutions of self government. The Union Government has organised different workshops, seminars and conferences and has been impressing upon the States to devolve powers to the panchayats so that they become strong and vibrant institutions. But in the same breath the Centre has also instituted 5 CSSs which go against the spirit of decentralisation.

2. Although, the Union Minister of Rural Areas and Employment instructed the State governments to put the DRDA under the control and supervision of the chairperson of the Zilla Parishad in order to strengthen administrative structure of the panchayats, it did not enhance the outlay of schemes for strengthening of block level administration. Besides, the Planning Commission has also not given full support to the States under its scheme of planning machinery at State and sub-State levels.

3. The Ministry of Rural Areas and Employment has initiated a number of measures for imparting training to the panchayat functionaries. It has also given assistance to the States for this purpose. Whereas, the outlays of the schemes meant for strengthening training infrastructure has been increased by 24 percent during 1996-97 as against 1991-92, but the outlay for strengthening of State Training Centres and ETCs has been decreased by 46 and 14 per cent, respectively during the same period.

4. Although, the Centre has accepted the recommendations of the Central Finance Commission, it is yet to sanction an ad- hoc grant- in- aid of Rs. 4380.93 crores for panchayats. This grant will facilitate the functioning of State Finance Commissions. It has also urged the state governments to establish the tradition of accepting the recommendations of the SFCs. However, after the 73rd Amendment Act the Centre has entered into the functional domain of the States and the Panchayats by introducing several CSSs with the result that the CSSs outlay which was Rs. 4623 crores during 1991-92 has increased to Rs. 16000 crores during 1995-96. Besides, the Centre has not shown any interest in giving the power of levying taxes under Articles 268 and 269 to the States, the entire yield from which Constitutionally belongs to the states. Thus, the Centre has not entirely strengthened the federal structure of Indian polity. In such a situation how can one expect that the states will devolve economic resources to the panchayats when they themselves are starving of funds.

5. Extension of the provision of the constitution (73rd Amendment) Act, 1992 in scheduled areas, impressing upon the states to constitute DPC with chairperson of the ZP as its chairperson and putting land reforms in the 9th schedule of the constitution as per 78th Amendment Act, 1995 are appreciable efforts on the part of the Centre for initiating supportive measures for strengthening panchayati raj system in the country.

6. Although the approach to the 9th plan has added a chapter on co-operative federalism, nothing worthwhile appears from the document which will make panchayats strong and vibrant.

Task Ahead

It was believed that after the Constitution (Seventy Third Amendment) Act, 1992 panchayats would enjoy autonomy because Article 243 G of the Act envisaged panchayats as institutions of self - government meaning thereby that they would enjoy functional, financial and administrative autonomy. But the various state Panchayati Raj Acts framed or amended in conformity with the Central Act have not reflected this spirit of constitution. What should be done for further empowering the panchayat is given below:

1. As Panchayats have become institutions of self-governance they should also have their clearly defined functions keeping in view the cardinal principle that what can be done at a particular level should be done at that level only. Hence, there is a need to evolve a separate list of functions for panchayats which will be termed as local list. Equally important is the fact that they should also enjoy financial and administrative freedom to perform their responsibilities effectively. The institution of the Gram Sabha should be made strong for establishing direct democracy at grassroots level.

2. Similarly, they should have their own Service Cadre on the same lines as that of the Central and States services.

Thus, in order to fully implement the Central Panchayat Act for operationalising the above two tasks, another amendment to the Constitution is needed.

3. The Union Government should launch only those CSSs which have inter-state relevance, where the question of national security is involved and for multi-state externally financed projects, for proper co-ordination.

4. Parallel agencies/organisations like the panchayats which mushroomed over a period of time should either be abolished or merged with the PRIs. In any case they should not have separate identity.

(The Author is responsible for the views expressed in this report.)

Annexure-1

The Constitution (Seventy-Third Amendment) Act, 1992**AN ACT**

Further to amend the constitution of India

Be it enacted by Parliament in the Forty-third year of the republic of India as follows: -

1. (1) This Act maybe called the constitution (Seventy-third Amendment) act, 1992.

(2) It shall come into force in such date as the Central Government may, by notification in the official gazette, appoint.

2. After Part VIII of the Constitution, the following Part shall be inserted, namely:-

Part IX

The Panchayats

243. In this Part, unless the context otherwise requires, (a) "district" means a district in a State; (b) "Gram Sabha" means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level; (c) "intermediate level" means a level between the village and district levels specified by the Governor of a state by public notification to be the intermediate level for the purposes of this Part; (d) "Panchayat" means an institution (by whatever name called) of self-government constituted under article 243B, for the rural areas; (e) "Panchayat area" means the population as ascertained as the last preceding census of which the relevant figures have been published; (f) "village" means a village specified by the Governor by public notification to be a village for the purposes of this Part and includes a group of villages so specified.

243A. 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.

243B. (1) There shall be constituted in every State, Panchayats at the village, intermediate and district levels in accordance with the provisions of this Part.

(2) Notwithstanding anything in clause (1), Panchayats at the intermediate level may not be constituted in a State having a population not exceeding twenty lakhs.

243C. (1) Subject to the provisions of the part, the Legislature of a State may, by law, make provisions with respect to the composition of Panchayats:

Provided that the ratio between the population of the territorial area of a Panchayat at any level and the number of seats in such Panchayat to be filled by election shall, so far as practicable, be the same throughout the Panchayat area.

(3) The legislature of a state may, by law, provide for the representation-

(a) of the chairpersons of the Panchayats at the village level, in the Panchayats at the intermediate at the village level, in the panchayats at the intermediate level or, in the case of a state not having panchayats at the intermediate level, in the Panchayats at the district level;

(c) of the members of the House of People and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly a panchayat area at a level other than the village level, in such panchayat.

(d) of the members of the council of states and the members of the legislative council of the state, where they are registered as electors within--

(i) a panchayat area at the intermediate level, in panchayat at the intermediate level;

(ii) a panchayat area at the district level, in Panchayat at the district level.

(4) The chairperson of a panchayat and other members of a panchayat whether or not chosen by direct election from territorial constituencies in the panchayat area shall have the right to vote in the meeting of the panchayats.

(5) The chairperson of --

(a) a Panchayat at the village level shall be elected in such manner as the legislature of a state may, by law, provide; and

9b) a panchayat at the intermediate level or district level shall be elected by, and from amongst, the elected members thereof.

2430 (1) Seat shall be reserved for

(a) the Scheduled Castes; and

(b) the Scheduled Tribes

In every panchayat and the number of seat so reserved shall bear, as nearly as may be, the same proportion to the total number of seat to be filled by direct election in that panchayat as the population of the Scheduled Castes in that Panchayat area or of the Scheduled Tribes in that Panchayat area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Panchayat.

(2) No less than one-third of the total number of seats reserved under clause (1) shall be reserved for women belonging to the Scheduled Castes or, as the case may be, the scheduled tribes.

(3) Not less than one third (including the number of seats reserved for women belonging to the Scheduled Castes and the Scheduled Tribes) of the total number of seats to be filled by direct election in every Panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Panchayat.

(4) The offices of the chairpersons in the panchayats at the village or any other level shall be reserved for the scheduled castes, the scheduled tribes and women in such manner as the legislature of a state may, by law, provide:

Provided that the number of offices of chairpersons reserved for the Scheduled Castes and the Scheduled Tribes in the Panchayats at each level in any State shall bear, as nearly offices in the Panchayats at each level as the population of the Scheduled Castes in the State or of the Scheduled Tribes in the State bears to the total population of the State:

Provided further that not less than one-third of the total number of offices of chairpersons in the Panchayats at each level shall be reserved for women:

Provided also that the number of offices reserved under this clause shall be allotted by rotation to different Panchayats at each level.

The reservation of seats under clauses (1) and (2) and the reservation of offices of chairperson (Other than the reservation for women) under clause (4) shall cease to have effect on the expiration of the period specified in article 334.

(6) Nothing in this part shall prevent the legislature of a state from making any provision for reservation of seats in any panchayat or offices of chairpersons in the panchayats at any level in favour of backward class of citizens.

243E.(l) Every panchayat unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer.

(2) No amendment, of any law for the time being in force shall have the effect of causing dissolution of a Panchayat at any level, which is functioning immediately before such amendment, till the expiration of its duration specified in clause (1).

(3) An election to constitute a Panchayat shall be completed-• (a) before the expiry of its duration specified in clause (1):

(b) before the expiration of a period of six months from the date of its dissolution:

Provided that where the remainder of the period for which the dissolved Panchayat would have continued is less than six months it shall not be necessary to hold any election under this clause for constituting the panchayat for such period.

(4) A Panchayat constituted upon the dissolution of a Panchayat before the expiration of its duration shall continue only for the remainder of the period for which the dissolved Panchayat would have continued under clause (1) had it not been so dissolved.

243F. (1) A person shall be disqualified for being chosen as, and for being, a member of a Panchayat» (a) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the legislature of the State concerned:

Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the age of twenty-one years.

(b) if he is so disqualified by or under any law made by the Legislature of the state.

(2) If any question arises as to whether a member of a panchayat has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of such authority and in such manner as the legislature of a state may, by law, provide.

243G. 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 the matters listed in the eleventh schedule.

243H. The Legislature of a State may, by law--

(a) authorise a panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;

(b) assign to a panchayat such taxes, duties tolls and fees levied and collected by the state government for such purposes and subject to such conditions and limits;

(c) provide for making such grants-in-aid to the panchayats from the consolidated fund of the state; and

(d) provide for constitution of such funds for crediting all moneys received, respectively, by or on behalf of the panchayats and also for the withdrawal of such moneys therefrom.

as may be specified in the law:

243-1. (1) The governor of a state shall, as soon as may be within one year from the commencement of the constitution (seventy-third amendment) act, 1992, and thereafter at the expiration of every fifth year, constitute a finance commission to review the financial position of the panchayats and to make recommendations to the governor as to-

(a) the principles which should govern--

(i) the distribution between the state and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the state, which may be divided between them under this part and the allocation between the panchayats at all levels of their respective shares of such proceeds:

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the panchayats;

(iii) the grants-in-aid to the panchayats from the consolidated fund of the state: (b) the measures needed to improve the financial position of the panchayats;

(c) any other matter referred to the finance commission by the governor in the interests of sound finance of the Panchayats.

(2) The legislature of a state may, by law, provide for the composition of the commission, the qualifications which shall be requisite for appointment as members thereof and the manner in which they shall be selected.

(3) The commission shall determine their procedure and shall have such powers in the performance of their functions as the legislature of the state may, by law, confer on them.

(4) The governor shall cause every recommendation made by the commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the legislature of the state.

2431. The legislature of a state may, by law, make provisions with respect to the Maintenance of accounts by the panchayats and the auditing of such accounts.

243K. (1) The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the panchayats shall be vested in a state election commission consisting of a state election commissioner to be appointed by the governor.

(2) Subject to the provisions of any law made by the legislature of a state, the conditions of service and tenure of office of the state election commissioner shall be such as the governor may by rule determine:

Provide that the state election commissioner shall not be removed from his office except in like manner and on the like grounds as a judge of a high court and the conditions of service of the state election commissioner shall not be varied to his disadvantage after his appointment.

(3) The governor of a state shall, when so requested by the state election commission, make available to the state election commission such staff as may be necessary for the discharge of the functions conferred on the state election commission by clause (1).

Subject to the provisions of this constitution. The legislature of a state may, by law, make provision with respect to all matters relating to, or in connection with, elections to the panchayats,

243L. The provisions of this part shall apply to the union territories and shall in their application to a union territory, have effect as if the references to the governor of a state were references to the administrator of the union territory appointed under article 239 and references to the legislature or the legislative assembly of a state were references in relation to a union territory having a legislative assembly, to that legislative assembly:

Provided that the president may, by public notification, direct that the provisions of this part shall apply to any union territory or part thereof subject to such exceptions and modifications as he may specify in the notification.

243M. (1) Nothing in this part shall apply to the scheduled areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

(2) Nothing in this part shall apply to --

(a) the states of Nagaland, Meghalaya and Mizoram;

(b) the hill areas in the state of Manipur for which district councils exist under any law for the time being in force. (3) Nothing in this part-

(a) relating to panchayats at the district level shall apply to the hill areas of the district of Darjeeling in the state of

West Bengal for which Darjeeling Gorkha Hill Council exists under any law for the time being in force: (b) shall be construed to affect the functions and powers of the Darjeeling Gorkha Hill Council constituted under such Law.

(4) Notwithstanding anything in this constitution:

(a) the legislature of a state referred to in sub-clause (a) of clause (2) may, by law, extend this part to that state, except the areas, if any, referred to in clause (1), if the legislative assembly of that state passes a resolution to that effect by a majority of the total membership of that house and by a majority of not less than two-thirds of the members of that house present and voting:

(b) Parliament may by law, extend the provisions, of this part to the scheduled areas and the tribal areas referred to in clause (1) subject to such exceptions and modifications as may be specified in such law, and no such law shall be deemed to be an amendment of this constitution for the purposes of article 368.

243N. Notwithstanding anything in this part, any provision of any law relating to Panchayats in force in a state immediately before the commencement of the constitution (Seventy-third Amendment) Act, 1992, which is inconsistent with the provisions of this part, shall continue to be in force until amended or repealed by a competent legislature or other competent authority or until the expiration of one year from such commencement, whichever is earlier:

Provided that all the panchayats existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the legislative assembly of that state or, in the case of a state having a legislative council, by each house of the legislature of that state.

243-0. notwithstanding anything in this constitution--

(a) the validity of any law relating to the delimitation of constituencies or the allotment of seats to such constituencies made or purporting to be made under article 243K, shall not be called in question in any court;

(b) no election to any Panchayat shall be called in question except by an election petition presented to such authority and in such manner as is provided for by or under any Law made by the Legislature of a state.

3. In clause (3) of article 280 of the constitution, after sub-clause (b), the following sub-clause shall be inserted, namely- "(bb) the measures needed to augment the consolidated fund of a state to supplement the resources of the panchayats in the state on the basis of the recommendations made by the finance commission of the state;"

4. After the tenth schedule to the constitution, the following schedule shall be added, namely:-

"Eleventh Schedule

(Article 243G)

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil, conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairy and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity
15. Non-conventional energy sources.

16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs
- 23 Health and sanitation, including hospitals, primary health centres and dispensaries.
24. Family welfare
25. Women and child development
26. Social welfare including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the scheduled castes and the scheduled tribes.
28. Public distribution system.
29. Maintenance of community assets.

Annexure-II**Committee for District Planning**

243-ZD. Committee for district planning:

(1) There shall be constituted in every state at the district level a district planning committee to consolidate the plans prepared by the panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole.

(2) The legislature of a state may, by law, make provision with respect to-

(a) the composition of the district planning committees:

(b) the manner in which the seats in such committees shall be filled:

Provided that not less than four-fifths of the total number of members of such committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and of the municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district:

(c) the functions relating to district planning which may be assigned to such committees:

(d) the manner in which the chairpersons of such committees shall be chosen.

(3) Every District Planning Committee shall, in preparing the draft development plan, (a) have regard to:

(i) matters of common interest between the panchayats and the municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(ii) the extent and type of available resource whether financial or otherwise.

(b) consult such institutions and organisations as the governor may, by order, specify.

(4) The chairperson of every district planning committee shall forward the development plan, as recommended by such committee, to the government of the state.

ACTION POINTS EMERGING FROM THE CONSTITUTION (SEVENTY THIRD AMENDMENT) ACT, 1992.

SL No.	Clause/Sub Clause	Mandatory Item	Discretionary item
(1)	(2)	(3)	(4)
1.	243 Definitions	Definitions of district, Gram Sabha, intermediate level, Panchayat area, population, village to be included in the State Act if not already there as per the Constitution Amendment Act.	Intermediate level has to be chosen by the State 'Village' can also be defined by the State and may include group of villages also.
2.	243-A Gram Sabha	Gram Sabha to be provided if not there.	State Legislatures to provide for powers that may be exercised and the functions that may be performed by the Gram Sabha at the village level.
3.	243-B Constitution of Panchayats	3-Tier system of Panchayats at the village, intermediate and district levels to be compulsorily provided in States having population of more than 20 lakh. Village and district levels compulsory for other states.	Option given to smaller States with upto 20 lakh population, to have or not to have a panchayat at the intermediate level.
4.	243-C(1) Composition of Panchayat	Panchayats to be established at all levels with the condition that the ratio between the population of the territorial area of Panchayat at any level and the number of seats in such Panchayats to be filled by election shall be the same, as far as possible, throughout the state.	
5.	243-C(2) Election for membership and fixing of number of members for the Constituency.	Direct election is compulsory from each territorial constituency. Constituencies to be created in such a manner that the ratio between the population and number of seats allotted is the same, as far as practicable, throughout the panchayat area.	Territorial constituencies can be single member or multi-members.

(1)	(2)	(3)	(4)
6.	243-C (3) Representation of Chairpersons, MLA, MLCs and MPs	—	Representation to Chairpersons of Panchayats at the next higher level and to MPs, MLCs in intermediate and district levels can be provided.
7.	243-C(4) Voting rights	Every member shall have the right to vote whether or not chosen by direct election.	
8.	243-C(5) Mode of election of Chairpersons of Panchayats.	Indirect elections for Chairpersons of intermediate and district level Panchayats.	Mode of election of Chairpersons of village level Panchayats left to the State Legislature.
9.	243-D Reservation of seats and offices of Chairpersons for SCs, STs and Women	Reservation for SCs, STs in membership and offices of Chairpersons to be provided on population basis and not less than 1/3rd membership and offices of Chairpersons to be reserved for Women	Reservation of seats/offices of Chairpersons can be on a rotation basis or otherwise. State may also provide for reservation for backward class of citizens.
10.	243-E(1) Duration of Panchayats	Uniform term of 5 years to be provided.	—
11.	243-E(2) Prohibiting dissolution of Panchayats by amendment of law	Complete prohibition for dissolution of existing Panchayats by amendment of law before completion of their term, to be prescribed in the State Act.	—
12.	243-E(3) Election in the event of completion of term or dissolution	Provision for election before expiry of duration or within a period of 6 months from dissolution to be made	Procedures for dissolution of any Panchayat and the authority empowered to do so has to be prescribed.
13.	243-E(4) Term of Panchayat constituted after dissolution	The Panchayats constituted upon dissolution will continue only for the remainder of the period of the dissolved Panchayat	—
14.	243-F(1) Disqualification of membership	All the disqualifications narrated in this clause to be compulsorily included in the Act	—
15.	243-F(2) Disputes about disqualifications and its resolution	State law to provide for an authority and the manner for resolution of disputes regarding disqualifications	The exact authority may be specified by the state and the procedure for functioning may also be laid down.

(1)	(2)	(3)	(4)
16.	243-G Power, authority and responsibilities of Panchayats	State Legislature to devolve powers and authority to enable the Panchayats to function as institutions of self-government. Provisions to be enacted for devolution of powers and responsibilities for preparation of plans and implementation of schemes for economic development and social justice on various subjects including those in eleventh schedule.	State Legislature has the discretion to examine the various subjects in detail and devolve powers and responsibilities on the Panchayats in respect of as many subjects as may be appropriate, keeping in view the spirit of the amendment and local conditions. In this connection, the states may also like a view on merging the DRDA's with the District Panchayats, if deemed fit.
17.	243-H Powers to impose taxes by and funds of the Panchayats	—	State Legislature may authorise the Panchayats to levy, collect and appropriate certain taxes, duties, tolls & fees etc. Revenue of certain taxes may also be assigned to the Panchayats. Further, Grants-in-aid may also be provided to the Panchayats. The State may also set up such funds for crediting all money received by Panchayats and for its withdrawal.
18.	243-I Constitution of State Finance Commission and review of financial position	Constitution of a Finance Commission within one year and thereafter, every fifth year to review financial position of Panchayats is mandatory. Every recommendation of the commission is to be laid before the legislature of the state.	State Legislatures to provide for composition of the commission, qualification for members and the manner of their selection.
19.	243-J Audit of Accounts of Panchayats	—	State Legislature to prescribe for the maintenance of accounts by Panchayats and the audit of such accounts.
20.	243-K Election to the Panchayats	State Election Commission consisting of a State Election Commissioner to be set up for superintendence, direction & control of the preparation of electoral rolls and conduct of elections to the Panchayats.	Condition of Service and tenure of office of the State Election Commissioner to be determined by the Governor subject to the provision of any law made by the State Legislature. Provision for all matters relating to or in connection with the Election to the Panchayats also to be made by the Legislature of the State.
21.	243-L Application to Union Territories	Union Territories to take similar action as the States.	The President is empowered to specify such exception and modifications as may be necessary in relation to any Union Territory

(1)	(2)	(3)	(4)
22.	243-M part to apply in certain areas.	Provision to be made if not already there for excluding areas listed in this section.	State Legislatures of Nagaland, Meghalaya & Mizoram may pass resolution by a majority of total membership of that House and by not less than 2/3rd of the members present and voting and extend this part of the Constitution to that state.
23.	243-N Continuance of existing laws and Panchayats	State laws to be brought in line with the Constitution Amendment Act before 24-4-94. Panchayat existing on 24-4-93 shall continue for their full term unless dissolved by a resolution by legislative assembly of the State or by both houses in a state having legislative council.	State legislatures has the discretion to go for election of new Panchayats as per the provision of the Act by passing a resolution in both in houses.
24.	243-(O) Bar to I Interference by Court.	Provision to be compulsorily made if not there.	
25.	Constitution of Nyaya Panchayats		The State Legislature may make a provision for establishing Nyaya Panchayats in their Panchayat Legislations if deemed it.

Annexure-IV

Conference of Ministers and Secretaries in charge of Panchayats of states and union territories on the constitution (73rd) Amendment Act, 1992
Parliament House Annexe, New Delhi

July 3, 1993

Recommendations

1. As a consequence of the Constitution 73rd amendment act, 1992 the legislations in the respective states have to be amended. Work on this process has already commenced in all the states. It was agreed that the new legislation will be placed before the next session of the respective state assemblies.

2. Further, steps would be taken to hold elections to Panchayati Raj Institutions where they are due within six months after these legislative changes are brought into force.

3 It was agreed that the provisions relating to the constitution of District Planning Committees provided in the constitution (14th Amendment Act, 1992 would form a part of the new Panchayati Raj legislation of the states.

4. All the states agreed to constitute the state election commission as required under article 243K(i) and (ii) of the constitution (73rd) Amendment Act, 1992 as soon as the legislations are enacted in each state. It was decided that it may be examined as to how this could be done without high additional expenditure.

5. It was generally agreed that at least the elections to the Gram Panchayats be held on non-party basis with a view to preventing continued feuds at the village level and to also prevent impediments in development.

6. The Nyaya Panchayats were considered as a good mechanism for speedy and inexpensive resolution of local disputes. It was suggested that they may form a part of the proposed Panchayati Raj Legislation in the states or may be legislated separately. A detailed examination may be made of the issues involved in setting up Nyaya Panchayats.

7. It was agreed that the cardinal principle for distribution of powers and functions at each level of panchayat must be that what can be done at a given level should be done at that level alone and not at a higher level. It was not enough to merely list out series of subjects generously, but it was necessary to ensure that in respect of each subject the functions to be performed at each level of panchayat should be clearly identified and entrusted to them. Clear delegation of powers, provision of necessary manpower from existing departments of Government/public agencies and powers to pool resources and undertake integrated local development are required to make the entrustment of functions effective. While entrusting the functions and powers, convergence of services like those of education, health, women and child development, nutrition and family welfare may also be kept in view to maximize local participation and accrual of benefits to the local community.

In the Panchayati Raj Institutions particularly at the district and intermediate level, the system of committees/standing committees may be usefully included in the legislation so that specialised subjects may be discussed and dealt with in depth. Experts from outside Panchayati Raj Institutions may be co-opted in these committees.

9. The Panchayats should be endowed with adequate resources to perform the functions entrusted to them. These funds should flow to them on a systematic and scientific basis, rather than on ad hoc

basis. The state level finance commissions comprising of eminent and experienced persons should be constituted to secure adequate devolution of funds to panchayats.

10. Ministry of Rural Development in Government of India was requested to arrange for regular interaction at least twice in a year amongst ministers of Panchayati Raj from different states in order to share their experience and also to discuss the problems relating to revitalisation of panchayats.

A committee of state ministers of panchayati raj on rotation basis will meet in different states and exchange experiences and views.

11. In order to promote wide dissemination of information and knowledge on the panchayat system and to spread awareness among the people, it was agreed to prepare publicity material in local languages and arrange for its wide-spread distribution. Further, holding of conventions/seminars/sammelans etc. to highlight the salient features of the panchayat system at the state, district and block levels was recommended.

12. It was necessary to impart adequate training to all functionaries involved in the panchayati raj system at every level. In order to do this, the existing Panchayati Raj Training centres at different levels require to be revitalised and strengthened in their capabilities. A comprehensive calendar of training programmes to impart training to all important functionaries should be formulated from 1993-94 onwards.

The conference appreciated the efforts of NIRO in preparing a suggestive framework of the panchayat bill and circulating the same during the conference. It was agreed that this framework could be revised keeping in view the suggestions made at this conference and the comments that the state government may send in due course.

The conference recommended that the state may use the electoral rolls now used for the parliament/assembly elections, for the panchayat elections also. This would reduce the cost of such elections considerably.

The conference felt that while the mandatory provisions of the constitutions (73rd Amendment) act will be included in the state legislations, the discretionary features of the amendment provide sufficient flexibility to take into account the variability and diversity among the states.

Statewise Distribution of Dates of the New Conformity Acts

States and UTs	Date of the New Act
Andhra Pradesh	21-04-94
Arunachal Pradesh	18-04-94
Assam	02-04-94
Bihar	23-08-93
Goa	09-07-94
Gujarat	26-08-93
Haryana	22-04-94
Himachal Pradesh	23-04-94
Jammu & Kashmir	Part IX of the Constitution is not applicable
Karnataka	30-04-93
Kerala	23-04-94
Madhya Pradesh	25-01-94
Maharashtra	22-04-94
Manipur	23-04-94
Meghalaya	Part IX of the Constitution is not applicable
Mizoram	
Nagaland	
Orissa	1-11-93 (ZP) & 1993 (GP&PS)
Punjab	21-04-94
Rajasthan	23-04-94
Sikkim	11-10-93
Tamil Nadu	24-04-94
Tripura	23-04-94
Uttar Pradesh	07-11-93
West Bengal	22-04-94
Andaman & Nicobar Islands	23-04-94
Chandigarh	23-04-94
Dadra & Nagar Haveli	23-04-94
Delhi	Part IX of the Constitution being made applicable
Daman & Diu	23-04-94
Lakshadweep	23-04-94
Pondicherry	23-04-94

Source: Panchayati Raj Development Report 1995, Institute of Social Sciences, P-10

Annexure-VI

Objectives of a select states' Panchayati Raj Legislation

S.No.	Name of the State	Objective
1.	Assam	"...need to consolidate and amend the existing Acts."
2.	Andhra Pradesh	"...need to consolidate and amend the existing Acts."
3.	Bihar	"...to enable them to function as vibrant institutions of local self-government with people's greater participation in managing and conducting their own affairs besides imparting certainty, continuity and democratic content and dignity aiming, among other things, at the realisation of economic and social justice."
4.	Gujarat	"...need to consolidate and amend the existing Acts".
5.	Haryana	"...for better administration of the rural areas."
6.	Himachal Pradesh	"...with a view to ensure effective involvement of the Panchayati Raj Institutions in the local administration and development activities."
7.	Karnataka	"...for greater participation of the people and more effective implementation of rural development programmes."
8.	Kerala	"...for securing a greater measure of participation... enable them to function as institutions of self-government."
9.	Madhya Pradesh	"...to ensure effective involvement of the PR institutions in the local administration and development activities."
10.	Maharashtra	"...establishment in rural areas of 2P's and to assign to them local government functions....extend execution of certain scheme.... provide for decentralisation of powers and functions.....securing a greater measure of participation by the people....."
11.	Orissa	"...need to consolidate and amend the existing act."
12.	Punjab	"...for greater participation of the people and more effective implementation of rural development and PR system."
13.	Rajasthan	By definition Rajasthan has made Panchayats as institutions of self government
14.	Tamil Nadu	"...for greater participation of the people so as to make them institutions of self-government and for more effective implementation of rural development programmes."
15.	Uttar Pradesh	"...to establish and develop local self-government in the rural areas of UP and to make better provision for village administration and development."
16.	West Bengal	"...By definition West Bengal has made Panchayats as institutions of self government."

Progress of Panchayati Raj Elections in the States & Union Territories

S.No.	State	Last Elections Held			Election due
		GP	PS	ZP	
STATES					
1.	Andhra Pradesh	1988	1987	1987	Overdue
2.	Arunachal Pradesh	9/92	9/92	9/92	No
3.	Assam	1992	1992	1992	No
4.	Bihar	1978	1979	1980	Overdue
5.	Goa	1991			Due for ZP
6.	Gujarat	1988	1988	1988	Due
7.	Haryana	1991	-	-	Due
8.	Himachal Pradesh	12/91	1/92	-	Due for ZP
9.	Jammu & Kashmir	-	-	-	
10.	Karnataka	12/93			Due for PS & ZP
11.	Kerala	1988	-	-	Due
12.	Madhya Pradesh	1994	1994	1994	No
13.	Maharashtra	-	2/92	2/92	No
14.	Manipur	9/91	-	-	Due for ZP
15.	Meghalaya				
16.	Mizoram	Part IX of the Constitution is no applicable			
17.	Nagaland				
18.	Orissa	1992	1992	-	Due for ZP
19.	Punjab	1/93	9/94	9/94	No
20.	Rajasthan	1988	1988	1988	Due
21.	Sikkim	2/93		1993	
22.	Tamil Nadu	1986	1986	1986	Due
23.	Tripura	1994	1994	1994	
24.	Uttar Pradesh	1988-89	1988-89	1988-89	Due
25.	West Bengal	1993	1993	1993	No
UTs					
1.	Andaman & Nicobar Islands	1990			Due for ZP
2.	Chandigarh	1983			Due
3.	Dadra & Nagra haveli	1990			Due for ZP
4.	Delhi	-			
5.	Daman & Diu	1990			Due for ZP
6.	Lakshadweep				Due
7.	Pondicherry				Due

Source: Report of the working group on decentralised planning and panchayati raj for formulation of Ninth five year plan, government of India, Ministry of rural areas and employment, 1996.

Annexure-IX

Item-17: Education including primary & secondary schools

Activity	Distribution of Functions		
	Zilla Panchayat	Panchayat Samiti	Gram Panchayat
1. Expansion and Development of Educational Facilities	<ul style="list-style-type: none"> (i) To assess the requirements of schools, teachers, equipments, etc. in the district and plan for them (ii) maintenance of school buildings and related infrastructure (iii) supervision and monitoring the quality of educational services (iv) campaign for full enrolment and reduction of drop-outs 	<ul style="list-style-type: none"> (i) to supervise the functioning of primary and upper primary schools (ii) Supply and distribution of material and equipments to the schools (iii) To assess the drop-out position and initiate appropriate action to reduce it 	<ul style="list-style-type: none"> (I) Ensure full-enrolment of schoolage children (ii) maintenance of school buildings, play grounds, etc. (iii) vigilance on regular attendance of teachers and students and reporting to the concerned.
2. Establishment and maintenance of hostels, and others welfare measures for target group students	<ul style="list-style-type: none"> (i) Assessment of requirements for Hostels to target group students and plan for them (ii) Maintenance of Hostels (iii) Supply of school uniforms, books etc. for target group students. 	<ul style="list-style-type: none"> (i) Distribution of school uniforms, books and other material to the target group students (ii) Assist in the maintenance of hostels 	<ul style="list-style-type: none"> (I) Assist PS in the distribution of study material to the target group students

Source: Devolution of powers and functions to panchayati raj institutions, (A suggestive framework), National Institution of Rural Development, Hyderabad, December, 1995.

Item-18: Technical Training & Vocational Education

Activity	Distribution of Functions		
	Zilla Panchayat	Panchayat Samiti	Gram Panchayat
1. Establishment and maintenance of ITIs	(i) Establishment and maintenance of ITIs (ii) Assessment of the need for technical training and plan for the same (iii) Assess vocational education needs, and promotional activities (iv) Supervision and monitoring the functioning of ITIs	(i) Aptitude test for the selection of students under various trades and recommendation for admission and placement of ITIs.	
2. Promotion and identifying suitable courses for vocational education according to the needs and potential of different areas in the district	(i) Selection of courses for vocational education and identifying schools/centres for important courses (ii) Motivate students for vocational education	(i) Assist in the promotion of vocational education in the schools/centres (ii) Selection of candidates/students for vocational courses	(i) Assist in identification and recommendation of eligible candidates for vocation education/training

Item -19: Adult and Non-Formal Education

Activity	Distribution of Functions		
	Zilla Panchayat	Panchayat Samiti	Gram Panchayat
1. Planning and implementation of adult and non-formal education including total literacy campaigns (TLC)	(i) Identification of suitable locations for establishing adult education centres (ii) Selection of volunteers and supervisors for teaching and maintenance of the centres (iii) Procurement and supply of all relevant infrastructural and educational material to the centres (iv) Supervision and monitoring of the activities (v) Organising total literacy campaigns	(i) Implementation of Adult, non-formal education programmes and total literacy campaigns (ii) Distribution of material to the centres (iii) Supervision and monitoring the functioning of the centres	(i) Help in mobilising people for participation in adult-education and TLC campaigns (ii) Supervise assist in functioning of centres and ensure regularity of learners and volunteers

Item - 20: Libraries

Activity

Distribution of Functions

Zilla Panchayat

Panchayat Samiti

Gram Panchayat

1. Establishment and maintenance of libraries	<ul style="list-style-type: none"> (i) Planning for establishment of new libraries and improving the existing libraries (ii) Maintenance of libraries (iii) Procurement and supply of books, reading material and popular literature 	<ul style="list-style-type: none"> (i) Assistance in the maintenance and functioning of libraries 	<ul style="list-style-type: none"> (i) Assist in the construction of library building (ii) Up-keep of library (iii) Raise donations and collection of books for library (iv) Subscribe vernacular news papers and magazines
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Item - 21: Cultural Activities

Activity

Distribution of Functions

Zilla Panchayat

Panchayat Samiti

Gram Panchayat

1. Promotion of Cultural Activities	<ul style="list-style-type: none"> (i) To guide, encourage and organise cultural programmes (ii) Utilise available popular media for cultural affairs (iii) To organise youth festivals, sports events on dates of national and state importance (iv) Establishment of sports complex, theatre and other infrastructure (v) Identify and mobilise sponsors for cultural and sports events and youth festivals (vi) Maintenance and supervision of the functioning of Nehru Yuvak Kendras 	<ul style="list-style-type: none"> (i) Organising local festivals with the help of Gram Panchayats (ii) To plan and organise sports and cultural meets with the help of local organisations and voluntary efforts 	<ul style="list-style-type: none"> (i) Organising sports, festivals and cultural events in the villages (ii) Using folk media for strengthening of national integration, family planning campaign, literacy, sanitation, etc.
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Recommendations of the Panchayat Adhyakashas Sammelan held at Indira Gandhi Indoor Stadium, New Delhi on 9th and 10th Oct. 95

1. Elections

Wherever panchayats have not been constituted, the elections must be held immediately.

2. Devolution

Having constituted panchayats, steps should be taken to make them functional by devolution of adequate powers, functions and finances.

3. Financial Support

Mere transfer of subjects would not make much sense, unless these are backed up by adequate financial support. There is, therefore, an urgent need to devolve adequate finances on PRIs, pending the recommendations of the State Finance Commission in this behalf.

4. Mobilisation of Resources

Panchayats must be empowered and mobilised to raise their own resources.

5. Administration Strengthening

Keeping the increased flow of funds and the responsibilities bestowed on panchayats in view, they need to be strengthened administratively and technically. The functionaries must be in position and placed under the charge of panchayats. There should be a separate cadre of Panchayat Officers and staff.

6. Harmonious relationship between elected representatives of panchayats and bureaucracy

The elected representatives of panchayats and the bureaucracy should develop the healthy convention of working role for effective functioning of the new system.

7. Training and Awareness Building

In order to equip the newly elected members of panchayat fully for their role, they should be oriented to their new responsibilities through information and education. For this purpose, all media of communication should be used. This awareness creation process should be a continuous process. The access to information also needs to be improved.

8. Standing Committees

For efficient and quick decisions and effective supervision and monitoring of the implementation of programmes of social and economic development, the panchayats should constitute standing committees. Women, SCs and STs should be associated with these committees.

9. District planning

Appropriate mechanism will have to be evolved for preparation of district plans, keeping in view the socio economic requirements and the resource availability.

10. Gram Sabha

The Gram Sabha as a forum for participatory democracy, needs to be strengthened. It must meet regularly and consider various matters relating to developmental activities. The deliberations of the Gram Sabha must reflect the felt needs of people and work towards the realisation of their aspirations. Gram Sabhas should identify and select the appropriate beneficiaries of poverty alleviation programmes.

11. Transparency

The panchayats must ensure transparency and accountability in their functioning to strengthen the faith of the people in the institutions of self-governance.

12. Affirmative Action Towards Disadvantaged Groups

The panchayats must ensure that the developmental activities are geared to the objective of bringing the weaker sections of the society into the main stream and they become active participants in the process. They should particularly work towards removal of all forms of exploitation, discriminatory practices and equitable distribution of fruits of development.

13. Social Mobilisation

Panchayats must mobilise people for social development, in particular, literacy, health, sanitation, programmes for women and child welfare etc.

14. Rural Litigation

The PRIs should facilitate resolution of rural disputes. It may be possible to confer judicial powers on Gram Panchayats which will strengthen the morale of the people and this may further bind the social fabric of the villages. Gram Panchayats should play a vital role in implementing justice in the country side after thoroughly examining the system that prevailed in the past. This will further boost the image of the Panchayati Raj system in general and village panchayat in particular in day to day activities of the villages.

15. Panchayats may play an effective role in making the land reforms programme a success and ensure proper distribution of surplus land

16. Integration of DRDAs with Zilla Parishad

There should be co-ordination between DRDAs and Zilla Parishad. The DRDAs should work in consultation with and under the guidance of zilla parishads. The chairpersons of zilla parishads should be ex-officio chairman of DRDA.

17. All programmes of poverty alleviation at the panchayat level should be implemented by them.

18. Efforts need to be made to bring about a measure of uniformity in structure, powers, and functions of panchayats throughout the country.

19. Parishads may be formed at state and central levels to co-ordinate the activities of Panchayati Raj Institutions.

20. The panchayats should be involved in the implementation of all programmes funded by various central ministers.

No. R.20016/2/94-IRD-I Government of India
 Ministry of Rural Areas and Employment (Department of Rural Employment & Poverty Alleviation)
 Krishi Bhawan, New Delhi

6 November 1995

To
 Chief Secretary
 Government of India

Sir,

Restructuring of DRDAS.

Consequent on the Constitution 73rd Amendment and the formation of newly elected Panchayati Raj Institution, there is now a need for closer linkage and effective co-ordination between Zilla parishad, and apex Panchayati Raj Institution, and the DRDA Cabinet Secretary in his letter dated February 21, 1995 had emphasised this need. After raking into consideration the Resolutions unanimously adopted, both in the conference of Panchayati Raj Ministers some time ago, and in the just-concluded All India Panchayat Adhyakshas Sammelan, and with a view to giving the DRDAs as more representative character, it has been felt that some more changes in the existing structure of DRDA should be brought about. In the light of the above, the following proposals are being commended for adoption by the State Governments. The relevant provisions of the Manual on IRDP accordingly stand amended.

(1) DRDAs should function under the overall supervision, control and guidance of the Zilla Parishad, and provide executive and technical support to the Zilla Parishad in discharging its functions. Chairman/President/Pramukh of the Zilla parishad would be the ex-officio chairman of the governing body of DRDA In this capacity, the chairman of zilla parishad shall preside over meeting of the governing body of DRDA The executive and financial powers should, however, vest in the District Collector/OM/Deputy Commissioner who may be designated as the Chief Executive officer or Executive Director.

(2) With a view to bringing about greater integration between the two institutions, the CEO of Zilla Parishad, where the posts are not held by DMs/Collectors/DCs in an ex-officio capacity, shall be a Member-Secretary of the Governing Body of the DRDA However, the CEO of Zilla Parishad should not be an officer below the rank of DM.

(3) The Governing Body of the DRDA will consist of all MPs and MLAs of the District and District level officers of various development Departments. Two ex-MPs and ex-MI.As, each, of the District, in an alphabetical order, for a tenure of one year by rotation, will also be notified as members of the Governing Body of DRDA shall be, as indicated in the annexure. The governing body should meet, once a quarter, as provided in the IRDP manual.

(4) Proposals would be initiated at the Panchayat level and the Panchayats would formulate and recommend all schemes so that they are examined and recommended by the Panchayat Samitis. Thereafter, the proposals would be submitted to Zilla Parishads and DRDAs. Such meetings should be held at least once every six months.

(5) The Government Body of the DRDA will provide policy directions, approve the annual plan as well as all schemes, both in physical and financial terms, and also review and monitor the implementation of

the plan. There will be an executive committee headed by the chief executive officer/executive director of the DRDA and will consist of all the district level officers concerned with the execution of the annual plan. The committee will execute schemes approved in the annual plan. It should meet at least once a month.

(6) In terms of procedures the governing body of the DRDA would formulate and approve projects and broadly allocate funds and the executive committee will sanction and execute them.

(7) All schemes/projects as slated above would be approved by the governing body of the DRDA and thereafter sanctioned/implemented by the District Magistrate.

(8) However, before the final approval and sanction of any scheme, the approval of chairman of DRDA wherever expedient may be obtained.

(9) Panchayat, the panchayat samiti and its chairman should have overall supervision over all schemes in their respective areas.

(10) All executive and financial powers of the DRDA should be exercised by the executive committee/CEO as per a scheme of delegation of financial and executive powers to be determined by each state/IT government and this committee will be fully accountable in all matters of DRDA to Government.

(11) To supervise exercise vigilance and monitor the implementation of all programmes implemented by the ministry, state level, district level and block level vigilance and monitoring committees have already been set up vide M (RA&E)'s d.o. letter No. V.24011/27/95-RE.III. 16.10.1995.

(12) It must be ensured that there is adequate involvement of all the development departments functioning at the district level in the Implementation of Rural Development Programmes, particularly the IRDP, by involving the senior most district level officer as an Additional Project Director of DRDA.

(13) An attempt should be made to modify the existing departmental norms in respect of line departments such as PWD, Irrigation, REO, Minor Irrigation, Horticulture and Agriculture, particularly those aspects relating to project formulation/approval, administrative/financial sanction, reporting and monitoring and supervision. As far as possible, purely departmental administrative concepts should be done away with and greater responsibilities assigned to district-level functionaries and the Panchayati Raj Institution. Certain States have successfully delegated financial and administrative powers hitherto exercised by departmental officers to co-ordination officials e.g. Collectors or Divisional Commissioners, for greater effectiveness and flexibility. This approach is strongly recommended.

(14) The engineering staff and other line departments in the districts mentioned earlier should be placed under the control of the DRDA to ensure that there is proper co-ordination of the works being carried out. Existing norms must be modified, if necessary, to ensure this.

(15) In Minister (RA&E)'s D.O. letter No. R. 18011/22/94-RE.II dated 22 September, 1995 addressed to call CMs, it had been mentioned that "with increased funds flow at the district level, the DRDAs/Zilla Parishads now have very large amounts, some even exceeding Rs. 50 crores, for implementation of the Rural Development Programmes. Several studies and discussions with Secretaries (Rural Development) of the States have indicated that the implementing agencies in the district are not equipped to absorb these funds with a view to effectively achieving the objectives of the programmes for which the funds flow to them. One of the reasons identified in this regard is that the technical wings, either in the DRDAs or in the Zilla Parishads, do not have engineering personnel in adequate strength, you would agree that there is an immediate need to strengthen the technical wings properly.

(a) Similarly, for managing such a large flow of funds, it is needless to emphasise that there has to be proper accounting of these funds. The accounts wings, under the DRDAs/Zilla Parishads, according to

the findings of various surveys, are also not adequately equipped It will, therefore, be necessary that the Accounts Wings are strengthened adequately.

(b) A Committee constituted by this Ministry for suggesting revised norms for administrative support for which the cost may be met out of the programme funds, has recommended a sample set up for both the Engineering and Accounting Wings of DRDAs in consultation with the Secretaries (RD) of various States".

(c) It is now decided that necessary action should be taken by the states to implement these recommendations so that accounting and engineering wings strengthened by optimising and integrating them in the work being carried out by DRDAs/Zilla Parishad. The existing staff should be better utilised/supplemented by asking on deputation people from organised Central or State Accounting Services. Additional staff should be employed only in such cases where the imperative of work so demands. In such cases, the costs may be met out of programme funds as already mentioned. Necessary instructions would now issue to implement these decisions.

(16) Adequate importance is not being given to Rural Development training programmes should be handled by the Rural Development Department, even for IAS and PCS officers. An overall dispensation needs to be made to this effect. Since funds for training are provided within the programme outlays and additional demands are liberally met, the usual finance department restrictions on TNDA, may not strictly be made applicable.

(17) In the context of the vigilance and monitoring committees mentioned earlier, it has been noticed that the standards of monitoring and supervision require considerable improvement. Steps would have to be taken to institutionalise a suitable mechanism for monitoring and supervision, involving senior department officials and the co-ordinating officials at the Divisional/District level. The greater involvement of the Divisional Commissioners in supervision and monitoring can be very effective and has produced results wherever introduced. Arrangements. to formally devolve such responsibilities on the PRIs should also now be made in keeping with the guidelines laid down in letter no. V.24011/27/95-REIII dated 16 October 1995. .

(18) The Ministry had also issued instructions to set up mini ITIs or Rural Polytechnics in each block vide this Ministry's letter No. R-19011/9/95-IRD.II dated 16th October, 1995 addressed to Chief Secretaries of all States. The responsibility to manage and run these mini-ITI's would be that of the DRDAs. Necessary action should now be taken by all DRDAs to submit proposals for setting up such mini ITIs with immediate effect.

(19) You are accordingly, requested to kindly bring these instructions to all concerned and reconstitute the DRDAs with immediate effect. Action taken in the matter may kindly be intimated.

Yours faithfully,

(Dr. R K Nayak)
Secretary to the Government of India

Annexure XII

CONSTITUTION OF GOVERNING BODY, DRDA (Illustrative)

1. Chairman. Zilla Parishad

CHAIRMAN

MEMBERS

2. All :MPs, MLAs and MLC of the District
3. Two ex-MPs by rotation in alphabetical order, for one year each.
4. Two ex-MI.As by rotation in Alphabetical order for one year each.
5. 1/3rd of Panchayat Sarniti Chairperson to be nominated by rotation in alphabetical order for a tenure nominated by rotation in alphabetical order for a tenure of one year, one of whom must belong to SC/ST and another a woman.
6. Chairmen of standing committees of the zilla parishad
7. Collector/DM/DC-- Chief Executive Officer/Executive Director.
8. Head of the Central Co-operative Bank of the District.
9. Chairman, Regional Rural Bank
10. District Lead Bank Officer
11. NABARD representative at district level.
12. General Manager, DIC.
13. Representative of KVIB
14. District Officer in charge of Family Welfare programme.
15. District Agriculture Officer
16. District Veterinary Officer
17. District Fisheries Officer
18. District Employment Officer
19. Project Officer, ITDP
20. District Forest Officer
21. Regional/District Officer, Scheduled Caste/Scheduled Tribe Finance Corporation
22. District Rural Water Supply & Sanitation Officer.
23. APO (Women's Development)
24. One Women Worker/Organiser with actual experience of organising rural poor (To be nominated by Chairman DRDA)
25. District level chairman of the Land Mortgage Bank.
26. Representative of District Milk Union (To be nominated by Chairman DRDA).
27. Two representatives of the weaker sections, one of whom may be drawn from SCs and STs. These representatives may be the beneficiaries of the programme (To be nominated by Chairman DRDA).
28. One representative of rural women, preferably a beneficiary (To be nominated by Chairman DRDA).
29. A member belonging to minority community (To be nominated by Chairman DRDA).
30. Chief Executive Officer - Zilla Parishad- Member Secretary.
31. Project Director, DRDA
32. One Nominee of Ministry of Rural Areas & Employment.

ORGANISATIONAL SYSTEM

Devolution of powers and functions by the State Government to the PRIs inevitably require appropriate restructuring/reorganisation of the administrative set-up at all the three tiers, viz., the district, intermediate and village levels. This will be largely governed by the nature, variety and extent of functions and responsibilities that will be assigned to each tier. Since this distribution pattern is unlikely to be common to all the States, the approach to the reorganisation of the district and the sub-district level administrative set-up will vary within certain practical limits, though the broad principles must remain the same. These are as follows:

1. The Zilla parishad administration will have to be thought of not as a 'power system' but as technical collaborative mechanism intended to facilitate vertical and horizontal co-ordination among various agencies/departments.
2. The multi-purpose nature of the intermediate tier has to be maintained and further strengthened since it is likely to be a crucial unit of planning and implementation of various development programmes and schemes.
3. In order to ensure harmonious integration of different agencies to the service of common objectives of rural development, the District Rural Development Agency (DRDA) has to be placed under the control of the Zilla Parishad.
4. An IAS Officer equivalent to the District Collector in seniority and status will have to be posted as the Chief Executive Officer of the Zilla parishad.
5. The Line Departments which deal chiefly with the functions to be transferred to the PRIs at the District level will need to be brought into the fold of the Zilla Parishads and made accountable to them. The Chief Executive Officer has to be the Head of the multi-disciplinary team of officers and personnel brought in with necessary powers of administrative control. The CEO will be responsible for horizontal co-ordination among the District Heads of various functional departments. As far as technical inputs are concerned, the line hierarchy will not be broken and the technical guidance to the extent necessary from higher levels should be available to the line hierarchy. To ensure this, suitable administrative mechanisms may be worked out.
6. In the States where the integration of the Line Departments is yet to take place for any reason and till such time it happens, the concerned District level Line Department Heads may be made Ex-Officio Zilla Parishad Officers and are made accountable, to the extent necessary, to the Panchayati Raj bodies.
7. To the extent of Class I and II Officers, even Panchayati Raj personnel may be recruited through the State Service Commissions. In so far as the Class III and below staff are concerned, the recruitment may be at the Regional/District level and through an independent recruiting agency, which may even be a common recruiting agency for the other wings of administration, which would ensure fairness and uniformity in the standards and quality of staff selected. The overall recruitment system may provide for mechanisms for inter-departmental and inter-district deputations also.
8. The Budgets- Non-plan and Plan, of all the Departments concerned with the Panchayati Raj set-up should become part of the Zilla Parishad Budget. However, the norms and guidelines for implementing the specific schemes/programmes will have to be strictly followed while utilising the funds under those schemes, etc. These funds meant for specific purposes should not be diverted for any other purpose. The system evolved should also be such as to ensure specific attention on special target groups like Scheduled Castes and Scheduled Tribes, in a way continuing and, to the extent necessary, further strengthening the existing arrangements to safeguard their interests.
9. While the Zilla Parishad would be responsible for policy formulation and planning, supported by specific recommendations/proposals of various committees, etc., the responsibility for their

implementation would be with the Chief Executive Officer. This will ensure adequate official accountability.

10. The elected bodies should have responsibility of overall supervision, monitoring and review of all the scheme in their respective jurisdictions.

11. Since the intermediate tier would have a large variety of developmental and welfare functions, it would be necessary to post a full time Executive Officer of appropriate seniority and status so as to be able to be the Captain of a large number of officials of technical and non-technical disciplines. As a result of reorganisation at the district level, a large number of field-level staff from different development departments such as those dealing with agriculture extension, the veterinary sector, fisheries small industries promotion, primary health, etc., will have to move to the intermediate level.

12. The institutional structure of the Panchayati Raj bodies comprises the General Body and the Standing committees. While the General Body concerns itself with the overall policy, planning and the approval of the Budget, the Standing Committees wield the actual power to plan and review the functioning of various schemes, etc. The structure and the functioning of the Standing Committees vary from State to State. While certain States have limited number of Standing Committees covering broad areas like Planning and Administration, the other States have provided for specific Subject Committees, in addition to General Committees like for Finance and Works.

Action plan for training of elected representatives and the officials of Panchayats

A comprehensive training for the functionaries of the PRIs at different levels is absolutely essential in order to realise the goals of decentralisation and of the people. The philosophy, the responsibilities and the powers of the PR bodies have to be understood; the procedure and implementation mechanics governing schemes and programmes transferred to these bodies have to be fully grasped; the budgetary, accounting, planning and financial control areas have to be studied' above all the important area of relationships with other functionaries concerned with administration at the local, regional and state levels has to be appreciated and put on a sound footing of mutual, respect and interdependence. The requirement not only involves initial training but also continuous reorientation and updating. The training has to cover the staff of the PRIs at all levels as also the Staff of the Departments, representatives of non-government organisations and co-operatives, members of the State Legislatures and Parliament and above all the elected members of the PRIs.

A conference of the heads of the nodal training institutions for finalising the institutions, curriculum and training of trainers for the programme of training official and non-official functionaries was held in New Delhi on 15th May, 1993. The nodal institutions would provide technical support and play an effective role in organising the actual training programmes. Each of these institutions would prepare training modules for official and non-official functionaries at the district and sub-district level by the middle of July, 1993. An academic meeting with co-ordinators from these institutions would be held towards the end of July, 1993 to firm up the material, methodology, field visits etc. which will be commonly adopted in the training programme. At least 100-150 training institutions from among the state institute of Rural Development, Administrative Training Institutes and other centres of Rural Development and Universities and Institutes and Extension Training Centres would be identified for organising and conducting the training programme. After this identification, a series of training of trainers courses for the faculty in these institutions will be conducted in the month of August/September at the nodal institutions. In these training of trainers courses apart from rigorous training of the faculty, material that will be used, workbooks, methodology, field exercises and other details would all be prepared in advance and distributed to the institutions. The National Training Programme to be drawn up on the basis of these consultations will commence by 15th August, 1993.

Source: Proceedings and papers of the conference of Ministers/Secretaries in charge of Panchayats, July 3, 1993 Minister of Rural Development, Government of India P-70.

Annexure-XV

Number of persons already trained/undergoing training in selected states

S. No.	State	No. of Trainers			Total	Total No. of Panchayat responsibilities	% of trained/ under training to the total representing
		Village Level	Middle Level	District Level			
1	2	3	4	5	6	7	8
1.	Assam	4,792	392	80	5450	32554	16.74
2.	Haryana	-	-	-	53239	57656	92.34
3.	Karnataka	-	-	-	80000	89410	89.48
4.	Kerala	1120	280	105	1505	13867	10.85
5.	Madhya Prad.	92772	10472	1100	104344	414134	20.30
6.	Orissa	-	-	-	85000	88182	96.39
7.	Rajasthan	-	9173	60	9233	105622	8.74
8.	Sikkim	828	-	60	888	1177	75.44
9.	Tripura	-	-	-	10000	6210	161.03
10.	Uttar Pradesh	443622	13355	20.70	459047	921535	49.81
11.	West Bengal	19830	5085	450	25365	74156	34.20
12.	Gujarat	6000	760	380	7340	149884	4.90
13.	Andhra Prad.	116400	17947	44	134391	441778	30.42
14.	Punjab	90568	2570	272	93410	117434	79.54
15.	Tamil Nadu	5470	7700	795	13965	186096	7.50
16.	Himachal Pr.	26,320	1,760	270	28350	23176	122.32
17.	A&N Islands	-	-	-	1055		

Source:

(1) Col 1 to 6 : Report of the working group on decentralised planning and Panchayati raj (1997-2000) Government of India, Ministry of Rural Areas & Employment, 1996.

(2) Col 7: Deserved from the coverage of PRI's in different states given in NIRD newsletter, June 1996

Central Allocation for Strengthening Training Infrastructure

Approved outlay in crores

S.No.	Name of Scheme	Years					1996-97	% change from 1991-92 to 1996-97
		1991-92	1992-93	1993-94	1994-95	1995-96		
1	Grants to NIRD	3.00	2.00	4.00	4.00	5.00	5.00	39
2	Strengthening of State Training Centres	6.00	1.50	1.25	3.25	3.25	3.25	(-)46
3	Organisation of Trg. courses, sources & workshop	0.50	0.25	0.50	1.00	0.50	0.50	No change
4	Strengthening of Etc	3.50	1.00	1.75	3.25	3.00	3.00	(-) 14
5	Panchayat Development and Training	2.00	1.00	1.00	5.00	3.00	3.00	50
6	Assistance to CAPART	6.00	5.00	8.00	12.00	12.00	12.00	1.00
	Total	21.60					26.75	24

Sources: Annual Reports of the ministry of Rural Areas & Employment Government of India.

Annexure-XVII

The Tenth Finance Commission has recommended the following statewise allocations for Panchayat for the Period 1996-97 to 1999-2000

State	1996-97	1997-98	1998-99	1999-2000	1996-2000
			Rs. crores		
Andhra Pradesh	87.75	87.75	87.75	87.75	351.00
Arunachal Pradesh	1.13	1.13	1.13	1.12	4.51
Assam	33.34	33.34	33.34	33.34	133.36
Bihar	126.80	126.80	126.80	126.80	507.19
Goa	1.48	1.48	1.48	1.47	5.91
Gujarat	48.00	48.00	48.00	48.01	192.01
Haryana	20.66	20.66	20.66	20.66	82.64
Himachal Pradesh	8.05	8.05	8.04	8.04	32.18
Jammu & Kashmir	9.40	9.40	9.40	9.39	37.59
Karnataka	55.44	55.44	55.44	55.45	221.77
Kerala	44.70	44.70	44.70	44.71	178.81
Madhya Pradesh	87.17	87.17	87.17	87.18	348.69
Maharashtra	86.75	86.75	86.75	86.76	347.01
Manipur	2.33	2.33	2.33	2.32	9.31
Meghalaya	2.16	2.16	2.17	2.16	8.65
Mizoram	0.74	0.74	0.73	0.73	2.94
Nagaland	1.16	1.16	1.16	1.17	4.65
Orissa	50.25	50.25	50.25	20.24	200.99
Punjab	25.84	25.84	25.84	25.83	103.85
Rajasthan	53.05	53.05	53.06	53.06	212.22
Sikkim	0.48	0.48	0.47	0.47	1.90
Tamil Nadu	71.83	71.83	71.84	71.84	287.34
Tripura	3.48	3.48	3.49	3.49	13.94
Uttar Pradesh	189.88	189.88	189.88	189.88	759.52
West Bengal	83.36	83.36	83.36	83.37	333.45
Grand Total	1095.23	1095.23	1095.23	1095.24	4380.93

The Gazette of India**Annexure-XVJJI****EXTRAORDINARY PARTII-SECTION****PUBLISHED BY AUTHORITY****No. 70 New Delhi, Tuesday, December 24, 1996/Pause 3, 1918****Separate paging is given to this part in order that it may be filed as a separate compilation.****Ministry of Law and Justice****(Legislative Department)****New Delhi, the 24th December, 1996/Pausa 3, 1918 (Saka)****The following Act of parliament received the assent received the assent of the President on the 24th December, 1996 and hereby published for general information--****THE PROVISIONS OF THE PANCHAYATS (EXTENSION TO THE SCHEDULED AREAS) ACT, 1996
NO. 40 OF 1996**

(24th December, 1996]

An Act to provide for the extension of the provisions of Part IX of the Constitution relating to the Panchayats to the Scheduled Areas.

Be it enacted by Parliament in the Forty-seventh Year of the Republic of India as follows:-

1. This Act may be called the Provisions of the Panchayats (Extension to the short title. Scheduled Areas) Act, 1996.
2. In this Act, unless the context otherwise requires; "Scheduled Areas" means the Scheduled Areas as referred to in clause (1) of article 244 of the Constitution.
3. The provisions of Part IX of the Constitution relating to Panchayats are hereby extended to the Scheduled Areas subject to such exceptions and modifications as are provided in section 4.
4. Notwithstanding anything contained under Part IX of the Constitution, the Legislature of a State shall not make any law under that Part which is inconsistent with any of the following features, namely-
 - (a) A State legislation on the Panchayats that may be made shall be in consonance with the customary law, social and religious practices and traditional management practices of community resources;
 - (b) A village shall ordinarily consist of a habitation or a group of habitations or a hamlet or a group of hamlets comprising a community and managing its affairs in accordance with traditions and customs;
 - (c) Every village shall have a Gram Sabha consisting of persons whose names are included in the electoral rolls for the Panchayat at the village level;
 - (d) 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;

(e) Every Gram Sabha shall--

- (i) approve the plans, programmes and projects for social economic development before such plans, programmes and projects are taken up for implementation by the Panchayat at the village level;
- (ii) be responsible for the identification or selection of persons as beneficiaries under the poverty alleviation and other programmes;

(f) every panchayat at the village level shall be required to obtain from the Gram Sabha a certification of utilisation of funds by the Panchayat for the plans, programmes and projects referred to in clause (e) ;

(g) the reservation of seats in the Scheduled Areas at every Panchayat shall be in proportion to the population of the communities in that Panchayat for whom reservation is sought to be given under Part IX of the Constitution: Provided that the reservation for the Scheduled Tribes shall not be less than one-half of the total number of seats: Provided further that all seat chairpersons of Panchayats at all levels shall be reserved for the Scheduled Tribes;

(h) the state government may nominate persons belonging to such scheduled tribes as have no representation in the Panchayat at the intermediate level or the Panchayat at the district level: Provided that such nomination shall not exceed one-tenth of the total members to be elected in that Panchayat;

(i) the Gram Sabha or the Panchayats at the appropriate level shall be consulted before making the acquisition of land in the Scheduled Areas for development projects and before re-settling or rehabilitating persons affected by such projects in the Scheduled Areas; the actual planning and implementation of the projects in the Scheduled Areas shall be co-ordinated at the State level;

j) planning and management of minor water bodies in the Scheduled Areas shall be entrusted to Panchayats at the appropriate level;

(k) the recommendations of the Gram Sabha or the Panchayats at the appropriate level shall be made mandatory prior to grant of prospecting license or mining lease for minor minerals in the Scheduled Areas;

(l) the prior recommendation of the Gram Sabha or the Panchayats at the appropriate level shall be made mandatory for grant of concession for the exploitation of minor minerals by auction;

(m) while endowing Panchayats in the Scheduled Areas with such powers and authority as may be necessary to enable them to function as institutions of self government, a State Legislature shall ensure that the Panchayats at the appropriate level and the Gram Sabha are endowed specifically with--

- (i) the power to enforce prohibition or to regulate or restrict the sale and consumption of any intoxicant;
- (ii) the ownership of minor forest produce;
- (iii) the power to prevent alienation of land in the Scheduled Areas and to take appropriate action to restore any unlawfully alienated land of a Scheduled Tribe;
- (iv) the power to manage village markets by whatever name called;
- (v) the power to exercise control over money lending to the Scheduled tribes
- (vi) the power to exercise control over institutions and functionaries in 'all social sectors;
- (vii) the power to control over local plans and resources for such plans including tribal sub-plans;

(n) the state legislations that may endow Panchayats with powers and authority as may be necessary to enable them to function as institutions of self government shall contain safeguards to ensure that Panchayats at the higher level do not assume the powers and authority of any Panchayat at the lower level or of the Gram Sabha;

(o) the State Legislature shall endeavour to follow the pattern of the Sixth Schedule to the Constitution while designing the administrative arrangements in the Panchayats at district levels in the Scheduled Areas.

5. Notwithstanding anything in Part IX of the Constitution with exceptions and modifications made by this Act, any provision of any law relating to Panchayats in force in the Scheduled Areas immediately before the date on which this act receives the assent of the president which is inconsistent with the provisions of part IX with such exceptions and modifications shall continue to be in force until amended or repealed by a competent legislature or other competent authority or until the expiration of one year from the date on which this act receives the assent of the president"

Provided that all the panchayats existing immediately before such date shall continue till the expiration of their duration unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of the State or, in the case of a state having legislative council, by each house of the legislature of that state.

Annexure-XIX**Conference of Panchayat Ministers and Secretaries of States/U'I's held on September 11, 1995****The Conference made the following recommendation:**

- (i) As failure to constitute the Panchayati Raj Institutions would amount to violation of the constitution, the States should constitute them, wherever due, by the end of the year at the latest, and to notify the precise schedule of elections by October 2, 1995 which is Mahatma Gandhi's 125th birth anniversary.
- (ii) Keeping in view the importance of adequate and proper delegation and devolution of powers, functions and funds to Panchayats at every level and suggestive framework recommended by the National Committee of Panchayat Ministers, the Conference urged all States to ensure that devolution of powers, authority and functions should be such as to enable these institutions to function as efficient and effective local government institutions. The framework of devolution of administrative and financial powers and functions suggested in the studies of NIRD are also relevant in this respect. The conference urged that this devolution of powers, authority and functions should form a part of the legislations on Panchayati Raj in the form of schedules or lists for each tier.
- (iii) Conference called upon the Department of Rural Development to organise a workshop within the next two months to arrive at a model of optimal devolution.
- (iv) State Government should strengthen the planning and implementation capabilities of Panchayat Raj Institutions giving them powers of control, review, monitoring and supervision of all plan schemes at the district level. The schemes and programmes directly implemented by them should be backed up by transfer, deputation or redeployment of staff of these schemes to work with PRIs.
- (v) To ensure greater co-ordination between Zilla Parishads and DRDAs, the chairman Zilla Parishad could be made the Chairman of the DRDA and an officer not below the rank of the District magistrate could be appointed as the Chief Executive of the DRDA.
- (vi) State should request their State Finance Commissions to submit their recommendations by the end of December, 1995. The Conference urged the States to establish the tradition of accepting the State Finance Commission's recommendations.
- (vii) Many States are doing good work in imparting training to elected representative and officials of PRIs. The Ministry may organise a workshop to facilitate preparation of Action Plans in this regard. In view of the very large requirement of training, network of institutions desirous and capable of imparting such training at the State and national levels may be set up with NIRD performing a nodal role.
- (viii) It was resolved to reconstitute the committee of minister for a period of two years under the chairmanship of Minister of Rural Areas & Employment.
- (ix) Now that the Panchayats are in position, States were asked to introduce and seriously pursue multi-level decentralised planning and activate their district planning committees.
- (x) Gram Sabha has to play a pivotal role in participatory planning and developmental activities at the grass root level. All efforts should be made to make it fully operational and activate this body to ensure that it meets at regular periodic intervals and articulates the real views of the local people.
- (xi) Keeping in view the recent High Court judgements and the recommendations of the Committee of Members of Parliament and Experts on Law concerning extension of provisions of Constitution (Seventy-Third Amendment) Act, 1992 to Scheduled Areas, the Conference urged the Government of

India to bring in the Parliament a law relating to this subject as provided in Article 243(4)(b) as soon as possible. In order to do this, Government of India may hold suitable consultations with the States.

Annexure-XX

Panchayati Raj and Decentralised Planning

1. The process of decentralisation and grant of autonomy does not stop at the state level but has to be carried further by the State Governments to the regional and sub-regional levels. Democratic decentralisation through the Panchayati Raj system was adopted in the 1950s in some state. However after the mid- 1960s the functions of these institutions declined. Efforts were made to revive these institutions several times in the 1970s and 1980s, with little success. However, with the enactment of the constitution Amendment Act (1992), Panchayati Raj Institutions (PRIs) have been revitalised and a process of democratic decentralisation has been ushered in.

2. Consequent to the 73rd constitutional Amendment Act, State Governments have enacted enabling legislations providing for elected bodies at the village, intermediate and district levels, with adequate representation from the weaker sections and women. All the states have constituted state finance Commissions and state election commissions as stipulated. Almost all the states have constituted Panchayati Raj bodies, with the exception of Bihar, Orissa, Lakshadweep, Pondicherry and the hill district of UP. In Manipur and Goa, Zilla Parishads have to be constituted.

3. The state governments are further required to endow the panchayats with power and authority necessary to enable them to function as institutions of self-government with the responsibility of preparing plans for economic ninth plan, it is expected that the 29 subjects identified in the eleventh schedule would be transferred to Panchayati Raj Institutions. Correspondingly, transfer of resources would have to be affected. In addition they would require personnel and administrative support. Staff engaged in particular works/departments should be transferred along with the work to the Panchayati raj Institutions. In other words, there would be a need to redeploy the existing staff in various government departments rather than engaging new workers.

4. In addition to the grants out of the consolidated fund of the states and allocations received from Central Government for implementation of Centrally sponsored schemes, the panchayats would have to be given revenue raising powers of their own. By and large gram panchayats have relied largely on the grant of the states, as they have had very limited revenue-raising powers. The financial position of Panchayat Samitis and Zilla Parishads has been even more precarious, as Panchayat Acts in many States have not specified any taxation powers for them. Therefore, it is necessary that specific responsibilities and resources are vested with the local bodies. In fact, in the case of centrally sponsored schemes, it is proposed that during the ninth plan the flow of funds would be directly tied to the Panchayati Raj Institutions. Also, Annual Plans of the States would have to indicate the PRI component of their total plan. However, transfer of State resources would not meet the objective of Panchayati Raj. The Panchayati Raj Institutions must mobilise local resources and the State Acts must empower them to levy taxes and cesses at different levels. This will be an important priority of the ninth plan. The state finance commission were set-up to determine the principle of sharing of revenue between the state and the panchayats as also between the panchayats at different levels and to suggest ways of local resource mobilisation by the panchayats. However, so far SFCs of only 7 states have submitted their recommendations to the respective state governments. In order to bring about genuine democratic decentralised planning, it is required that all SFCs submit their recommendations to their state governments so as to enable the state governments to devolve necessary powers and functions to the PRIs both via legislative action and executive orders.

5. Similarly, as per provisions of the constitution 74th Amendment Act, the urban local bodies, municipalities are expected to prepare plans for the development of urban areas. The municipalities will be the focal institutions services and the states would have to endow them with commensurate functional and financial powers and responsibilities.

6. While the urban local bodies would have a share in the revenue of the states, they would have to be permitted to levy their own taxes/cesses at the local level. These could include profession tax, property

tax, entertainment tax motor vehicle taxes etc. In addition they could levy user charges and license fees, wherever feasible. Some of the municipalities in cities could also raise resources from the market by issue of bonds.

7. The financing tasks of the plans of local bodies will have to be integrated with the follow up of the implementation of the state finance commission reports. These reports are expected to give the details of schemes of revenue raising for meeting current expenditures and grants-in-aid for meeting these requirements to aid the process of restructuring of these bodies which are at present financially unviable. These exercises have to be followed up by detailing the sources of finance for capital expenditure for infrastructure provision. Those bodies which are able to restructure their revenue account finances, must be enabled to engaged in borrowing for productive infrastructure projects subject to credit worthiness. Financial sector reform to allow floatation and trade of municipal and local body papers, for financially viable local bodies and tax and other incentives for this purpose must be thought of, as in other countries.

8. As per article 243(G) of the 73rd constitutional amendment act, the Panchayati Raj Institutions will prepare plans for economic development and social justice. Thus the core function of the PRIs would be planning at the local level through the institution of the district planning committees. Even these have not been set up in many states. However, this should receive top priority as these district planning committees will provide the umbrella for the preparation of integrated district development plan. However certain broad principles would have to be laid down for assigning a role to each of the three-tiers; the actual devolution could be based on the rule that what can be done at a lower level should be done at that level, and not a higher level. Gram sabha would list our 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 the planning process would begin from below with the preparation of village plans which would be incorporated into the intermediate level plans and finally merged into a district plan.

9. A 'core planning team' comprising of experts from various disciplines should be formed. The team should obtain inputs from the remote sensing centres, ARPU, and other organisations on the physical and natural resource endowments of the area and assist in the formulation of the plans. Keeping in view the resources available at each level, programmes/ schemes should be taken up on the basis of identified priorities. In so far as earmarking of resources for decentralised planning is concerned the recommendation of NDC committee that 41 per cent of plan resources be set apart for this should be the objective during the ninth plan. This could include a proportion as untied funds and as ' incentive grants' to match the contribution raised by PRIs. Thereafter sectoral allocations at the state level should be on the basis of demands made from below by the districts and in keeping with national priorities. In this way, it would be possible to bring about both a vertical and a horizontal integration of resources and services. The various sectoral, poverty alleviation and area development programmes at each tier and the vertical integration would be facilitated by an integration of area plans from the village to the state level. This would ensure a synergy between macro-level and micro-level objectives.

10. A comprehensive and time bound training policy would have to be formulated in order to ensure that the Panchayati Raj functionaries are equipped with information regarding various programmes/schemes of the governments, available technologies and other relevant information which have to be disseminated amongst the local people. The central government should provide for training of trainers but the state governments would have to take up training at the more decentralised levels in keeping with the local training requirements.

11. Awareness building among the people needs to be given top priority. The government machinery, voluntary organisations and self-help groups will be involved in the process of advocacy and in organising the people especially the poor. Participation of people can be encouraged through beneficiary/functional committees which should be given the responsibility of overseeing the implementation of various programmes. Social audit and transparency in the functioning of PRIs is

crucial for the growth and development of these institutions. These will be the important goals of the decentralisation strategy during the ninth plan.

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Participatory Research in Asia
42, Tughlakabad Institutional Area, New Delhi-110062
Ph:+91-011-29960931/32/33
Web: www.pria.org