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**PRI**

# case study

December, 1998

**A Report of the State Level Seminar on Strengthening  
Panchayati Raj Institutions in  
Himachal Pradesh  
Women in PRIs and Panchayat & Finance**

## Introduction

Panchayati Raj System introduced with much fanfare throughout India on the recommendations of Balwantrai Mehta Committee has been in existence for quite some time but its working had never been satisfactory. Panchayati Raj institutions (PRI) were not endowed with the necessary powers and resources. Even elections to these bodies were not held regularly and in some cases they were superseded for long periods of time. Gradually, their status and effectiveness declined in majority of the states. To remove the 'weaknesses and to provide these bodies the constitutional status, the 73rd Constitutional Amendment Act came into force on 24th April 1993. Exactly a year later the Himachal Pradesh Panchayat Raj Act was passed.

This provides for a three-tier Panchayati Raj system at village, block and district levels with reservation of seats for women and weaker sections and direct election to all three tiers. It has paved the path for the emergence of decentralised local self-governance. For the decentralised governance system to operate more effectively, there should be a conducive environment for carrying out decentralised decision-making in the appropriate manner. To effect such an environment it is first necessary that the decentralised political structures provide all citizens access to the decision-making process. Such as by the use of the instrument of positive devolution i.e., reservation of seats for women and weaker sections, this has been made possible, for effective decentralisation to take place, it is necessary to ensure devolution of real powers and resources.

Thus keeping these two important factors in mind, i.e., women's reservation in PRIs and devolution of resources besides others, two research studies had been undertaken by PRIA in Kangra and Mandi districts of Himachal Pradesh,

## Background

PRIA along with its Network of Collaborating Regional Support Organisations (NCRSOs), conducted the two studies on Panchayat Finance and Women in PRIs in 8 states of the country and Himachal Pradesh was one of them.

PRIA has been working actively on Strengthening PRIs in Himachal Pradesh for the last four years. Its role has been mainly as a support organisation with emphasis on research. The two studies were conducted in two districts i.e., Kangra and Mandi in the middle of 1998. The findings of both the studies were shared at the block and district levels (study areas) and also with the media. Finally the findings were shared with the government. PRI representatives and some NGOs working on this issue met at a state level seminar on 22nd December, 1998 at Himachal Pradesh Institute of Public Administration (HIPA), Fairlawns, Shimla.

The following is a report of the state level seminar, which was organised by PRIA in collaboration with the Department of Panchayati Raj, Government of Himachal Pradesh.

## Objective

The purpose of organising this seminar was to share the findings of the two research studies with the government, NGOs and PRI members and also to bring the various stakeholders on a common platform to discuss on various issues related with panchayat functioning with focus on Finance and women in PRIs.

## Participants

The participants were mainly senior state level government officials, elected members of all 3 tiers and some NGO representatives. Seminar was inaugurated by the Chief Guest. Hon'ble Minister for Panchayati Raj, Dr. Randal Markanda. The two sessions were chaired by Mr. B C. Negi, State Election Commissioner- The Valedictory Address was also given by him, (for details of programme schedules, see annexure).

Inauguration and introductory speech Dr. Ramlal Markanda Hon'ble Minister, Panchayati Raj and Rural Development

The one day state level Seminar was inaugurated by the Chief Guest. Dr. Randal Markanda. Minister for Panchayati Raj and Rural Development. In the inaugural speech he traced the history of panchayati raj bodies and their importance as units of local self governance. He said that according to Mahatma Gandhi, "80% of India's population live in villages People in India are poor because villages are poor. If these are made wealthy, then automatically India will also become a rich nation. Thus, all our problems will be solved if poverty is alleviated. We have succeeded in abolishing the zamindari system. We have to go ahead. Panchayats should be made units of local self-governance at the tillage level. Panchayats should be given more power." Panchayats were mentioned in the Directive Principles of state policy. After independence, on the recommendations of Balwant Rai Mehta Committee, panchayat system was adopted by many states. Initially there was a lot of enthusiasm amongst the people regarding panchayat bodies. However, slowly the entire system weakened and people felt isolated from these bodies. The main reasons behind this were the non-representation of people from the weaker sections, poor financial conditions of panchayats\* lack of political interest amongst the people, power in the hands of a privileged few. As a result of all these factors panchayat bodies were ignored.

Development planners thus, adopted a new strategy-. Many new rural development and poverty alleviation schemes and programmes were formulated and implemented. In spite of these efforts there was not much change in the overall development of the rural areas. There still remained a lot of social evils, ignorance and poverty in the rural areas It was realised that this top down approach of development did not yield much benefit and there was a need to have very strong village level institutions for development to take place. Thus, the planners and policy makers realised the potential of PRIs to bring about development at the grassroots level.

It is through the enactment of 73rd Amendment of the Constitution that panchayats have been given constitutional status for the first time. This is an historical event as a result of which there will be a social, economic and political impact on the people of rural India and will bring about a social change. With this amendment on the one hand the political participation of women and other weaker sections have been ensured, and on the other hand a three tier panchayati raj system has been established. These bodies have been given powers, responsibilities and financial resources to formulate and implement plans for economic development and social justice.

Himachal Pradesh is one of those states, which implemented its own Panchayati Raj Act and elected a three tier panchayati raj system. For the purpose of panchayat

elections an independent State Election Commission was also formed. PRIs have also been vested with certain powers and activities of 15 government departments.

It is an indisputable truth that unless the financial position and resources of panchayats are not strengthened- they cannot function as units of local self-governance. According to Article 243 G of the Constitution, the panchayats have been given powers to levy taxes, fees etc in order to increase their own resources. Moreover, in order to study the existing situation of panchayat finances and to give recommendations an independent State Finance Commission (SFC) has also been established. Based on the recommendations of the SFC, money is distributed among the PRIs. However, the reality is that panchayats are very reluctant and hesitant to levy taxes in its area. As a result panchayats are very much dependent on the grants coming from the state government. Panchayats should now give importance to increasing their own financial resources. NGOs can play an important role in this respect. He said that he was happy that PRIA has taken some initiative in this direction and has studied the existing situation of panchayat finances.

According to the recommendations of the first SFC, for the current financial year the following funds have been transferred to the panchayats

- scheme implementation - Rs. 7.5 crores
- office expenditure - Rs. 1.63 crores
- honorarium to the PRI members - Rs. 6.74 crores
- salary of panchayat chowkidar - Rs. 1.05 crores
- construction of Zila Parishad bhavan - Rs. 0.25 crores

However the GOHP felt that the recommendations of the SFC are not satisfactory and There are inherent contradictions. Hence the present government in order to strengthen panchayat finances set up a second SFC in May 1998.

Women constitute half of the total population. Thus, without their active participation no development activity can attain its desired goal and objective. Thus, reservation of seats for women in PRIs is a first step which will ensure their role in planning and development related activities and will help in building their capacities as good feeders. At present in Himachal Pradesh a total of 1621 women have been elected as PRI representatives out of which 997 women are chairpersons of Gram Panchayats, Panchayat Samitis and Zila Parishads. From this data it is clear that quantitatively women have come to power, but at the same time do all these women carry out their roles and responsibilities as desired? Most of the women are lacking in self confidence and knowledge about their role as an elected member and about the Act and rules. moreover, it has been seen that in many panchayats women are not being allowed to work independently. In fact in many cases efforts are being made to break their self confidence. In order for the women to function effectively it is necessary to remove all these aforesaid difficulties. The government and the voluntary organisations can provide the necessary educational support to these women by organising training programmes meetings, workshops, conferences and seminars which will not only help in establishing contacts but will definitely improve their level of confidence.

#### Presentation of study Findings - Panchayat Finance

This presentation was made by Ajaya Mohapatra. The presentation was followed by a free-wheeling interaction and discussion. Much of this exercise was dealt in the manner of a question-answer session that served to look at the perceived

inadequacies of the report. This ensured that all participants contributed to the discussion.

### Objectives of the study

1. To study the financial structure of the PRIs with focus on
  - income and expenditure of Gram Panchayat, Panchayat Samiti and Zila Parishad
  - Own resource mobilisation
  - process of getting governmental aid
  - Management and utilisation of available funds and finances
  - actors involved in collection and distribution of funds
2. To study the structure and functions allocated to the PRIs
3. To analyse the resource situation with regard to functions allocated to the PRIs.

### Methodology

- Both quantitative and qualitative data on financial aspects of PRIs was collected from primary and Secondary sources The primary source was based on questionnaires and case studies.
- Information regarding income and expenditure, resource allocation and mobilisation were collected through secondary sources like balance sheets, government documents etc.

### Area of study

Two blocks of Mandi district namely Mandi Sadar and Sundernagar. The study covered one Zila Parishad, 2 Panchayat Samitis, and 12 Gram Panchayats. From each of these units, two members were interviewed (one Chairperson and one member) Out of the 12 Gram Panchayats, 4 are headed by women and 3 by SCs.

### Major Findings

#### 1-Zila Parishad

##### a) Income of Zifa Parishad

The average income of the Zila Parishad is Rs. 38,54,415.

The majority of the funds received are from the Central Government, under the Tenth Finance Commission,

increase in fund allocation:

Year	Funds allocated	Increase in percentage
1997	Rs. 14,04.400	9.4
1997-98	Rs. 1,23,00.845	7.7

## b) Expenditure of Zila Parishad

No expenditure for the financial year, 1995-96

<b>Year</b>	<b>Total Expd.</b>	<b>Office espouses</b>	<b>Expd. On devpt. work</b>
96-97	13,83.511	1,29111	12,54.400
97-98	NA.	1,21.089	N.A

## c) Management and utilization of the available resources and process if distribution of Zila Parishad funds

The funds of the Zila Parishads are received from the state government and were then equally divided in all die 36 wards of Mandi District, These funds are to be utilised for a fist of 20 activities that have been recommended by the District Panchayat Office for implement by the Zila parishad. The procedure of fund distribution was based on the plan prepared by each ward. These plans were discussed and approved in a zila parishad meeting 88% of (he members followed this procedure.

In 1996 each ward of the X/ Zilla Parishad received Rs,34.800/- Thus, it is seen that this district level body mainly acts as a money distributing body and has hardly prepared any plan on this' basis of which money is to be utilised. Moreover, the District Planning Committee (DPC) has not been formed as yet, because of which the Zilla Parishad felt handicapped in plan preparation and getting involved in the development process.

## 2. Panchayat Samiti

## a) Income of Panchayat Samiti

The average income of a Panchayat Samiti is Rs.1,07,055/-, out of which only Rs.167 to, 15%) is from own resources. The fundi received over the year's has increased sharply such as 85% m 1996-9? However, die average funds received in a year by the middle tier is lower than that received by a Gram Panchayat. In 1995-96, the Panchavat Samiti received Rs 18,950/- from die State Government which increased by 85% in 1996-97 In J997-98. it increased by 2.7 times to Rs. 1.29.640/-, In the same year the funds received from the central government was around Rs. 1,36,974/-.

<b>Year</b>	<b>Funds allocated</b>	<b>Increase in percentage</b>
1996-97	35.100	85
1997-98	2,66.614	6.5

## b) Expenditure of the Panchayat Samiti

The average annual expenditure of a panchayat Samiti is Rs.61,786/- per annum, out of which Rs.9,855/- consists of fixed expenditure. This is mainly the honorarium given to the elected members. Variable expenditure which includes expenditure on development works maintenance of assets and office expenses is Rs,51931/- Over a period of 3 years, the fixed expenditure has increased from 13% to 22%.

Fixed expenditure	Variable expenditure	Percentage ratio
Rs 9,555	Rs. 51.93 T	16:84

#### c) Awareness of the PS members regarding financial aspects

- of the members were not aware of the financial allocation as well as the income and expenditure of the panchayat Samiti
- of the members were aware of me income and expenditure of their respective wards
- The Panchayat Samiti hardly prepares annual development plan
- The records are not maintained properly and even the officials at the block level are not clear about the data

### 3. Gram Panchayat

#### a) Own resources of Gram Panchayat

- The income of the Gram Panchayats can be broadly classified as:
- Tax revenue : house tax, local rate and land revenue
- Non tax receipts: cent, interest, proceeds from auction, fees from fairs and festivals
- Fees and grants : judicial fees, certificate fees marriage fees and ration card fees

The average income of a Gram Panchayat from its own resources for three years (1995-96 to 1997-98) was Rs. 8396. i.e

- Rs. 2676 of taxes
- Rs. 895 of receipts by way of fees
- Rs. 4825 of non- tax receipts

#### b) Funds received by the Grant Panchayat

The average annual grants received from the Gram Panchayat is Rs. 1,34,080.

Year	Funds allocated	Increase in percentage
1996-97	1.12,582	15
1997-98	2.25361	87,5

The average funds received by a gram panchayat from state government - Rs, \$9,572 central government - Rs. 66.997

Increase in fund allocation

Year	State govt.	Central govt.
1996-97	54%	96%,
1997-98	17%	2.5 times

The Allocation of funds from the State Government has grown at a rate of 35.5% per annum, while Those from the central government has grown at a rate of 1.7 times per annum

#### c) Income of the Gram Panchayat

The average Annual Income of a Gram Panchayat is about Rs. 1,42,667/- which includes own resources and grants received from the government. Over a period of three years the income of a Panchayat has grown at a rate of 81.5% per annum. The own resources mobilized by a Gram Panchayat constitute a small percentage of the total, being only 5.9%.

Year	Own resources in percentage
1995-96	5.8
1996-97	10.2
1997-98	3.2

#### d) Expenditure of the Gram Panchayat

The average annual expenditure of a Gram panchayat has two components—fixed expenditure which includes honorarium to elected representatives and Chowkidars and variable expenditure which comprises of developmental works, maintenance of assets, office expenses and other. The percentage ratio between fixed and variable expenditure is 5:95. Out of the government grants of Rs, 96,961/- meant for development works, only Rs.73,298/- has been spent, the unutilised money was diverted for other purposes.

#### e) Awareness of the financial status of the Gram Panchayat members

65% of the Panchayat members were aware of the financial status of Gram panchayats. Out of these only 24% were aware of the financial status of the Panchayat as a whole and 76% were only knowledgeable about their wards. The people in this category were the ward members and female Pradhans, 46% of the members were totally unaware of the income and expenditure of Gram Panchayats.

#### f) Planning at panchayat level

73% of the members said that normally Panchayat plans are not prepared. Instead the resolutions passed in the meetings are considered as planning. 58% of the members send these resolutions to the block office, while 12% send them to district office and only 4% send them to the Zilla Parishad

#### Conclusion



- Own revenue of the Gram Panchayat constitute only 6% of the total income.
- wherever panchayats have their own community assess, the own revenue mobilized by the Gram Panchayats is maximum. - Lack of initiatives and efforts on the part of the Gram Panchayats to raise resources or identify new areas for raising resources
- Lack of knowledge and awareness among the elected representatives regarding various types of taxes to be imposed.
- Records related to taxes, fees have not been maintained properly at the panchayat level
- It seems that hardly any action has been taken or follow-up being made at the block, district or at the state level to collect taxes in a systematic manner.
- Even though the State government has made certain provisions for tax collection but it is not enough to mobilise resources.
- Gram Panchayats are totally dependent on government grants. Previously, due to less grants available from the state government the Gram Panchayats were able to generate their own resources to partially fulfill their requirements. Now, since a large amount of funds are coming from the state and central government, therefore the Gram Panchayats are not imposing taxes.
- The funds received by the Panchayat Samiti is less than the Gram Panchayat. It seems that the Panchayat Samiti has less role to play as compared to the Gram Panchayat in terms of finance
- Often times the funds received by the Gram Panchayat from the state or central government has not been utilised for the purpose it is meant For. A large proportion of the funds are diverted or utilised for other purposes, such as to meet office and other administrative expenditure.
- Most of the funds released from the state government do not reach the panchayats on time. Since most of the funds released by the state government are tied in nature. Therefore the panchayats face difficulty in utilising those funds as per their needs and requirement.
- Most of the Gram Panchayat members are not aware of the financial status of the Gram Panchayat.
- There is a difference between the actual amount sanctioned by the government and the amount released from the block office.

### Suggestions

- it is necessary for the Gram Panchayats to raise their own resources. The existing rate of taxes need to be revised.
- A person can be appointed by the Gram Panchayat to collect taxes, fees and nontax receipts and necessary powers should be given to him to collect the same. Statutory provision could be made to form a Panchayat Revenue Committee (PRC).
- Awareness camps should be organised regarding taxes at the Gram Panchayat level to educate people as well as the elected representatives.
- Records related to taxes could be property maintained at the Gram panchayat ward
- The collection of land revenue and the local rate could be transferred to the Gram Panchayats especially to the PRC.
- In order for the Grain Panchayats to implement the plans and programmes
- according to their needs and requirements, it is important for them to get more untied than tied funds.



primary school 20% till middle school while 30% till high school. Only 12% have studied beyond high school.

Most of the women (77%) as is a very common phenomena in the hills, are engaged in agricultural activities while 19% are housewives, hi 78% of the cases, husband is the. male guardian In nearly half the cases, the husband of the elected women are in service, reflecting the fact that most of them come from economically well off families. In 35% cases, the male guardian is in agriculture while 13% have business of their own. Only in 5% of the cases do the male guardians work as labourers. The average income of the family of a woman member at the Gram Panchayat level is Rs.4,000/- per month.

### Women PRI Member and her Family

Most of the women live in nuclear families (80%) where the head of the household is her husband. She is in most cases the head of the domestic household(72%) and in a few cases her mother-in-law (20%) is the domestic head. Thus, not only does she have domestic chores, but agricultural work and now the added responsibilities of being an elected member.

When asked about the reasons behind contesting elections, 60% were of the opinion that the reason behind this was encouragement from the community member However, in almost all the cases, there was a lot of support from the family members during the PRI elections held in December, 1995. This was mainly in the form of moral support, electioneering or campaigning support and financial support. Out of the 139 women interviewed, 80 (57.6%) said that they would not have contested had the seats not been reserved for women. However, 54% i.e. 5 nearly 39% said that they would have contested elections even if the seats had not been reserved for women.

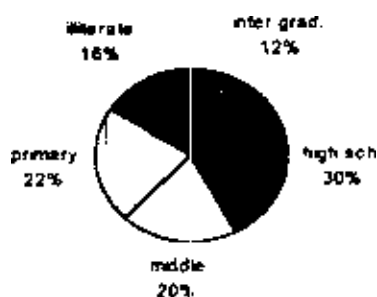
When asked about their reaction on winning the elections, most of them responded by saying That they had felt excited on winning the elections. However, there were some (5%) who had not felt good about it From the study it has been revealed that not only do majority of the women belong to economical) well off families, but 33% of them have family members with prior or present political associations, most of them having been Panchayat representatives

The Women PRI members in general do get a lot of support from their family members in earning out panchayat related work. In fact around 50% of the elected women members interact with their husbands when it comes to taking decisions, raising important issues in Gram Panchayat meetings or deciding upon resolutions. 24% of the women, however are more independent and generally do not interact with any body at home. On the whole women are still very much dependent on men. whether he is her husband, son. father-in-law or Up-Pradhan who was formerly the Pradhan.

As regards change in status in the family after being elected as a women leader, 60% of the women felt that there has hardly been a change in her status, while the rest believe that there has been a positive change and they now command more respect from familv members than below. Around 93 5% of the women feel that they will definitely encourage other women family members to contest in the next Panchayat election. However 65% would no do so. since they feel that this added responsibility has greatly overburdened them, around 60% of the women in this study will contest the next election, even if the seat will not be reserved for women.

## Educational Qualification

Education of qualification (GP level)



Co-operation from panchayat members. Panchayat Secretary and government officials

- On the whole, the women members get good to OK kind of support and cooperation from other PRI members in her panchayat, whether male or female.

## Overall findings

- Most of the women who have been elected come from economically better off Families. A large percentage of the husbands are in service or have their own business.
- The educational level of the women members is fairly good since 30% of them have studied upto high school and a small percentage have studied beyond that (12%). A small percentage of the women are illiterate.
- 33% of the women belong to families with present or prior political association most of them being panchayat representatives.
- Most of the women representatives have been elected for the first time. Lack of exposure has resulted in lack of awareness, knowledge and skills as well as self-confidence (especially women ward members).
- 40% of the women (mostly ward members) do not want to contest the next panchayat elections. The main reason is that they feel overburdened with work and also some of them feel that the work is not rewarding
- There is still a lot of dependency regarding official matters on the male guardian or the Up-Pradhan. Usually in most cases the husband is the male guardian. 32% of the women feel that they could have done better work had they been men.
- Related closely with the factor of dependency is the attitude of the male colleagues

### Factors affecting the functioning of women PRI members

- Merely becoming members they may not be effective
- Political participation is considered as peripheral additional not very important

- Women's representation in panchayat bodies has taken the shape of 'tokenism and not 'meaningful participation'
- Capable and active women may not be elected
- Traditions and conservatism in rural areas
- Lack of education, information and access to media limits their performance
- Poor exposure to the outside world
- Patriarchal nature of the family
- Role conflict

### Specific needs for being a more effective PRI member

- 50% of the women have expressed the need for self development
- 22% especially the ward members feel that they should have greater financial powers

Some of the needs as identified by the women have been listed below-

- Increase knowledge base and awareness level through trainings materials and be attending meetings for exposure Also trainings for practical purposes Information literacy
- Financial resources. especially for Hard members, direct financial assistance
- Greater public support and peoples co-operation
- Better linkage with government functionaries and their support
- Greater devolution of powers especially for the wars members. Specific roles and responsibilities should be given to them " Good relationship with local politicians.
- An increase in the honorarium received by the PRI members especially the ward members

### Suggestions

- Awareness generation
  - Information knowledge and skills through framing
  - Education
  - Monetary' independence, both personal and for their executive function
1. Training and capacity building
    - Awareness
    - Knowledge
    - skills
    - use of appropriate training methods
    - gender sensitisation workshops
  2. Educational Material
    - simple and relevant materials for women and other PRI members and especially for the illiterate members
  3. Effective means of information dissemination
    - exposure visits to effective panchayats or government offices

- use of cultural media including street plays, songs, movies
  - orientation programmes
  - panchayat meter /sammelans
  - a slot can be provided on AIR and Doordarshan especially for Panchayati Raj on a regular basis
4. Panchayat Resource Centres as a means of information dissemination
- in every panchayat a Panchayat Resource Centre(PRC) could be set up at a central place which will serve as a library cum reading room and where all types of information related with panchayati raj and rural development will be available training centers especially for women can be established here.
- 5, District level award to effective panchayat or panchayat leader

Major issues raised in the large group discussion:

- Control over resources - Gram panchayats hardly get any non-tax revenue (from ponds, minor minerals and other natural resources) because they have no control over their own resources
- Development schemes are mostly funded by the central government. This helps panchayats in getting revenue, but in turn makes them work as implementing agencies rather than as decision making bodies in keeping with the spirit of the 73 rd amendment
- DRDAs have been given financial powers and administrative resources. However, the Zila Parishad is unable to exercise defacto power over DRDA. Though DRDA has been transferred to Zila Parishad, the latter has no control over the former. The rules made for PRIs are ambiguous in nature The actual powers are still with the state government. Devolution of financial and functional powers have not taken place in the true meaning of the term.
- Willingness on part of PRI members - they do not want to impose taxes and nor is there a willingness on part of the people to pay taxes Moreover, there is no administrative support to collect taxes.
- No functional linkage between Gram Panchayat, Panchayat Samiti and Zila Parishad Necessity for bottom-up planning. Planning done by the Gram Sabha with the involvement of majority of the members is true planning since they are aware of the ground realities. Planning, implementation of the plan and its evaluation are three major aspects of local self-governance. Based on this, the system of fund allocation should also be according to the plan made at the Gram Sabha Gram Panchayat level
- Difference in priorities between Zila Parishad and Gram Panchayats Organisation of Gram Sabha at village level
- More effective collaboration between NGOs , PRIs and existing CBOs for overall development.
- Illiteracy is a major impediment. Women have to rely on their family members for information. Moreover, they also have an inferiority complex.
- To be an effective member positive support from family especially husband is necessary'
- On the whole. women are coming out of the shadow of male dominance

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