TOWARDS HOLISTIC PANCHAYAT RAJ

Twentieth Anniversary Report
of the
Expert Committee on
Leveraging Panchayats
For Efficient Delivery of Public Goods and Services

VOLUME I
POLICY ISSUES

National Panchayat Raj Day
24 April 2013
IN TRIBUTE TO THE FOUNDERS
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Mani Shankar Aiyar, former Union Minister of Panchayati Raj (2004-09) served as Joint Secretary to Prime Minister Rajiv Gandhi (1985-88) during which period he was involved with the drafting of the Constitution amendment relating to Panchayati Raj. Subsequently, after being elected to Parliament in 1991, he served on the Joint Select Committee that prepared the 73rd amendment, now enshrined in the Constitution as Part IX (‘Panchayats’). He was born in Lahore on 10 April 1941 and after his education at The Doon School, St. Stephen’s College and Cambridge University joined the Indian Foreign Service in 1963 where he served for 26 years before seeking voluntary retirement in 1989 to take up an alternative career in politics and the media. He has served in the 10th, 13th and 14th Lok Sabhas and is now a nominated Member of the Rajya Sabha. He was conferred the Outstanding Parliamentarian Award, 2006. He has written widely on Panchayat Raj for the general press and learned journals, and has spoken on the subject from several platforms. He has an honorary doctorate from the Indian Institute of Mines and has been elected an Honorary Fellow of his Cambridge college, Trinity Hall. He has authored seven books and is a popular columnist and TV guest on current affairs and news.

Prof. Thomas Isaac

Prof. Thomas Isaac was a Fellow at the Centre for Development Studies, Thiruvananthapuram. His specialisation has been in Political Economy, Labour Studies, Public Finance and Traditional Industries. He has authored ‘Modernization and Employment: The Coir Industry in Kerala’ (along with P. A. Van Stuijvenberg and K.N. Nair) Sage, 1993; ‘Democracy at work in an Industrial Cooperative: The story of Kerala Dinesh Beedi Cooperative’ (along with Richard Franke and Pyarelal Raghavan) Coenell University Press, 1998 and ‘Local Democracy and Development: The Kerala Peoples Campaign for Decentralized Planning’ (along with Richard Franke), Leftward Books, 2002. He has also authored more than two dozen books in Malayalam. ‘Kerala Land and People’ Kerala Sastra Sahitya Parishad, 1989, won the Kerala Sahitya Academy Award for the year 1989. He was a member of Kerala State Planning Board (1996-2001) and played a leading role in conceptualizing, designing and implementing Peoples Campaign for decentralized Planning, one of the most radical decentralization programmes in the country. He represented Mararikulam Constituency (2001-2011) and currently represents the Alappuzha Constituency in the Kerala Legislative Assembly. He was the finance minister in Kerala government (2006-2011). He is a Central Committee member of CPI (M).
Peelipose Thomas

Born in October 1949 Peelipose Thomas was an active student leader. He was elected President of Kerala University Students Union which had 117 affiliated colleges in 1974. He completed his LL.B. from Government Law College, Trivandrum. He was elected as President of Koipuram Gram Panchayat in 1979. He served as President of Alleeppey District Panchayats Association (an association of Gram Panchayats) during 1979-1984. Peelipose Thomas was nominated as a member of the Kerala State Planning Board in 2005, where he was in charge of decentralized planning and local self-governments. He also served as member of the State Level Co-ordination committee for decentralized planning during his term as planning board member. He is a practicing Lawyer at District court at Pathanamthitta with 38 years standing, he had served as President of Pathanamthitta District Bar Association for two terms.

Nirmala Buch

Mrs. Nirmala Buch joined the Indian Administrative Service in 1960 and retired at the end of October 1993 after a long and distinguished service. She served as Development Commissioner cum Principal Secretary, Rural Development, Madhya Pradesh; Secretary, Rural Development, Government of India and Chief Secretary of Madhya Pradesh. At present she is President of the Mahila Chetna Manch, Bhopal and Member Executive of the Centre for Women’s Development Studies, New Delhi. She did her post graduation in English from Banaras Hindu University and was a Parvin Fellow in Woodrow Wilson School of Public Affairs, Princeton University, USA. She is an expert in matters relating to Panchayat Raj and women empowerment. She has written extensively on issues of governance, public administration, functioning of Panchayat Raj and empowerment of women. Her publications include, (i) ‘The Law of Two Child Norm in Panchayats (five states)’, Concept, New Delhi 2006, (ii) ‘From Oppression to Assertion: Women and Panchayats in India’, Routlege 2010.

M.N. Roy

M.N. Roy was a member of the Indian Administrative Service and he retired from the service as Additional Chief Secretary of the Government of West Bengal in the year 2012. He did his M.Tech from Calcutta University before joining the IAS and afterwards did his Ph.D from the Tata Institute of Social Sciences, Mumbai. He was District Magistrate of Jalpaiguri and also of undivided Midnapore district, where he led the largest literacy movement of the country and also pioneered in organising a people’s movement on public health and sanitation. He served as Secretary/Principal Secretary
of several departments of the Government of West Bengal including the Panchayat & Rural Development Department. During his long tenure of more than eight years in the Panchayat & Rural Development Department, he was instrumental in deepening the process of decentralisation in rural governance and strengthening the Panchayati Raj system in the State through several legal and administrative changes. He has served as member of many committees of the MoRD and the MoPR of the Government of India and the Task Force for Preparation of a Manual for District Planning of the Planning Commission.

**Shri Joe Madiath**

Joe Madiath is the Founder Executive Director of Gram Vikas, working in Odisha since 1979, in the areas of water and sanitation, renewable energy, education and environment. Gram Vikas uses water and sanitation for 100% inclusive growth for all people. At present Gram Vikas is working in more than 1200 villages with a population of over 400,000 people. Quite a large proportion of its constituency comprises the indigenous people. Joe Madiath is a founder member of the Voluntary Action Network India (VANI) and the Orissa Development Action Forum (ODAF). He currently serves on the Governing Board of several institutions including Council for Advancement of People’s Action and Rural Technologies (CAPART), Society for Participatory Research in Asia (PRIA) and BASIX. He has been a part of various consultative committees of the Central and State governments. He was the chairman of the working committee on Water and Sanitation for preparation of the 12\textsuperscript{th} Five Year Plan.

**Dr. M.V. Rao**

Dr. M.V. Rao, is an IAS officer of 1988 batch and has considerable field experience in rural and tribal development. Dr. Rao has earlier served as Commissioner, Rural Development and Secretary, Govt. of West Bengal. He has also served as District Magistrate, Midnapore and Malda and as Senior Consultant, UNICEF. He did his Ph.D in Development Administration. Currently, he is working as Director General, National Institute of Rural Development, Hyderabad, a premier institute under the Ministry of Rural Development, Government of India. Dr. Rao has been working with the community for many years on innovative, practical and action oriented ideas for participatory development of the people at the grassroots. He has a number of published works to his credit: Persistence and Change in Tribal India – Saga of Tribal People of West Midnapore (2012); Community Health in Community Hands (2003), and Development for the People: Innovations in Administration (2002).
PREFACE

The 73rd and 74th amendments of the Constitution were passed by Parliament on 22/23 December 1992. After securing the endorsement of half the States of the Union and the consent of the President, as required by the Constitution, Part IX (‘The Panchayats’) was notified in the Gazette of India on 24 April 1993. Part IX A (‘The Municipalities’) followed a month later.

In this Twentieth Anniversary Year of Constitutional Panchayat Raj, that is, Panchayat Raj with Constitutional sanction, status and sanctity, the Government of India in the Ministry of Panchayati Raj constituted an Expert Committee, with

- Shri Mani Shankar Aiyar, MP (Rajya Sabha) and former Union Minister for Panchayati Raj (2004-09) as Chairman; and, as Members,
- Prof. Thomas Isaac, former Kerala Minister of Finance;
- ShriPeelipose Thomas, former Member, Kerala State Planning Board;
- Smt. Nirmala Buch, IAS (Retd.), former Chief Secretary, Madhya Pradesh and Secretary, Rural Development, Government of India;
- Shri Joe Madiath, Executive Director, Gram Vikas, Odisha
- Shri Manabendra Nath Roy, IAS (Retd.) and former Principal Secretary, Panchayat Raj, West Bengal; and
- Dr. M.V. Rao, Director-General, National Institute of Rural Development, as Member-Secretary.

to examine how Panchayat Raj Institutions might be leveraged to secure the more efficient delivery of public goods and services.

Although the Expert Committee was notified in the Gazette of India on 27 August 2012, it took the Chairman a few weeks, as a Member of Parliament, to secure from the Joint Committee on Offices of Profit the required clearance to take up his duties as Chairman. Accordingly, the Expert Committee held their inaugural meeting in New Delhi on 16 October 2012 and their first substantive meeting at the National Institute of Rural Development, Hyderabad, on 18-19 November 2012. Subsequently, the Expert Committee have met in plenary sessions eight times on 15-16 December 2012; 27-28 December 2012; 21-23
The Committee decided at their first meeting that they would not undertake field studies as there was neither the time to do so, nor adequate personnel. Besides, field studies and other literature on the subject are so detailed and voluminous that rather than attempt to generate fresh data, it should be enough for the mandate of the Committee to stay with information already in the public domain.

The Expert Committee have examined a total of 160 witnesses, including Union Government and State government officials concerned with Panchayat Raj; serving and former Members of the Planning Commission; Members of Parliament; and experts, activists and academics who have written or participated in Panchayat Raj. We are most grateful to this large number of distinguished personalities who have taken time off from their busy schedules to interact with us and, in some cases, to supplement their oral presentations in writing. The list of witnesses is attached and their depositions may be seen in Vol.III that contains the Appendices to this Report.

All Members were involved in the drafting of different chapters that constitute the Report but the Report as presented constitutes a collective endeavour on the part of the Expert Committee. What, in consequence, the Report has lost in homogeneity of style has been more than compensated by its diversity of thought and expression. The Chairman would like to express his profound gratitude to all Members for their invaluable contribution to the preparation of the Report. It has been a pleasure and privilege to work with them as a team.

The Chairman and Members of the Committee would also wish to express their deep gratitude to their Principal Consultant, Shri T.R. Raghunandan, Member, State Planning Board, Government of Karnataka who has relentlessly striven to give of his best, often putting in more than 20 hours a day in getting details right.

The Committee acknowledge their debt of gratitude to Dr Rajesh Shukla, Visiting Professor at the Institute for Human Development; Dr V.N. Alok, Associate Professor, Indian Institute of Public Administration; Dr Hari K Nagarajan, Senior Fellow at the National Council of Applied Economic Research and Dr Nupur Tiwari, Assistant Professor, Indian Institute of Public Administration for sharing their work and valuable counsel with the Committee.

We are grateful to Dr Shekhar Shah, Director, National Centre for Applied Economic Research for encouraging NCAER scholars to contribute to the work of the Committee. We are also grateful to Director, IIPA for the cooperation extended to us.
A special debt is owed to Shri Wajahat Habibullah, Chairman, National Commission of Minorities and former Secretary, Panchayati Raj; Dr Poonam Muttreja, Executive Director, Population Foundation of India; Dr Nidhi Sabharwal, interim Director and Principal Research Fellow, Indian Institute of Dalit Studies; Dr Javed Abidi, Director, National Centre for Promotion of Employment for Disabled People; Dr Ajay Dandekar of Central University, Gujarat; Dr Chitrangada Chaudhary of the Centre for the Study of Developing Societies; Dr Anita Brandon, Professor (PRI Training), SIRD, Jaipur; and Ms Rozy Vaid of SIRD, Chandigarh for their extremely valuable written contributions to different Chapters of this Report. A special word of thanks is due to Ms. Manisha Verma, IAS, for her immense help over large parts of the Report.

Exceptional assistance was provided to the Expert Committee in the preparation of Model Activity Maps by four young scholars, Ms. Raunak Ahmad and Shri Vijay Srivastava of the Indira Gandhi National Open University, and Ms. Vincy Davis and Shri Ashish Kumar of the Centre for the Study of Developing Societies, New Delhi, under the overall guidance of Shri T.R. Raghunandan. Ms. Avani Kapur, Senior Research and Programme Analyst at Accountability Initiative, Centre for Policy Research, New Delhi, provided invaluable assistance to the young scholars in collecting the financial allocation details for preparing the Activity Maps for financial devolution. We gratefully acknowledge her advice. The Committee also express their gratitude to Prof. D. Gopal and Dr. Savita Singh of IGNOU and Dr. Vipul Mudgal of CSDS who deputed these scholars to work with the Committee.

Deeply impressed with the young scholars’ intelligence, willingness to learn and quick grasp of what they are taught, their sincerity, dedication and application to the task at hand, the Chairman and Members of the Committee extend their best wishes to each of them in the pursuit of their academic studies and future careers.

The Expert Committee also record their thanks to experts from the World Bank, the UNDP and UNICEF who made a crucial contribution to enabling the Members to comprehend the nuances of much that might otherwise have escaped their attention:

**World Bank**

Mr. Nick Manning, Head, Governance & Public Sector Management Practice; Ms. Farah Zahir, Senior Economist, Poverty Reduction and Economic Management; Dr. Smita Misra, Senior Economist, Water and Sanitation; Dr. Deepa Sankar, Senior Economist, Education; Dr. Jonas Frank, Senior Public Sector Specialist; Dr. Ramesh Govindaraj, Lead Health
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Specialist; Dr. Abdu Muwonge, Senior Economist, Urban Development; Ms. Manvinder Mamak, Senior Financial Management Specialist; Mr. Sitaramachandra Machiraju, Senior Rural Development Specialist; Ms. Sangeeta Kumari, Social Development Specialist; and Ms. Elin Bergman, Junior Professional Officer.

**UNDP**

Ms. Sumeeta Banerji, Assistant Country Director & Head Democratic Governance; Dr. Seeta Prabhu, Senior Adviser; and Ms. Ritu Mathur, Programme Analyst.

**UNICEF**

Mr Louis-Georges Arsenault, Representative for UNICEF India and Mr Tejinder Singh Sandhu, Programme Specialist Governance.

The Expert Committee are also grateful to the team of experts of the National Institute of Rural Development - Dr K. Jayalakshmi, Professor, Centre for Panchayati Raj; Dr Y. Gangi Reddy, Associate Professor, Centre for Rural Infrastructure; Shri K.P. Rao, Project Director, NRLM Cell; Dr C. Dheeraja, Assistant Professor, Centre for Wage Employment and Poverty Alleviation; Ms K. Jayasree, Research Associate, Centre for Wage Employment and Poverty Alleviation; Dr Kondaveeti Papa, Assistant Editor; Centre for Media and Rural Documentation and retired officer, Dr. K.S. Subramanyam former Director, State Finance Commissions Cell, NIRD.

The Expert Committee would not have been able to fulfill their task without the yeoman work of their Adviser-Secretary, Shri Amit Goel, and the dedicated and enthusiastic secretarial and staff assistance of his team comprising, Ms. Eisha Brenda, and Shri G.L. Bali. Outstanding support was also provided by the office boys, Shri Arjun Singh and Shri Shesh Nath Pandey.

The Expert Committee is also grateful to Smt. Alka Madhok, Shri. Ramit Basu and Smt. Seema Nayyar for conscientiously contributing to the Committees work.

The Report could not have been given its final shape without the dedicated and tireless work of the editorial team comprising Ms. Vandana Seth, who researched most of the footnotes and put together the Annexes and Appendices; Dr. Vidya Shankar Aiyar; and Ms. Anju Chandel. To the three of them our grateful thanks.
The Expert Committee thank also the young painter, Ms. Sonika Agarwal, winner of the Stree Shakti Award 2013, for the loan of her paintings which brightened the Committee’s rooms in Vigyan Bhavan Annex and for her permission to reproduce one of her paintings on the back cover of this Report. The painting symbolizes how Panchayati Raj has enabled 28 lakh democratically elected representatives, including over 12 lakh women members, to link arms to build a powerful force for fulfilling Mahatma Gandhi’s dream of an India in which “the poor shall feel that it is their country, in whose making they have an effective voice”.

The Expert Committee have been privileged to proceed further on the path towards holistic Panchayati Raj signposted by the historic Balvantray Mehta Study Team (1957) and the Asoka Mehta Committee (1978). For this, we place on record our deep gratitude to the Hon’ble Union Minister of Panchayati Raj, Shri V. Kishore Chandra Deo. The Committee also place on record their deep appreciation of the encouragement they have received from the President of India, Shri Pranab Mukherjee; the Hon’ble Prime Minister, Dr. Manmohan Singh; and the Chairperson of the United Progressive Alliance, Smt. Sonia Gandhi.
(Mani Shankar Aiyar)
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New Delhi
24 April 2013
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CHAPTER I

INTRODUCTION

1.1 Panchayat Raj in India has a long history going back into a millennial past but articulated during the Freedom Movement most conspicuously and perspicaciously by the Father of the Nation, Mahatma Gandhi, specifically in *A Gandhian Constitution for Independent India*, written by Shriman Narayan Agarwal, with a Foreword by Gandhiji in which he assures the reader that the ideas set out on the book are, indeed, his own.\(^1\) The discussion was carried forward in the debates in the Constituent Assembly which led to Article 40 of the Directive Principles of State Policy laying down the injunction that:

“The State shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.”

Schedule 7 of the Constitution placed the operationalisation of this Article at Entry 5 of the State List (List II):

“Local government, that is to say, the constitution of powers of municipal corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of self-government or village administration”

It may be noted that the “village panchayats”, referred to in Article 40, and the “local authorities” referred to in List II, are described as “units” of “self-government” not “self-governance”. These constitute the origins of Article 243G of Part IX of the

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\(^1\) *A Gandhian Constitution for Independent India, Kitabistan, Allahabad, 1946*, with a Foreword by Mahatma Gandhi in which Gandhiji says that although he has not been able to read every word of it, the work is “based on his (Agarwal’s) study of my writings”, contains “ample evidence of the care bestowed upon it”, and constitutes the “broad lines to indicate what a constitution of my conception would be”, concluding that “the merit” of the author’s “attempt consists in the fact that he has done what for want of time I have failed to do”. The author adds at pp.13-14: “I have discussed with him (Mahatma Gandhi) almost all of the details of the Constitution and every attempt has been made to represent his views correctly.”
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Constitution which refers to the three-tier Panchayat Raj system as “institutions of self-government”, not self-governance.

1.2 Subsequently, the Centre in the 1950s, under Minister S.K. Dey, started the Community Development Programme. Based on the experience gathered through that Programme, the Balvantray Mehta Study Team (1957) recommended a contemporary form of Panchayat Raj or “Democratic Decentralization”, adapted to the development requirements of rural areas in independent India, with “the block as the optimum unit”. The key points included in the Committee’s recommendations were:

- “The Government should divest itself completely of certain duties and responsibilities and devolve them to a body which will have the entire charge of all development work within its jurisdiction, reserving to itself only the functions of guidance, supervision and higher planning”
- “At the block level, an effective self-governing institution should be set up with its jurisdiction co-extensive with a development block”
- “The Panchayat Samiti should be constituted by indirect elections from the panchayats”.

1.3 This Report was enthusiastically endorsed by the Central Government and the first Prime Minister, Pandit Jawaharlal Nehru, lit a lamp on Gandhi Jayanti, 2 October 1959, in Nagore, the constituency of Minister S.K. Dey in Rajasthan, to signal the commencement of Panchayat Raj in the country, backed by laws prepared and passed by each State Assembly severally. The speeches made by Prime Minister Nehru on this historic occasion, and in the years that followed, elaborated the reasons and imperatives for Panchayat Raj.

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2 The terms “Panchayati” and “Panchayat” have been used interchangeably in this Report as both terms are in vogue, although the Expert Committee have been given to understand that “Panchayat Raj” is the more grammatically correct expression.


4 ibid., Title of Section 2.


6 ibid., Sl.no.s 3,4, and 5, paras 2.8, 2.12 and 2.15, p.125

7 See his speeches and writings on Panchayati Raj in Jawaharlal Nehru on Community Development, Panchayati Raj & Cooperation, issued by the Ministry of Community Development & Cooperation, 1965.
1.4 These ideas were broadly welcomed by the entire political spectrum in the late 1950s and early 1960s. However, once the initial enthusiasm had run its course, and particularly after the passing away of Prime Minister Nehru in May 1964, there was a gradual withering away of Panchayat Raj in many parts of the country.

1.5 This led to the National Development Council establishing in 1977 a high-powered Committee, including several State Chief Ministers and other veterans and experts, under the chairmanship of Shri Asoka Mehta, to recommend measures to secure “the maximum degree of decentralization, both in planning and implementation”\(^8\). Reporting the following year, on 14 August 1978, the Committee assessed the state of Panchayat Raj in the country as “a story of ups and downs” passing “through three phases: the phase of ascendancy (1959-64); the phase of stagnation (1965-69); and the phase of decline (1969-77)”. It found:

- That “a number of developments in the past have conspired to undermine the Panchayati Raj structures and made them ineffective”;

- That “the vastness of and growing complexity of developmental programmes…has sometimes been used as an excuse for by-passing the PRIs”;

- That “the bureaucracy has probably had its own role in dissociating the PRIs from the development process”;

- That “the activities of PRIs were meagre, their resource base weak and the overall attention given to them niggardly”; and

- That “all this has led to a weakening of political support to PRIs and of the administrative will to work through them.”

- “Worst of all, there was lack of clarity in regard to the concept of Panchayati Raj itself”\(^9\)

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\(^8\) Report of the Committee on Panchayati Raj Institutions, Ministry of Agriculture and Irrigation, Department of Rural Development, August 1978. See Cabinet Resolution dated 12 December 1977, cited at the start of the Committee’s Report, p (iii).

\(^9\) ibid., paras 1.7 to 1.8.5 pp. 4-6. Sadly, this Committee would wish to add, this assessment seems to apply as much to 2013 as it did to 1978!
1.6 Among the measures recommended by the Asoka Mehta Committee were:

- “The establishment of democratic bodies below the State level is an imperative from the political and socio-economic perspectives”\(^{10}\)
- “Transfer substantial quantum of powers from the State Government to the local bodies”.
- “When they (State Governments) delegate the responsibilities for implementation to lower levels, they can concentrate on refining strategies of higher level policy making”.
- “District should be the first point of decentralization under policy supervision”.
- “Grouping a number of villages to constitute Mandal Panchayats” to facilitate the forging of necessary linkages with schemes for development of focal points and growth centres”.
- “The Block level Panchayat Samitis ... would be converted into non-statutory executive committees of Zila Parishads.”
- “At the village level the people would be involved in Mandal Panchayats through the Village Committees”.

One of the innovative ideas contained in the Report was for an amendment to the Constitution\(^{11}\).

1.7 This suggestion was picked up about a decade later by Prime Minister Rajiv Gandhi to accord Constitutional status, sanction and sanctity to Panchayat Raj as the one sure way of ensuring grassroots development through democratically elected institutions of local-self government. The express objective was to render Panchayat Raj ineluctable, irreversible and irremovable by:

\(^{10}\) ibid., para 5, p.176. The quotations that follow seriatim are from para. 6, p.176; para. 9, p.177; para. 11, p.178; para.12, p.178; para. 14, p.178; and para. 13, p.178.

\(^{11}\) ibid., Draft Constitution amendment attached to Annexure 2, pp.208-12. The draft had been prepared by the well-known jurist, Shri L.M. Singhvi. It was he who was tasked by Prime Minister Rajiv Gandhi in 1986 to prepare the amendment that eventually evolved into the 64th amendment, introduced in the Lok Sabha on 15 May 1989.
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- making it Constitutionally mandatory to have a democratically-elected three-tier Panchayat system responsible to Gram Sabhas (village assemblies) comprising the entire adult population of all habitations in a village-level Panchayat (with exceptions or modifications specified in the Constitution)

- securing reservations for women at all three levels so as to fully involve them in the management of community affairs

- securing reservations for Scheduled Castes and Scheduled Tribes (and sub-quotas for women belonging to these social categories) to meet apprehensions about elite capture of PRIs.

- for STs, this was complemented by PESA - The Provisions of The Panchayats (Extension to Scheduled Areas) Act, 1996 - mandated by the Constitution [Article 243M(b)] to safeguard and promote the interests of the tribal communities living in their habitations in Fifth Schedule areas

- guaranteeing regular, timely elections to the Panchayats at all levels, organized by an independent, qualified, statutory State Election Commission

- ending arbitrary suspensions and dissolutions of local bodies by State governments

- exponentially increasing the number of elected representatives relative to the size of the electorate with a view to bridging the gap between the elected and the electors, thus bringing governance to the grassroots, the better to ensure inclusive growth through inclusive governance

- detailing by law and administrative orders the responsibilities of the different tiers of PRIs through ‘Activity Mapping’

- widening and deepening, through laws passed by State legislatures, opportunities for the deployment of India’s vast human resources in governance at the grassroots by empowering the Panchayats to function as “institutions of self-government”, not self-governance, in regard to the “preparation of plans for economic development and social justice” (bottom-up planning) and for “implementing schemes…as may be entrusted to them”
• linking economic development to social justice, particularly with a view to meeting concerns of elite capture of PRIs

• securing the “sound finance of the Panchayats” through State Finance Commissions, established once every five years, that would determine the apportionment of State revenues between the State and its Panchayats; the assignation of sources of revenue to the Panchayats, including those that may be “appropriated” by the Panchayats for their own use; and “grants-in-aid to the Panchayats from the Consolidated Fund of the State”

• subjecting the Panchayats to social audit and formal audit

In short, projecting Panchayat Raj as a demonstration of faith in the people to manage their own affairs by securing to the people “Maximum Democracy and Maximum Devolution”, to quote Prime Minister Rajiv Gandhi in his peroration to the Lok Sabha, with a view to ensuring “Power to the People”\(^\text{12}\).  

1.8 As much of this historical background falls outside of the immediate scope of this Committee’s mandate, but is important to an understanding of the significance of Panchayat Raj, it has been spelled out in Appendix I, to which the reader is referred.

1.9 On 22/23 December 1992, the Lok Sabha and the Rajya Sabha, respectively passed the 73\(^{rd}\) and 74\(^{th}\) amendments to the Constitution, which were enshrined subsequently, after half the States of the Union had approved the Amendments and the President had given his consent, as Part IX (‘The Panchayats’) and Part IXA (“The Municipalities”) of the Constitution. Part IX was published in the Gazette of India on 24 April 1993. Since 2008, it has been celebrated as National Panchayat Raj Day.

1.10 The Government of India in the Ministry of Panchayati Raj, have, in this twentieth anniversary year of the entry into force of the Constitution amendments, set up this Expert Committee to examine how Panchayat Raj Institutions might be leveraged for the more efficient delivery of public goods and services, with the following Terms of Reference\(^\text{13}\):

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\(^{12}\) Given the high importance of Prime Minister Rajiv Gandhi’s interventions on the Bills that eventually, after some amendments, became Parts IX and IXA of the Constitution, his speeches in Parliament on 15 May 1989, 8 August 1989 and 13 October 1989 have been reproduced at Appendix II to this Report.

\(^{13}\) The Gazette notification dated 27 August 2012 relating to the establishment of the Committee may be seen at Annex 1.1 to this Report. Shri Peelipose Thomas was subsequently added to the Members of the Committee. Dr. M.V. Rao has often been represented by Dr. K. Jayalakshmi of NIRD in the deliberations of the Committee and the drafting of this Report. The Committee express to her their grateful thanks.
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I. To review the existing policy and guidelines of relevant Central Sector/Centrally Sponsored Schemes dealing with social sector / anti-poverty programmes and to give specific recommendations
   a. for an appropriate role and responsibility of Panchayats at different levels based on the principle of subsidiarity,
   b. for strengthening their capacity to deliver services, and
   c. for making them accountable to respective Gram Sabhas.

II. To flag the constraints that may come up in operationalizing the delivery system through the PRIs and suggest ways and means of dealing with the same.

III. To suggest ways to incentivize States to devolve three Fs i.e. Funds, Functions and Functionaries to Panchayats.

1.11 The starting point of the Committee’s examination of these issues has been the establishment of the Ministry of Panchayati Raj on 27 May 2004 in pursuit of the fulfillment of the commitments made in the National Common Minimum Programme. A month later, the Prime Minister, Dr. Manmohan Singh, convened on 29 June 2004 a Conference of Chief Ministers on “Poverty Alleviation and Rural Prosperity through Panchayati Raj”. During his Inaugural Address, he made a number of key points that are of the essence in “leveraging Panchayat Raj Institutions for the more effective delivery of public goods and services” – the mandate of this Committee. The Committee have been guided in their deliberations by these penetrating insights.

1.12 Recalling “Shri Rajiv Gandhi’s vision of empowering Panchayati Raj Institutions to function as ‘institutions of self-government’ to plan and implement programmes of economic development and social justice”, the Prime Minister said:

\[\text{14} \text{ The three-volume State of the Panchayats Report, released by the Hon’ble Prime Minister in November 2006 may please be perused by readers who wish to be informed of developments between the passage of the amendments and the establishment of the Ministry of Panchayati Raj, including the work done by the Ministry in its first 30 months. Readers are also referred to subsequent State of the Panchayats Reports brought out by the Ministry as independent evaluations by the Institute of Rural Management, Anand (IRMA) in 2010 and 2012, as also to the Reports on the Devolution Index prepared by NCAER (2008), and by IIPA in subsequent years. These reports may be accessed on the website of the Ministry at http://www. panchayat.gov.in/}\]

\[\text{15} \text{ The Address is of such seminal and critical importance to the mandate of this Committee to see how Panchayat Raj Institutions can be leveraged for the more effective delivery of public goods and services that it is reproduced integrally at Annexe 1.2 (along with six other major speeches of 22 November 2006, 24 April 2008, 9 September 2009, 2 October 2009, 24 April 2010 and 24 April 2011). Emphases have been added in all quotations in this Introduction from his 29 June 2004 Address.}\]
“Our challenge is to institutionalise this system”

He also said:

“Panchayati Raj is the medium to transform rural India into 700 million opportunities. The key instrument in integrating economic reforms with institutional reforms in the countryside is Gandhiji’s farsighted goal of Purna Swaraj through Gram Swaraj.”

1.13 Chapter II of this Report – “The State of the Panchayats Twenty Years On” - seeks to present a profile of PRIs as they stand today twenty years after the entry into force of Part IX of the Constitution and close to a decade after the Prime Minister gave his clarion call. It details the extent to which the challenge to “institutionalize” the Panchayat Raj system and “integrate economic reforms with institutional reforms” has been met. It also examines the extent to which “institutional reforms” and the “integration of economic reforms with institutional reforms” have failed to keep pace with economic reforms, resulting in India’s growth performance having outpaced its achievements in “inclusive growth”, and pointing to the conclusion that the way to inclusive growth lies through inclusive governance, that is, effective, duly empowered Panchayat Raj Institutions.

1.14 Chapter III relating to Devolution to Panchayats by the Central Government through Centrally Sponsored Schemes – which is at the heart of the Committee’s Terms of Reference - draws its inspiration from the Prime Minister’s observations that:

- “The real question to ask would be whether they would make the situation better than at present. If so, what are the conditions which need to be specified before we can operationalize this vision”

- “The fault may be in the very design of the programmes imposed from above”

- “We have an opportunity to make a radical departure from the current way of doing things. Incrementalising will not take us very far…”

1.15 Chapter III attempts to suggest a “radical departure” to “make the situation better” by the Central Government improving “the very design of the programmes” in the delivery through Centrally Sponsored Schemes (CSS) of public goods and services this might best be done by shifting from delivery by line departments and parallel bodies to delivery through PRIs responsible to Gram Sabhas in a domain to be defined by Activity Mapping. The Activity Mapping might be undertaken in concert with
line departments and specialized bodies operating in their respective spheres, again as defined through Activity Mapping\(^\text{16}\). The “radical departure” lies in shifting from merely associating PRIs with Centrally-Sponsored Schemes (CSS) to devolving centrality in planning and implementation to PRIs rather than to parallel bodies, the preferred delivery route hitherto, in consonance with the Prime Minister’s directions in his Address of 29 June 2004. In advocating this fundamental shift to making CSS Panchayat-driven and people-oriented, the principal onus is placed on the Central government, not State governments, in keeping with the Prime Minister’s injunction that:

> “Before we set this right at the Centre we cannot be asking the States to do so.”\(^\text{17}\)

The Chapter also deals with “collateral measures” that have to accompany effective devolution for the optimum results.

1.16 Chapter IV, dealing with devolution by the States, attempts to respond to the Prime Minister’s urging that “both at the Centre and in the States” there is a need for “a core vision” to:

> “architect a uniform vision for rural development that can respond differentially and purposefully to development situations in different States and different regions...For differential strategies to emerge in rural development and to make rural India our big opportunity we need to implement the provisions of Panchayati Raj in letter and spirit”

In this connection, the Prime Minister’s stress on devolving to the PRIs the 3 Fs – Functions, Finances and Functionaries has been dealt with in detail in successive—sections on each of the 3 Fs and the technicalities involved. This Chapter also deals with “collateral measures” by State governments that have to accompany effective devolution for the delivery of optimal results.

1.17 Chapter V on Planning and the Panchayats seeks to draw on extant experience in some States and the directions of the Planning Commission to give “control to local levels to plan for themselves”, as the Prime Minister recommended:

\(^{16}\) Prime Minister Dr. Manmohan Singh: “Every State must prepare a detailed Activity Map that clearly spells out the activity in respect of each devolved function that must be carried out at each of the levels of our three-tier system of Panchayati Raj...Equally, Ministries at the Centre also need to prepare Activity Maps so that their schemes ensure the centrality of Panchayats in our system of governance.” Address to the Conference on ‘The State of the Panchayats’, 22 November 2006 http://pmindia.nic.in/speech-details.php?nodeid=473

\(^{17}\) The Prime Minister reiterated this point at the National Convention to Commemorate the 50th Anniversary of Panchayati Raj on Gandhi Jayanti, 2 October 2009: “Central Government has to play a major role in the effective functioning of Panchayati Raj Institutions”.

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• “Do we have in our plans an integrated approach, based on the resource endowment of the area, felt needs of the people, and relative absorptive capacity that need differential responses?”

• “This can only happen if planning from below becomes truly a reality and local communities are enabled and empowered to work out a profile of development activities based on their own assessment of locally available resource endowment, resource potential and the felt needs of the people”

• “(We) call upon State and Central Governments to play much more active role in facilitating local planning and building more effective systems for monitoring outcomes”.

• “(F)unds need not be tied to specific schemes but linked to a holistic vision of rural development encapsulated in a district plan. This would ensure that district level planning as envisaged in the Constitution Amendment on Panchayati Raj becomes a reality.”

To this end, the Prime Minister suggested the adoption of:

“a system of block grants to districts based on their incidence of poverty to plan and implement strategies that optimize their resource potential”

He added that he was aware that “State governments have been asking for a dispensation of untied funds” and how he thought issues relating to planning and implementation by PRIs “can all perhaps be addressed by such a policy shift”. All these points find reflection and elaboration in Chapter V.

1.18 Chapter VI deals with Training, Competencies Building, and Capacity Development. In preparing this Chapter, the Committee have borne in mind the Prime Minister's advice that while “capacity building of elected Panchayat leadership, especially women and scheduled castes and tribes” is “the major issue”:

• “The nature of capacity building must be sensitive to ensure that Panchayats are not seen as the lowest unit of government functioning but an autonomous domain of self-government”; and that
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1.19 Chapter VII relates to Women in Panchayats, the “remarkable success,” as PM said, “in bringing lakhs and lakhs of women into the mainstream of governance”\textsuperscript{19}. It examines in detail the empowerment of women in Panchayats, the special problems they face, the extent to which they have been able to overcome these obstacles and the measures that need to be taken to ensure their equal participation in PRIs and Gram Sabhas.

1.20 Chapter VIII explores how reservations have

“combined political empowerment with social empowerment. Earlier fears about elite groups capturing these institutions have been allayed.”\textsuperscript{20}

The Chapter raises detailed policy issues relating to Scheduled castes and Scheduled tribes\textsuperscript{“}, as well as OBCs, Minorities, and People with Disabilities, and the role that PRIs can perform in more effectively delivering development and welfare to these disadvantaged sections of society, as also fighting the menace of Naxalism.

1.21 The Committee have also explored how CSS might be recast to fulfill the “agenda for rural development” set out by the Prime Minister:

“The agenda for rural development includes...ensuring access to basic services like \textit{education, health, nutrition, safe drinking water supply and sanitation and social security}. Some of these basic services today involve Panchayats and some do not. We should review the areas where today \textit{Panchayats are by-passed} and make corrections.”

1.22 While Chapter III examines systemically how Panchayats are “by-passed” in most CSS and how “corrections” might be made to secure a “radical departure” in the “system” by which these “basic services” are delivered\textsuperscript{21}, sectoral chapters on CSS and

\begin{itemize}
  \item “Capacity building has to focus on strengthening the \textit{Gram Sabha to function as a watchdog} of representative democracy”\textsuperscript{18}
\end{itemize}

\textsuperscript{18} as also PM’s injunction of 22 November 2006, \textit{op.cit}: “Panchayat functionaries need continuous training and capacity building. The best teacher is hands-on practical experience of running Panchayats. However, such practical experience needs to be backed by formal systems of interactive teaching and guidance”.

\textsuperscript{19} ibid.

\textsuperscript{20} ibid.

\textsuperscript{21} The Prime Minister reiterated at the Conference of State Ministers of Rural Development and Panchayati Raj on 9 September 2009 that: “It has been observed that wherever local bodies are active, functioning well and are manned by committed people, the delivery is much better”.
related schemes in “Education” (Chapter XII); “Health and Nutrition” (Chapter XIII); “Safe Drinking Water Supply and Sanitation” (Chapter XI); and “Social Security for Disadvantaged Sections” (Chapter VIII) seek sector-wise answers to leveraging PRIs for the more efficient delivery of public goods and services in these and other areas. CSS relating to PRIs and the “productive sectors of the rural economy”, as set out in the Eleventh Schedule, are examined in Chapter XI. Here again, the Prime Minister’s remarks assume exceptional significance. He declared that:

- “(O)ur strategy for rural development must be fashioned to unleash the productive potential of our agriculture and allied activities (for) a vibrant and productive agrarian economy is the foundation of high and sustained economic growth…”

- “Technological possibilities to break new grounds in increasing productive capacity of small farms and small businesses need to be fully harnessed”

- “Decentralized power in terms of local electricity generation and use can make the Gandhian vision of decentralized production not only an ethical idea, but also a viable economic option”

- “We need to learn from the Chinese model of rural business hubs that add value to agricultural produce within rural areas”.

1.23 Following the Prime Minister’s Address, it was decided at the same Conference that State Ministers of Panchayat Raj and the Union Minister would hold seven Round Tables in different parts of the country to explore the eighteen dimensions of Panchayat Raj identified in the discussion paper circulated at the Conference to evolve a nationwide consensus on how to take forward the Panchayat Raj agenda. The seven Round Tables were convened over a period of 150 days between 24 July and 19 December 2004 and led to the unanimous adoption of some 150 conclusions or “resolutions” on the steps required to ensure effective devolution to Panchayat Raj institutions in accordance with the letter and spirit of the Constitutional provisions22.

22 See A Compendium of Resolutions of the Seven Round Tables of Ministers-In Charge of Panchayati Raj (July-December 2004) published by the Ministry of Panchayati Raj. In view of the enduring importance of the Jaipur Declaration of 19 December 2004, that consolidated the conclusions of the seven Round Tables, to the leveraging of PRIs for the more efficient delivery of public goods and services, which is the mandate of this Committee, the Compendium is reproduced Annex 1.3 to this Report.
1.24 After the adoption of the Jaipur Declaration, which climaxed the Round Tables process, the Union Minister visited about 150 Panchayats at the three levels in virtually every State/UT and concluded 21 Memoranda of Understanding or Joint Declarations with Chief Ministers (or, in the case of UTs, with the Minister of State in the Union Home Ministry) setting out the State/UT-specific agendas to be pursued to bring Panchayat Raj to fruition.

1.25 Meanwhile, in October-November 2004, the Prime Minister’s Office and the Cabinet Secretariat undertook an exercise to review the implementation of the National Common Minimum Programme, including the NCMP section on Panchayati Raj, which stated as follows:

“The UPA government will ensure that all funds given to states for implementation of poverty alleviation and rural development schemes by Panchayats are neither delayed nor diverted... In addition, after consultations with states, the UPA will consider crediting elected Panchayats with such funds directly. Devolution of funds will be accompanied by similar devolution of functions and functionaries as well...The UPA government will ensure that the Gram Sabha is empowered to emerge as the foundation of Panchayati Raj.”

1.26 The principal outcome of this exercise was to focus on modifying CSS guidelines to bring them in conformity with Article 243G read with the Eleventh Schedule. That brings us to the threshold of Chapter I that deals with Devolution to PRIs through the Union Government’s CSS.

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23 By way of illustrative example, some of these MoUs/Joint Declarations, may be seen at Annex 1.4. It may be further noted that an illustrative Activity Map for Assam prepared by the Ministry in consultation with the State government that was released in Guwahati in the gracious presence of the Chief Minister.

24 Testimony of Shri B.K. Chaturvedi, former Cabinet Secretary and now Member, Planning Commission before the Committee on 6 February, 2013.

25 The term CSS, as used in this Report, also covers schemes under Additional Central Assistance such as the key Backward Regions Grant Fund and Special Assistance to the Tribal Sub- Plan and the SC Component Plan. There do not appear to be any Central Sector schemes applicable to the Panchayat Raj system, although such schemes are referred to in the Expert Committee’s Terms of Reference.
CHAPTER II

THE STATE OF THE PANCHAYATS
TWENTY YEARS ON

2.1 After hearing the oral evidence and perusing the available literature, the Committee find, after two decades of Panchayat Raj sanctioned by the Constitution, that the implementation of the mandatory provisions of Part IX relating to the constitution of PRIs, holding regular elections under the aegis of State Election Commissioners, receiving five-year recommendations of State Finance Commissions etc. have been successfully accomplished, and the District Planning Committees provided for in Part IXA have also been largely established.

2.2 However, as may be seen from the bar charts, reproduced on the next two pages as Exhibits 1-4 from the IIPA’s Devolution Index 2012-13, the implementation of the operative core of Part IX relating to devolution of the 3Fs – Functions, Finances, Functionaries - has been far from in accord with the letter and spirit of the Constitution amendments notwithstanding numerous directives from the Prime Minister downwards and the interventions of the Planning Commission. This operative core is Article 243G calling for PRIs to be endowed with the required powers and authority to function as “institutions of self-government” for planning and implementation of schemes of economic development and social justice, including the 29 subjects listed in the Eleventh Schedule, whether in respect of devolution to PRIs through Central government schemes or through devolution to the PRIs through State governments.

2.3 With regard to planning for economic development and social justice (Article 243G read with Article 243ZD), the Committee note that the introductory paragraph to the circular forwarding the Planning Commission’s “Guidelines for Preparation of District Plans” (25 August 2006) regretted that:

26 Except that at the time of writing this Report, elections due to PRIs have been held in abeyance in Andhra Pradesh and Puducherry.

27 Made available to the Committee in advance of its official release courtesy the Minister of Panchayati Raj and IIPA, New Delhi.
Data from 2012-13 Devolution Index Study conducted by IIPA, New Delhi for the Ministry of Panchayati Raj
Exhibit 3
Devolution of Finances 2012-2013

Data from 2012-13 Devolution Index Study conducted by IIPA, New Delhi for the Ministry of Panchayati Raj

Exhibit 4
Devolution of Functionaries 2012-2013

Data from 2012-13 Devolution Index Study conducted by IIPA, New Delhi for the Ministry of Panchayati Raj
“Though more than fourteen years have gone by since the Constitutional mandate was brought into effect, there has been little progress except in a very few states.”

Alas, nine more years later there has still been little progress except in a very few States. The ‘district plan process’ which the Guidelines decreed “should be an integral part of the process of preparation of the State’s Eleventh Five-Year Plan” and subsequent annual plans has barely commenced notwithstanding the Prime Minister’s observation at the Conference of 22 November 2006 that:

“(T)he Approach Paper to the Eleventh Plan stresses the importance of grassroots planning. The Planning Commission have issued guidelines to all States to base their annual and five-year perspective plans on district plans prepared in conformity with the Constitutional provisions”.

2.4 Nor has the *Manual for Integrated District Planning*\(^{28}\), prepared by a team headed by Smt. Rajwant Sandhu, Additional Secretary, Ministry of Panchayati Raj, and submitted to the Planning Commission in November 2008, had much impact on the planning process, although the premise of the Report was that:

“The overriding theme of the Eleventh Plan is inclusive growth. One of the crucial instruments for achieving this is district planning. In order to achieve optimum outcomes in terms of convergence of resources and enforcement of inter-sectoral priorities, District Planning seeks to improve the planning process. This has traditionally been functioning in a top-down manner, thereby losing significant amounts of local and sometimes expert information.”\(^{29}\)

The Foreword to *The Manual for Integrated District Planning* said that as States lacked “the wherewithal for such a planning exercise”, the very term “district planning” appeared to have “different connotations for different people”.

2.5 However, feedback received by the Committee from its interactions with almost all State Panchayat Raj secretaries, senior Central government officials, and present and serving Members of the Planning Commission would indicate that while there has

\(^{28}\) May be seen on the Planning Commission website [http://planningcommission.nic.in/](http://planningcommission.nic.in/)

\(^{29}\) See Foreword by Shri B.N. Yugandhar, Member, Planning Commission, first paragraph.
been an encouraging beginning made in District Planning for the release of moneys under the Backward Regions Grant Fund (BRGF), the completion of the Eleventh Plan and the launch of the Twelfth have not seen the blossoming of District Planning as envisaged in Article 243G read with Article 243ZD of the Constitution, without which PRIs will remain an empty shell.

2.6. The Twelfth Plan has now been constructed with little of this crucial input. Such ‘district planning’ as takes place has continued through the Eleventh and Twelfth Plans to be no more than “sporadic efforts” and “isolated cases…resulting in limited outcomes and wastage of resources,” 30 as the 2006 Guidelines noted of the first ten Five-Year Plans. We will return to the Guidelines in the next Chapter and in even greater detail in Chapter IV. Suffice it to note here that, the Planning Commission’s carefully crafted and very detailed Guidelines of August 2006, as also the Planning Commission’s Manual of 2008 also appear to have been largely observed in the breach.

2.7 The Expert Committee have sought to examine of why these unambiguous orders at the highest level have failed to find resonance in governance and to suggest ways in which this highly desirable outcome might be brought to fruition within the framework of the Prime Minister’s 29 June 2004 Inaugural Address to the Conference of Chief Ministers on “Poverty Alleviation and Rural Development through Panchayati Raj”.

2.8. To this end, the Committee have attempted to examine the extent to which the goal of “inclusive growth” has been attained with a view to subsequently assessing whether resort to PRIs rather than bureaucratic silos for delivery and parallel bodies for ‘last mile’ delivery might not be the better strategy to attain the goal of “inclusive growth”.

2.9. The Committee have, therefore, sought to ascertain expert opinion on changes in income and wealth inequality as a result of accelerated growth with a view to estimating the importance and significance of compensation through improved access for the poor to public goods and services that might mitigate the social and economic consequences of widening income inequality.

2.10 The Indira Gandhi Institute of Development Research, Mumbai, set up by the Reserve Bank of India, have prepared a chart showing the “Incidence, Depth, and

Guidelines for District Plans in the Eleventh Five Year Plan available at planningcommission.nic.in/plans/stateplan/sp_guideDP.pdf
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<td>0.288 29.5 5.7</td>
<td>0.249 25.6 6.5</td>
<td>0.369 18.3 4.0</td>
<td>0.389</td>
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<tr>
<td>Manipur</td>
<td>39.3 5.7 1.3</td>
<td>0.152 47.4 7.0</td>
<td>0.163 34.5 5.1</td>
<td>0.165 46.4 9.0</td>
<td>0.197</td>
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<tr>
<td>Meghalaya</td>
<td>14.0 1.4 0.2</td>
<td>0.150 15.3 1.6</td>
<td>0.174 24.7 2.8</td>
<td>0.261 23.9 5.0</td>
<td>0.248</td>
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<td></td>
</tr>
<tr>
<td>Mizoram</td>
<td>23.0 3.5 0.9</td>
<td>0.186 31.1 4.8</td>
<td>0.198 7.9 1.0</td>
<td>0.229 11.5 1.8</td>
<td>0.231</td>
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<tr>
<td>Nagaland</td>
<td>10.0 1.0 0.2</td>
<td>0.206 19.3 2.5</td>
<td>0.186 4.3 0.5</td>
<td>0.234 24.9 3.1</td>
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<tr>
<td>Odisha</td>
<td>60.8 17.4 6.6</td>
<td>0.266 39.2 9.0</td>
<td>0.253 37.6 9.6</td>
<td>0.340 25.9 5.3</td>
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<td>Puducherry</td>
<td>22.9 4.0 0.8</td>
<td>0.327 0.0 0.0</td>
<td>0.258 9.9 1.3</td>
<td>0.320 1.6 0.1</td>
<td>0.393</td>
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<td></td>
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<tr>
<td>Punjab</td>
<td>22.1 3.8 1.0</td>
<td>0.286 14.6 1.9</td>
<td>0.294 18.7 3.2</td>
<td>0.338 18.0 3.8</td>
<td>0.365</td>
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<tr>
<td>Rajasthan</td>
<td>35.8 7.0 2.0</td>
<td>0.221 26.4 4.3</td>
<td>0.218 29.7 5.8</td>
<td>0.322 19.9 3.8</td>
<td>0.324</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Sikkim</td>
<td>31.8 5.6 1.4</td>
<td>0.254 15.2 2.2</td>
<td>0.265 26.0 3.4</td>
<td>0.246 4.2 0.7</td>
<td>0.188</td>
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<td></td>
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</tr>
<tr>
<td>Tamil Nadu</td>
<td>37.5 7.4 2.1</td>
<td>0.276 21.2 3.7</td>
<td>0.262 19.7 4.1</td>
<td>0.364 12.8 2.1</td>
<td>0.335</td>
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<tr>
<td>Tripura</td>
<td>44.5 9.6 2.9</td>
<td>0.212 19.6 2.4</td>
<td>0.202 22.5 3.8</td>
<td>0.314 9.5 1.6</td>
<td>0.291</td>
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</table>
### Table 15.4 Incidence, Depth, and Severity of Poverty and Inequality across Sub-groups in India (2004–5 and 2009–10)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Caste</strong></td>
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<tr>
<td>Scheduled Tribe</td>
<td>62.3</td>
<td>17.0</td>
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<tr>
<td>Scheduled Caste</td>
<td>53.5</td>
<td>12.3</td>
<td>4.0</td>
<td>0.241</td>
</tr>
<tr>
<td>Backward Classes</td>
<td>39.8</td>
<td>8.2</td>
<td>2.5</td>
<td>0.265</td>
</tr>
<tr>
<td>Others</td>
<td>27.1</td>
<td>5.3</td>
<td>1.5</td>
<td>0.299</td>
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<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>HHT1</td>
<td>36.3</td>
<td>7.2</td>
<td>2.1</td>
<td>0.281</td>
</tr>
<tr>
<td>HHT2</td>
<td>61.3</td>
<td>15.5</td>
<td>5.2</td>
<td>0.210</td>
</tr>
<tr>
<td>HHT3</td>
<td>48.6</td>
<td>11.1</td>
<td>3.6</td>
<td>0.256</td>
</tr>
<tr>
<td>HHT4</td>
<td>33.2</td>
<td>6.7</td>
<td>2.0</td>
<td>0.261</td>
</tr>
<tr>
<td>HHT9</td>
<td>21.8</td>
<td>4.8</td>
<td>1.7</td>
<td>0.347</td>
</tr>
<tr>
<td><strong>Religion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hinduism</td>
<td>42.1</td>
<td>9.3</td>
<td>3.0</td>
<td>0.275</td>
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<tr>
<td>Islam</td>
<td>44.5</td>
<td>9.7</td>
<td>2.9</td>
<td>0.260</td>
</tr>
<tr>
<td>Christianity</td>
<td>28.7</td>
<td>6.4</td>
<td>2.2</td>
<td>0.363</td>
</tr>
<tr>
<td>Sikhism</td>
<td>21.7</td>
<td>4.0</td>
<td>1.1</td>
<td>0.289</td>
</tr>
<tr>
<td>Buddhists</td>
<td>63.9</td>
<td>16.8</td>
<td>6.2</td>
<td>0.302</td>
</tr>
<tr>
<td>Others</td>
<td>40.5</td>
<td>9.4</td>
<td>3.2</td>
<td>0.345</td>
</tr>
</tbody>
</table>

**Source:** Authors’ calculations using unit-level data.
Table 15.4 (Contd.)

<table>
<thead>
<tr>
<th>Sub-groups</th>
<th>Rural</th>
<th>Urban</th>
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<tbody>
<tr>
<td></td>
<td>2004–5</td>
<td>2009–10</td>
</tr>
<tr>
<td></td>
<td>α=0</td>
<td>α=1</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–14</td>
<td>50.9</td>
<td>11.9</td>
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<tr>
<td>15–29</td>
<td>36.8</td>
<td>7.8</td>
</tr>
<tr>
<td>30–44</td>
<td>40.2</td>
<td>8.8</td>
</tr>
<tr>
<td>45–59</td>
<td>32.9</td>
<td>6.7</td>
</tr>
<tr>
<td>&gt;=60</td>
<td>33.6</td>
<td>7.0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illiterate</td>
<td>51.4</td>
<td>12.0</td>
</tr>
<tr>
<td>Up to Primary</td>
<td>35.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Up to Secondary</td>
<td>14.9</td>
<td>2.5</td>
</tr>
<tr>
<td>H. Secondary</td>
<td>9.9</td>
<td>1.5</td>
</tr>
<tr>
<td>&gt; H. Secondary</td>
<td>6.8</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Source:** Same as that for Table 15.1.

**Note:** HHT1 through HHT9 denote self-employed in non-agriculture, agriculture labour, other labour, self-employed in agriculture and others respectively in rural India and self-employed, regular wage, and salaried employees, casual labour and others respectively in urban India.
Severity of Poverty and Inequality across States in India, 2004-05 to 2009-10”31. The chart is reproduced as Box 2A alongside. Also reproduced at Box 2B is the “decomposition” showing the results obtained by Caste, Occupation, Religion, Land size, Sex, Age and Education.32 These two charts are complemented by a third, at Box 2C, which sets out the Gini co-efficient of income inequality.33

2.11 The principal conclusions derived by IGIRD are:

- “Overall, the growth process has been associated with increasing levels of inequality, both at rural and urban levels; states that have seen higher growth rates have also seen bigger increases (or smaller reductions) in

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32 ibid., Table 15.4, pp.219-220.
inequality. However, there is again some diversity in this link between growth and inequality” 34

- “Our main finding on inter-personal inequality is that it has increased at the rural, urban, and all-India levels”35

- “On group-based inequality, we focused on caste, class, sector and state and found that inequality increased on all these fronts, except for caste”36

- With respect to the findings on inter-personal and group inequality, IGIDR adds: “Given the limitations of NSS Surveys, we would expect both the levels and increases in inequality to be underestimates”37

2.12 More generally, the broad conclusions drawn are that notwithstanding Government’s commitment to inclusive growth:

“exclusion has continued in terms of low agricultural growth, low quality employment growth, low human development, rural-urban divides, gender and social inequalities, and regional disparities. Social exclusion is taking place in terms of religion, social and marginal groups, women, minorities, and children”.38

2.13 Dr. Rajesh Shukla, formerly of the National Council of Applied Economic Research and now of the Institute for Human Development, has furnished the Committee with a comparative statement of Income Distribution by Decile Groups for the years 1975-76 (well before economic reforms commenced), 1994-95 (at the commencement of economic reforms) and 2004-05 (a decade after economic reforms):

<table>
<thead>
<tr>
<th>Table 2.1: Income Distribution by Decile Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decile Group</td>
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<tr>
<td>Rural</td>
</tr>
</tbody>
</table>

34 India Development Report 2012-13 p 225.
35 ibid p 231.
36 ibid.
37 ibid.
38 ibid.
Table 2.1 Continued...

<table>
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<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom 10</td>
<td>2.50</td>
<td>2.26</td>
<td>2.27</td>
<td>2.76</td>
<td>2.39</td>
<td>2.33</td>
<td>2.42</td>
<td>2.03</td>
<td>2.25</td>
</tr>
<tr>
<td>11 - 20</td>
<td>3.81</td>
<td>3.56</td>
<td>3.52</td>
<td>4.26</td>
<td>3.65</td>
<td>3.6</td>
<td>3.62</td>
<td>3.13</td>
<td>3.41</td>
</tr>
<tr>
<td>21 - 30</td>
<td>4.81</td>
<td>4.47</td>
<td>4.45</td>
<td>5.19</td>
<td>4.66</td>
<td>4.45</td>
<td>4.49</td>
<td>4.06</td>
<td>4.30</td>
</tr>
<tr>
<td>31 - 40</td>
<td>5.82</td>
<td>5.36</td>
<td>5.47</td>
<td>5.95</td>
<td>5.93</td>
<td>5.25</td>
<td>5.27</td>
<td>5.17</td>
<td>5.23</td>
</tr>
<tr>
<td>41 - 50</td>
<td>6.9</td>
<td>6.43</td>
<td>6.49</td>
<td>6.95</td>
<td>7.07</td>
<td>6.31</td>
<td>6.21</td>
<td>6.24</td>
<td>6.22</td>
</tr>
<tr>
<td>51 - 60</td>
<td>8.11</td>
<td>7.57</td>
<td>7.71</td>
<td>8.14</td>
<td>8.4</td>
<td>7.61</td>
<td>7.39</td>
<td>7.50</td>
<td>7.44</td>
</tr>
<tr>
<td>71 - 80</td>
<td>11.78</td>
<td>11.53</td>
<td>11.49</td>
<td>11.8</td>
<td>12.35</td>
<td>11.94</td>
<td>11.23</td>
<td>11.56</td>
<td>11.37</td>
</tr>
<tr>
<td>81 - 90</td>
<td>15.12</td>
<td>15.85</td>
<td>15.44</td>
<td>15.31</td>
<td>16.11</td>
<td>16.31</td>
<td>16.78</td>
<td>16.88</td>
<td>16.82</td>
</tr>
<tr>
<td>91 - 100</td>
<td>31.53</td>
<td>33.6</td>
<td>33.88</td>
<td>29.97</td>
<td>29.37</td>
<td>32.87</td>
<td>33.62</td>
<td>34.22</td>
<td>33.88</td>
</tr>
<tr>
<td>Lorenz Ratio</td>
<td>0.388</td>
<td>0.416</td>
<td>0.416</td>
<td>0.376</td>
<td>0.39</td>
<td>0.425</td>
<td>0.429</td>
<td>0.448</td>
<td>0.466</td>
</tr>
</tbody>
</table>

Source:

2.14 The data in Table 2.1 shows that in the 20-year period, 1975-76 to 1994-95, the share of the bottom two deciles in the rural sector marginally improved from 6.31 to 7.02 per cent, and in the urban sector from 5.82 to 6.04 per cent of national income while the shares of the top two deciles in the rural areas declined from 46.65 to 45.28 per cent and in the urban sector from 49.45 to 45.48 per cent during the
same period. In sharp contrast, when we compare the ratios for 1994-95 and 2004-05, the share of the bottom deciles sharply decline and those of the top deciles sharply increases both in rural and urban areas. The share of the bottom two deciles in 2004-05 were 6.04 and 5.13 per cent in the rural and urban sector respectively, while the share of the top deciles rose to 50.40 and 51.10 per cent for the rural and urban sector respectively, that is, an increase of 5 to 6 percentage points. Also, the Lorenz Ratio for rural India, that had remained fairly stable in the first two decades (0.416 to 0.425), sharply rose in just ten years of the last decade from 0.425 to 0.466, indicating a significant worsening of income inequality. Thus, the top 10 per cent share nearly 34 percent of national income while the bottom ten per cent are left with just 2.25 per cent.

2.15 NCAER have further estimated\(^{39}\) that if our economy grows at an average of 8.75 per cent per annum over the years 2010-2015, as projected by the Planning Commission, then, by the terminal year of the Millennium Development Goals 2015, the top 20 per cent will increase their share of the country’s national income from 51 per cent to 55 per cent while the share of the bottom 20 per cent will shrink from 6.1 per cent to 5.5 per cent. In absolute terms, the bottom 20 per cent of India’s population would have added about ₹ 2000 per year to their annual income while the top 20 per cent in urban India would have added as much as ₹ 75,000, or 37 times more than the poorest 20 per cent to their annual income.

2.16 In the view of the Committee, the above conclusions probably underestimate the extent of inequality. For further disaggregation of the top decile (as in Table 2.2 below prepared by NCAER) reveals the extreme degree of inequality between the sliver of the really rich and the large number of the really poor. The average income of the top two deciles is ₹ 1,54,000, that is, principally that of the lower middle class\(^ {40}\). The upper segment of the high income class would probably have seen their annual incomes booming by several times more and the thin slice of the very, very wealthy garnering perhaps many thousand times more than the poorest Indians \(^ {41}\). Dr.Shukla and his colleagues at NCAER have estimated, as Table 2.2 shows, that within the category of the million richest Indians, comprising about 0.01 per cent of India’s population, the gap between the top 200,000 and the bottom 500,000 ranges from an annual per capita income of $4,36,564 to $61,000:

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\(^{39}\) *How India Earns, Spends and Saves*, Rajesh Shukla, Sage, New Delhi, 2010.

\(^{40}\) Income tax starts applying only above an annual income of ₹ 1,60,000 per annum: Budget, 2011-12.

\(^{41}\) This is also indicated in Forbes listing. ([http://www.forbes.com/billionaires](http://www.forbes.com/billionaires), cited in P.Sainath, The Hindu, 16 March 2013.)
Table 2.2: Disaggregation of the top 1 per cent income earners

<table>
<thead>
<tr>
<th>Population</th>
<th>GDP (PPP) Annual per capita income (in$)-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st 0.02 million population</td>
<td>4,36,564</td>
</tr>
<tr>
<td>0.02-0.04 million population</td>
<td>1,42,664</td>
</tr>
<tr>
<td>0.04-0.06 million population</td>
<td>1,05,019</td>
</tr>
<tr>
<td>0.06-0.08 million population</td>
<td>96,278</td>
</tr>
<tr>
<td>0.08mn-0.1 million population</td>
<td>82,839</td>
</tr>
<tr>
<td>0.1-0.5 million population</td>
<td>57,901</td>
</tr>
<tr>
<td>0.5-1 million population</td>
<td>44,456</td>
</tr>
<tr>
<td>Average for the 1st million population</td>
<td>61,000</td>
</tr>
</tbody>
</table>

Source: Dr. Rajesh Shukla.

2.17 The above conclusion of sharply worsening income inequality is based on the NCAER finding that the lowest income earners, that is, those comprising at least 60 per cent India’s population, secure only 19.6 per cent of India’s national income while the richest 5 per cent secure nearly a quarter of the country’s national income, 23.8 per cent. The share going to the highest income and wealth percentile is probably much higher since NCAER’s reported income survey figures are able to capture only 54 per cent of national income, the remaining 46 per cent not being admitted to, a figure which closely resembles the estimate by Global Financial Integrity that over the period of economic reforms, the unaccounted share of the Indian economy has risen to 43 per cent from 27 per cent.42

2.18 The other deeply disturbing NCAER finding is that the poorer an Indian is, the more entrapped in personal debt he is likely to be. Thus, the poorest 5 per cent, earning less than ₹ 8 a day, consume ₹ 3590 a year against an income of ₹ 2145 a year: their ratio of expenditure to income is 167 per cent of income. As one goes up the scale, income approximates to expenditure only at 15 per cent. It remains as high

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as 79 per cent for the best off 5 per cent segment of 50 per cent of our population and does not significantly taper off till we have reached three-quarters of our population. It is only the richest five per cent of our population whose percentile savings at 37 per cent approximates the national savings rate. It is this high level of personal indebtedness of the poor, combined with easy access to corporate debt for the rich, that necessitates our regarding not only the utterly destitute as poor but also the vulnerable as poor.

2.19 The Banerjee-Piketty study of 2001, based on income tax returns, estimated that over the 1990s “real incomes of the top one per cent of income earners increased by roughly 50 per cent” and that “among this one per cent, the richest one per cent increased their real incomes by more than three times”. Basing themselves on this study, Dr. Rajesh Shukla and Dr. Ishan Bakshi of NCAER have concluded through comparing these figures with both the Theil Index and the Gini coefficient that:

“The all-India figures clearly show that income inequality has increased at both the rural as well as the urban levels”

and go on to say:

“The problem is not that the rich have got richer but that those at the bottom have not been provided the wherewithal to improve their earning capability…over time, the benefits of near double digit growth should have percolated to the economically disadvantaged sections of society, which has not happened.”

2.20 That there has been some improvement is undeniable. The poor have not got poorer. But the super-rich have got infinitely richer. The Economic Survey 2012-13 points out that the income Gini coefficient at 36.8 in 2010-11 is “lower than many developing countries” including China and that quintile income ratios also show that “inequality between the top and bottom quintiles in India (is) lower than a number of countries”. Nevertheless, in the Committee’s view, what Nobel laureate Prof. Amartya Sen has described as the “extremely asymmetric development of the global economy” is also reflected in the extremely asymmetric development of the Indian economy. The fact that ours is a democracy makes our widening Gini coefficient a matter of public

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Towards Holistic Panchayat Raj

concern, as much to the stability and sustainability of our political system as to our social conscience.

2.21 Fortunately, the Twelfth Plan demonstrates a lively awareness of these concerns. Noting that while GDP growth in the Tenth and Eleventh Plan periods has averaged 7.6 per cent and 7.9 per cent per annum respectively, it has also been noted that poverty alleviation over the same period has averaged an annual rate of 1.5 per cent. The Twelfth Plan acknowledges that “the rate of decline was too slow” and that “the problem of extreme concentration of income at the very top, that is, the top 1 per cent” is a “concern...reflected in the public debate in India”. Recognizing that “an increase in inequality with little or no improvement in the living standards of the poor is a recipe for social tensions”, the Twelfth Plan also sees that “any given level of inequality is much more socially acceptable if it results from a system which provides greater equality of opportunity”. To this end it recommends “greater equality of opportunity”, particularly by “assuring every child access to good health and quality education”. In this regard, the Committee are particularly pleased to note that in its section on “Inclusiveness as Empowerment”, the Twelfth Plan recognizes that “inclusiveness...is also about empowerment and participation”; that we have to, therefore, be “building a

44 Contrasting views on the relationship between growth and equity are evident in the literature. Thus, basing himself on “the insights of Simon Kuznets”, the “wider notion of equity proposed by Scitovsky”, and Hirschman’s “interesting interdisciplinary perspective on social tolerance of inequalities”, Prof. Suresh Tendulkar in his article, *Inequality and Equity during Rapid Growth Process in India’s Economy: Performance and Challenges* (ed. Shankar Acharya and Rakesh Mohan), OUP 2010, pp.82-99 holds that “rising economic inequalities... are not necessarily inequitable” while Prof. S. Mahendra Dev, now Head of the Indira Gandhi Institute of Economic Research, Mumbai, in his *Inclusive Growth in India*, Oxford Collected Essays, 2008, argues that “There is complementarity between growth and equity...equity is important for its own sake and for raising economic growth”. Therefore, “growth and equity objectives should be pursued simultaneously rather than growth in the first phase and equity in the next round”, pp.14-15. *India Development Report 2012-13*, op.cit., p.10, “refers to the work of Simon Kuznets who says that with economic growth inequality increases initially and declines over time (the famous ‘inverted U-curve’ hypothesis). Many others say that inequalities matter and reduction in inequalities is important for higher growth, reduction in poverty, higher human development, and reduction in macro-vulnerabilities.” The Committee are inclined to take the same view, especially as Prof, Dev concludes, “PRIs have to be strengthened for achieving growth with equity”, p.289. See also his oral evidence at Appendix II,


46 ibid., para 1.25, p.5.

47 ibid.


49 ibid., para 1.31, p.7

50 ibid.

51 ibid.
participatory democracy” which “brings to the fore issues of governance, accountability and people’s participation to much greater extent than before”\(^{52}\).

2.22 However, the Twelfth Plan does not delve in any significant measure into the question of how these key requirements of inclusion are to be achieved. Nor has the Plan prioritized the role of the about 2.4 lakh “institutions of self-government” that the Constitution has created, nor the 32 lakh representatives elected for “participatory democracy” at the grassroots. In fact, in the “twenty-five core indicators” listed by the Plan to “reflect the vision of rapid, sustainable and more inclusive growth”\(^ {53}\), PRIs find no place at all, notwithstanding the very comprehensive Roadmap for Panchayati Raj (2011-17)\(^ {54}\), prepared by the Ministry of Panchayati Raj, coinciding virtually with the period of the Twelfth Plan.

2.23 This Report, therefore, seeks to give substance to the Planning Commission’s perceptions by revitalizing the “radical departure” urged by the Prime Minister in his address of 29 June 2004 by drawing on the nation’s twenty-year experience of operationalizing Part IX of the Constitution (read with Article 243ZD in Part XIA) to valorize the proposition that “inclusive growth” is not possible without “inclusive governance”, that is, effective Panchayat Raj.

2.24 The Committee have taken as their starting point the Prime Minister’s stress in his path-breaking Address of 29 June 2004 on yoking “economic reforms” with “institutional reforms” to compensate for growing inequality by enabling larger outlays on social sector and poverty alleviation programmes and ensuring the efficient delivery through PRIs of the goods and services financed by these larger outlays. While very much larger outlays have been achieved, outcomes have nowhere near matched outlays. In the Committee’s view, this is principally because “institutional reforms”, launched in the same year (1992) as economic reforms, have lagged far behind economic reforms. In consequence, income inequality has worsened while Human Development Indices have not improved commensurate with increased outlays.

2.25 Economic reforms have indeed led to a significant acceleration of GDP growth rates, and faster growth rates, combined with wide-ranging tax reforms, have translated into a very considerable augmentation of government revenues. This has facilitated the allocation of large and growing budget subventions through

\(^{52}\) ibid., para 1.32, p.7.

\(^{53}\) ibid., para 1.169, pp.35-36.

\(^{54}\) Roadmap for the Panchayati Raj (2011-17): An All-India Perspective, see www.panchayat.gov.in
subsides aimed at benefiting the less well-off sections of the population, as well as very considerably enhanced social sector and poverty alleviation spending, particularly through Centrally-Sponsored Schemes that cover the gamut of the sectors illustratively listed as the possible domain of the Panchayats in the Eleventh Schedule to the Constitution.

2.26 Such increased Central Government spending on these vital sectors of human welfare ought to have translated into comparable outcomes. Unfortunately, the evidence indicates that while human development indices have indeed improved, outcomes have been disproportionately disappointing compared to outlays. In a written submission to the Committee, the Director of the Indira Gandhi Institute of Development Research has said:

“India has success in growth but there is extreme failure in progress on social indicators or the MDGs, including environment. We are not only behind China but the progress is slower than Bangladesh... the cost of inequality HDI is 32%. The loss due to inequality is the highest in education dimension(43%) followed by health (34% ) and income (16%)”.

2.27 Thus, our ranking in the latest UNDP HDI (2011) at 134 (out of 167), is virtually the same as it was twenty years ago or even thirty years ago. Of course, our HDI values have risen to 0.547 in 2011 from 0.308 in 1991, marking a rise in annual average growth in HDI values from 1.38 percentage points over the two decades, 1991-2011, to 1.56 percentage points when measured for the last decade alone. But the contrast between the marginal increase in outcomes and the exponential augmentation of outlays is striking: while total social services expenditure of Central and State governments together has more than doubled between the initial and last year of the Eleventh Plan, reaching a high of 17.39% of GDP in the budget estimates for 2012-13, HDI values have increased by only 0.18% in the last year over the average HDI growth rate for the previous two decades. Given that India has been consistently among the poorer performing countries in the world on UN HDI, including comparable “emerging economies” such as China, Brazil, South Africa, and way below most

55 See Box 2D on page 30.
 HDR_2011_EN_Complete.pdf
countries of Latin America and Africa, including several African countries South of the Sahara 59, the Committee draw cold comfort from our HDI growth rate having been “among the highest” and are more concerned at “the loss in human development due to inequalities in different dimensions of human development across states in India”60. The Committee believe that a much higher score on HDI values would be possible if service delivery were to be significantly improved. For this to happen, PRIs have to be given a central role in CSS and State programmes. In the Committee’s view, the single most important instrument available to promote equity in our system without detracting from high growth would be to use CSS to empower PRIs and Gram Sabhas to promote inclusive growth.

2.28 Thus far, there has been little devolution to PRIs through CSS but some devolution has been prescribed in State legislation and executive orders of State governments. While adherence to these legislative provisions and even executive orders has been uneven and often wanting, it has provided a basis for the Ministry of Panchayati Raj to commission the preparation of Devolution Indices by Dr. Shashank Bhide and his colleagues at NCAER for the first three years (2006-09) and by Dr. V.N. Alok and his colleagues at IIPA for the last three successive years (2009-12). There is also an India Protection Index prepared by Dr. Rajesh Shukla61, then of NCAER and his colleagues62. With the help of Dr. Shukla and Dr. V.N. Alok, and Dr. Seeta Prabhu of UNDP, the Committee sought to establish the degree of correlation between UNDP’s HDI and IIPA’s Devolution Index, as well as the India Protection Index.

2.29 The degree of correlation between the Devolution Index 2009-10 and the Human Development Index 2007-08 (0.343), between the Devolution Index 2009-10 and the Inequality-adjusted Human Development Index (0.366) and between the Devolution Index 2009-10 and the India Protection Index 2004-05 (0.168) is positive though weak. Given the weak levels of devolution, there are not enough examples of strong and vibrant Panchayats that are able to decisively influence human development outcomes.

59 Even with respect to our South Asian neighbours, Prof Jean Dreze informed the Committee that Nepal’s social indicators were comparable to India’s even thought its per capita GDP was one-third of India’s. Sri Lanka has consistently scored much higher than India on UN HDI despite nearly two decades of civil war. We can draw what comfort we wish from Pakistan lagging behind us on every parameter.


61 Then of NCAER, now of the Institute for Human Development.

It is therefore, not surprising that the correlation between devolution and HDI is not stronger. But it demonstrates that even some devolution positively impacts human development and, therefore, greater devolution is likely to go hand in hand with improved human development.

2.30. Considering the evidence from statistical correlation and the considerable body of available literature, the Committee conclude that devolution is an essential condition for human development, but must be supported by factors such as a more accountable service delivery structure, clear delineation of roles and responsibilities of key departments and functionaries, stringent monitoring mechanisms, increasing public awareness and capacity building of public functionaries at all levels. The findings suggest that all other things being equal, the greater the measure of devolution, the more significant the outcomes. Therefore, further strengthening of institutions of local governance is imperative in order to effectively channelize the devolution process towards better service delivery and improved human development attainments. This accords well with the intuitive analysis in the Prime Minister’s Address of 29 June 2004.

2.31 However, conceptual confusion continues to dog the trail of Panchayat Raj. The Committee find that the Economic Survey 2012-13, in its very last paragraph, takes up Panchayat Raj “as another area needing attention”. It says:

“While Plan programmes are designed with a bottom-up approach and are panchayat- and PRI-centric, they are actually implemented in a top-down manner and do not effectively articulate the needs and aspirations of the local people, especially the most vulnerable”

The Committee are unable to accept that Plan programmes are actually “designed” in a PRI-centric manner, but greatly welcome the realization that PRI-centric schemes are essential to effectively articulate the felt needs and priorities of “the local people, especially the most vulnerable”.

2.32 The Economic Survey goes on to say:

“Institutionally, the PRIs remain weak and do not have the capacity to plan or implement programmes effectively...This calls for greater focus on empowering PRIs through training and awareness generation coupled with social audit of all social sector programmes”.

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Regrettably, this assessment betrays a woefully poor understanding of Panchayat Raj. The priority has to be genuine devolution of Functions, Finances and Functionaries, with CSS leading the way, and a whole host of other measures spelled out in this Report, without which “training and awareness generation coupled with social audit” amount only to ‘training’ for tasks not devolved, ‘awareness generation’ for programmes over which neither PRI elected representatives nor Gram Sabhas have any real control, and ‘social audit’ that blames un-empowered PRI representatives while leaving line department functionaries and parallel bodies, who actually plan and implement the programmes, off the hook. The fact that Panchayat Raj is treated in such an off-hand manner in the Economic Survey, as a throw-away line at the fag end of the Survey, instead of permeating the Economic Survey’s review of all social sector and anti-poverty programmes mentioned in the Eleventh Schedule, points to the need to have an entire chapter devoted to Panchayat Raj in all future annual Economic Surveys. The Committee strongly urge that this practice be adopted as a follow-up to this Report. (para 2.32)

Accordingly, the next Chapter seeks to provide a detailed roadmap towards effective devolution of CSS to PRIs through Activity Mapping with a view to leveraging PRIs for the more effective delivery of public goods and services. But, before proceeding to Chapter III, there are certain other important issues that have to be taken into account.

**Related Issues**

**Insufficient Political Will: Causes and Consequences**

2.34 It cannot be gainsaid that progress on the ground in the last decade or so hardly matches the high expectations generated at the commencement of the first UPA government. There appear to be formidable systemic hurdles to the accomplishment of the aims of Part IX of the Constitution, rendering forward movement something of an obstacle race. If these hurdles can be removed, bypassed or jumped over, perhaps the momentum that was evident earlier might be restored. That, at any rate, is the hope and expectation of this Expert Committee.

2.35 The obvious explanation for the slow and halting pace and pattern of Panchayat Raj is a lack of political will to proceed with the Constitutional schema. Yet,
the very fact of compliance with the mandatory provisions of Part IX would appear to indicate that “the flesh is willing but the spirit is weak.” For in consequence of compliance with the mandatory provisions, there has been an impressive, indeed, overwhelming surge in institutions of democratically elected local self-government institutions all over rural (and urban) India. The number of these grassroots self-government institutions is around 2.5 lakhs, about 2,38,000 of which are PRIs; the number of elected members about 32 lakh (3.2 million); the number of women representatives upward of 12 lakh (1.2 million); and the number of women office-holders ranging above 86,000. There are more women representatives in India alone than in the rest of the world put together. Besides, Scheduled Caste and Scheduled Tribe representation in proportion to their share of the population at every level of the Panchayat Raj system (village/intermediate/district and in urban municipalities) is generally marginally in excess of the minimum Constitutional requirement, with SC/ST women’s representation often being well above the stipulated minimum. Also, in many States, reservations have been introduced for the Other Backward Classes (OBCs) for whom there is a facilitation clause in Part IX. The details of representation for women and the weaker sections are provided in Annexe 2.1.

2.36 This is an achievement in political empowerment that, in scale and numbers, is without precedent in history or parallel in the world. Yet, this historic achievement has made little impression on political circles, media perceptions, society as a whole, or even on the rural economy. The Committee set out in the net section their understanding of the reasons for this paradox.

Inadequate empowerment, little devolution, absence of collegiate Panchayat functioning, weak Gram Sabhas

2.37 The alleviation of poverty and growing inequalities remain largely unaffected by the mere existence of these hundreds of thousands of elected local government. This is principally because the establishment of these institutions of local self-government has not been followed by a structured, scientific, consistent, and

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64 See Table 2.5.

65 “There is a silent revolution that is taking place in our countryside – silent only because the media and urban political opinion are not giving adequate attention to it. It is the harbinger of new hope for the eradication of rural poverty and the promotion of rural prosperity”, Prime Minister Dr. Manmohan Singh, 22 November 2006, op.cit.
sustained process of devolution. All devolution of powers and authority has been *ad hoc*, fitful and sometimes reversed. This in itself leaches the political will displayed in the first instance by Central and State legislatures and executives in supporting the Constitutional amendments; then, passing the required State legislation; going on to holding regular elections, and establishing new mandated institutions such as the State Election Commissions and the State Finance Commissions. The shell of Panchayat Raj is in place. Filling that shell has not followed any consistent pattern, either within States or between States.

2.38 In the absence of effective empowerment, the political system sees little electoral advantage to pursuing Panchayat Raj beyond the imperatives of Constitutional compliance. Indeed, the paucity of outcomes has also resulted in very little demand for Panchayat Raj at the grassroots. Many Panchayat Raj representatives are disillusioned with their not having any clearly defined role to play. Although Panchayat Raj is designed in most State legislation to be a collegiate process, involving all members of the Panchayat at each level, by making each of them a member of the stipulated Standing Committees, and for decisions of the Panchayat to be taken in plenary sessions of the entire membership, in the absence of effective devolution there is inadequate scope for all members of the Panchayat at any level to be fully involved in the work of the Panchayat.

2.39 The Committee believe that it is not an absence of political will that is making Panchayat Raj stumble so much as the unevenness of Panchayat Raj outcomes that is stalling the evolution of the required political will.

2.40 Also, deficiencies in capacity-building contribute to their sense of helplessness. Even when some training is imparted, much of this training bears little resemblance to the tasks that Panchayat representatives are permitted to undertake in the absence of effective devolution. There being little integration between the line departments and the Panchayats, many, perhaps, most Panchayat representatives get little opportunity for hands-on learning on the job. Moreover, line department officials are rarely trained to work in concert with Panchayat Raj Institutions. On the contrary, the atmosphere in most line departments discourages the evolution of a working relationship with elected representatives, except perhaps at the ‘sarpanch’ level.

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66 See evidence of Dr. Niraja Gopal Jayal, Centre of Law and Governance, Jawaharlal Nehru University, on 28 December 2012.

67 Oral evidence of Shri Anis Ansari, former Principal Secretary, Panchayat Raj, UP, 27 December 2012.
2.41 The worst consequence of this is the distortion of Panchayat Raj in many parts of the country into ‘Sarpanch Raj’, that is, the reduction of Panchayat Raj Institutions to a nefarious nexus between the President of the Panchayat at the village/intermediate and district levels, on the one hand, and elements of the bureaucracy, on the other, that have made Panchayat Raj synonymous with the decentralization of corruption. This, in turn, has led to enormous expenditure on Panchayat elections as the means to securing even greater returns by milking the Panchayat Raj system.  

2.42 Moreover, in the absence of real devolved powers, there can be no effective collegiate functioning of the PRIs nor any responsibility of the elected Panchayat Raj representatives towards the Gram Sabhas. Hence, attendance at Gram Sabha and even ward sabha meetings in many, perhaps most, States is so poor that that the President of the village Panchayat and his bureaucratic/NGO cohort are able to get away with token, or even bogus, meetings of the Gram Sabha (village assembly) where they are supposed to be held accountable for their actions or lack of them. In an effort to highlight the critical role of effective Gram Sabhas in securing responsible106 administration from their elected PRI representatives, the Ministry of Panchayati Raj declared 2010 to be the Year of the Gram Sabha and issued two advisories on Gandhi Jayanti, 2009 relating to the steps to be taken to render Gram Sabhas more effective. The initiative appears to have petered out. The Committee strongly recommend that the Central Government set the example by incorporating relevant directions from the advisories in CSS guidelines. Recently, the Ministry of Panchayati Raj has sought to curb the practice of bogus Gram Sabha meetings by seeking to videograph the proceedings – a daunting prospect as there are more than half a million ward and Gram Sabhas that are required to meet at least four times a year. More often than not, Gram Sabha members find that their elected representatives cannot answer their questions or act on their suggestions because power continues to be vested in the bureaucracy and parallel bodies that fall outside the ambit of the PRIs. Of course, CSS parallel bodies do not regard themselves as answerable to the community in Gram Sabha forums. Thus, the field is left wide open for excesses at the cost of the intended beneficiaries.

68 Oral evidence of Shri Wajahat Habibullah, former Union Secretary, Panchayat Raj, later Chief Information Commissioner and now Chairman, Minorities Commission, 16 December 2012.

69 Answer by the Hon’ble Minister of Panchayati Raj to a Lok Sabha Question on 2 August 2010 http://www.pib.nic.in/newsite/erelease.aspx?relid=63931

The two circulars of 2 October 2009 are reproduced at pp. 452-463 of the Compilation of Important Correspondence and Minutes of Major Meetings, April 2008-March 2010, published by the Ministry of Panchayati Raj and available on the Ministry’s website http://www.panchayat.gov.in. The Committee commend the slogan on the publication as it says it all: “Gram Sabha- for Empowered People and Accountable Panchayats”. 
2.43 The Committee recommend that, in addition to setting the example by incorporating in CSS Guidelines the specific points on which elected representatives and officials of PRIs would be answerable to Gram Sabhas and the statutory rights of the Gram Sabhas to information and grievance redressal, the Centre draft a model Gram Sabha law, based on its own advisories, and circulate the draft to State governments urging that appropriate State legislation be undertaken in this regard. The Ministry had made an attempt in this direction by circulating a draft “Model Panchayat and Gram Swaraj Act” but as that draft contained several matters other than Gram Sabhas, it is recommended that model legislation dealing with Gram Sabhas only be prepared as a fresh incentive based on the Ministry’s “Guidelines for the effective functioning of the Gram Sabha” and, in particular, the injunction that

“It is the bounden duty of the Gram Panchayats and Government officials to ensure that the Gram Sabhas function properly through close monitoring and mentoring of their meetings and for Gram Sabhas are perceived as an effective fourth tier of local governance.”

This might bring to fruition the Prime Minister’s expectations when he said at his Inaugural Address to the Conference of Chief Ministers on 29 June 2004:

“Panchayat supervision through Gram Sabhas also offers opportunities to make governance transparent and accountable to the citizen.”

Rotation of seats and posts

2.44 Existing deficiencies in effective Panchayat Raj are compounded by the rotation of reserved seats at every successive election. This not only robs Panchayat Raj of experienced elected representatives, it also leaves little or no incentive for elected representatives to do a good job because they will not, in all likelihood, be able to stand again at the next round of elections. The Committee recommend that, taking the cue from practice as it has evolved in Parliament and State legislatures where reservations are frozen for up to 30 years, PRI reservations for all categories

70 Paragraph 20 of Secretary, Panchayati Raj’s circular No. J-11011/12/2009-Media dated 2.10.09, available on the Ministry’s website.
Towards Holistic Panchayat Raj

(women, ST, SC, OBC) be frozen for a minimum of at least two, and preferably three terms, so that the reserved PRI categories get the same opportunity as their Parliament/MLA peers to augment their experience and knowledge. It may be noted that PRI representatives belonging to the General categories would also be enabled, like their peers in Parliament and State Assemblies, to do their work without the threat of seats/posts being converted from ‘general’ to ‘reserved’ after one term of office.

**Strengthening PRI bargaining power**

2.45 Fortunately, the picture painted of Panchayat Raj in the previous paragraphs is not universally true. On the other hand, the experiences of the States suggest that the more effective the processes of devolution, the more meaningful is Panchayat Raj, the more involved are the members, the more lively is the Gram Sabha and the less nefarious the nexus between the lower bureaucracy and the Panchayat members. Moreover, the more organized in associations the elected members, the stronger their voice becomes in matters of rural development and rural welfare, as also in influencing the political process at higher echelons.\(^{71}\) This also means the demand for Panchayat Raj at the grassroots rises as the effectiveness of Panchayat Raj increases, and, conversely, the less the significance of Panchayat Raj in the daily lives of the people the less do they demand Panchayat Raj.

**Incentivizing Panchayat Raj**

2.46 Since all States show some progress in Panchayat Raj over time, notwithstanding occasional reverses, it would also seem that if the accent were to change from didactically seeking better Panchayat Raj to incentivizing Panchayat Raj, both the political will to promote Panchayat Raj might grow stronger and the electoral rewards of grassroots empowerment might become more obvious. With this in view, the Ministry of Panchayati Raj has long been pursuing PEAIS - Panchayats Empowerment and Accountability Incentivization Scheme. This scheme has now been merged with the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan. However, budgetary allocations are so paltry that PEAIS has become a source for prize money rather than a true

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\(^{71}\) Testimony of several Kerala representatives at the hearing in Thiruvananthapuram on 14 February 2013.
incentive for greater devolution by States or greater accountability on the part of PRIs. The Committee, therefore, recommend that the 14th Finance Commission change their pattern of untied grants from “basic and performance” grants to grants for incentivizing States to devolve and grants for PRIs to be rendered transparent and accountable in their transactions. Each of these grants may, if the 14th Finance Commission so desires, be divided into a basic grant and a performance grant, but it would be more realistic to expect genuine, meaningful incentivization from the Finance Commission than to rely on substantial grants from the budget.

Effective Devolution

2.47 The Committee are, thus, of the view that effective devolution is the key to securing better outcomes and thus engendering the political will to find systemic answers to the systemic issues that are now well-identified after 20 years Constitutionally mandated of Panchayat Raj. It is to the question of “effective devolution” by the Centre and by the States that the Committee turn their attention in the Chapters that follow.
CHAPTER III

DEVOLUTION TO PRLs BY THE CENTRAL GOVERNMENT
AND COLLATERAL MEASURES

3.1 Table 13.3 of the Economic Survey (2012-13), reproduced alongside, indicates the exponential increase in expenditure on social sector and poverty alleviation schemes undertaken by the Central government over the last two decades of economic reform. Outcomes, however, have been completely out of sync with outlays, as explained later in this Chapter.

Table 13.3 : Trends in Social Services Expenditure by General Government
(Central and State Governments combined)

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<td></td>
<td></td>
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<tr>
<td>of which: i) Education</td>
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<td>529398</td>
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<tr>
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<td>162008</td>
<td>197070</td>
<td>244156</td>
<td>291378</td>
<td>331524</td>
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<tr>
<td>iii) Others</td>
<td>63226</td>
<td>74273</td>
<td>88054</td>
<td>100576</td>
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<td>136296</td>
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<td>as percentage to GDP</td>
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<td>28.59</td>
<td>27.52</td>
<td>28.07</td>
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<tr>
<td>of which: i) Education</td>
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<td>11.4</td>
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<td>4.8</td>
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<tr>
<td>iii) Others</td>
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<td>9.0</td>
<td>8.7</td>
<td>8.6</td>
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<td>As percentage to social services expenditure</td>
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<tr>
<td>i) Education</td>
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<td>34.9</td>
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Source: RBI as obtained from Budget Documents of Union and State governments.

BE: Budget Estimates; RE: Revised Estimate.
3.2 In the Committee’s view, the principal cause of this disjuncture is that “institutional reforms” have not been yoked to “economic reforms” as desired by the Prime Minister in his Inaugural Address of 29 June 2004 and as reiterated in the Cabinet Secretary’s circular of 8 November 2004.

3.3 On 8 November 2004, at the behest of the Prime Minister’s Office, the Cabinet Secretary issued the following circular to Secretaries of all Central Ministries concerned with social sector and anti-poverty schemes:

“Prime Minister has directed that all Ministries which are operating Centrally Sponsored Programmes be requested to review their respective schemes in the light of Article 243 (G) read with the Eleventh Schedule with a view to incorporating in the schemes, the import of constitutional provisions in letter and spirit.”

The circular went on to say:

“Ministry of Panchayati Raj may also be consulted in undertaking the exercise. This revised exercise may be completed in the next two months. Ministries/Departments are requested to strictly adhere to the time limit in carrying out the review.”

Thus, a tight schedule was prescribed. And the second paragraph provided for monitoring at a level no lower than that of the Cabinet Secretary himself:

“I shall be grateful if you could take them up expeditiously and send a status report to us.”

3.4 Unfortunately, almost nothing was done by the central Ministries/departments concerned to review CSS and bring them in conformity with “the import of constitutional provisions in letter and spirit”. Far from linking devolution of CSS to PRIs, effective Panchayat Raj has been undermined by establishing unelected and, therefore, unrepresentative parallel bodies under CSS. These parallel bodies cannot be held responsible to beneficiaries or the local community through the Gram Sabha. In consequence, they are not adequately responsive to local perceptions and local felt needs, their responsibility being to their respective higher authorities and not to the

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72 A facsimile of the Cabinet Secretary’s communication may be seen at Annexe 3.1.
local populace. Moreover, local communities cannot be expected to have a sense of ‘ownership’ over schemes for which neither they in the Gram Sabha not their elected representatives in PRIs have the required power, authority or responsibility, nor control over finances nor functionaries under their disciplinary control. The various Ministries of the Union government, which provide under CSS the larger part of the funding for programmes and projects undertaken in the illustrative domain of the Eleventh Schedule, have shown scant understanding of the methodology for involving PRIs in the planning and implementation of their respective CSS/ACA. Two exceptions, to some extent, to this general observation are:

i. the Scheme under the National Rural Employment Guarantee Act (MNREGA), which explicitly provides a defined role for the Panchayats; and

ii. the Backward Regions Grant Fund (BRGF), administered by the Ministry of Panchayati Raj itself, where district planning in terms of the Constitutional provisions is supposed to be, in Prime Minister Dr. Manmohan Singh’s words its “sine qua non”.73

3.5 Therefore, at the heart of this Committee’s Report is a set of suggestions regarding the methodology by which the processes of devolution might conform more appropriately with “the letter and spirit” of the Constitution, as directed by the Prime Minister through the Cabinet Secretary’s circular of 8 November 200474.

3.6 The Committee also note with regret that the Planning Commission too have not insisted on compliance with their own directive of 25 August 2006. Insidiously, the thought seems to have gained ground in the Planning Commission that as Panchayat Raj is a State responsibility under the Seventh Schedule of the Constitution, the role of the PRIs in planning and implementation falls on the margins of the Planning Commission’s own responsibilities. Hence, the involvement of PRIs is not obligatory but optional. The Approach Paper to the Twelfth Plan says:

73 Address to the Conference on *The State of the Panchayats* report, 22 November 2006.

74 It may be noted in passing that a Group of Ministers (GoM) on PRI Empowerment was constituted under the chairmanship of Shri Arjun Singh, Minister of Human Resource Development. It held only one inconclusive meeting on 4 May 2005. Similar was the fate of the GoM constituted under then Minister of External Affairs to consider the proposals of the Second Administrative Reforms Commission on Local Self-Government (Vol. VI). It held only one inconclusive meeting.
“An important reason for the relative lack of success of many flagship programmes in India is that the local institutions that should run these programmes are not adequately empowered. The 73rd and 74th amendments, transferred functions to PRIs and Municipalities, but there has been very little effective devolution of funds or of control over functionaries. Since 2004, there has been massive increase in funds available for these programmes, especially after MNREGA, which are meant to be managed at the local level but these funds are not under the effective control of the PRIs. Action in this area lies predominantly with state governments” (emphasis added)  

3.7 This effectively abnegates the Central Government and the Planning Commission of responsibility for rectifying this situation. The burden is passed substantially to the State governments even though the “massive” transfusion of funds is largely being funneled through CSS. It is, therefore, necessary to recall past action on linking CSS to PRIs through Activity Mapping with a view to ensuring that “institutional reforms” in CSS involving PRIs are not abandoned and the thread is picked up again.

3.8 Finding that there was little or no action on the part of Ministries dealing with CSS to act on the Cabinet Secretary’s circular of 8 November 2004, and notwithstanding reminders issued by the Cabinet Secretariat in 2005 and 2006, the Minister of Panchayati Raj wrote to the Cabinet Secretary on 12 June 2007 suggesting that in view of the Ministry of Panchayati Raj “lacking the clout”, the Cabinet Secretariat might constitute a committee headed by the Secretary (Coordination and Performance Management) in the Cabinet Secretariat, Smt. Renuka Viswanathan, (later Secretary, Panchayati Raj, Smt. Meenakshi Datta Ghosh was designated co-chairperson), to interact with their counterparts in the key Ministries of the Central government dealing with CSS related to the Eleventh Schedule of the Constitution. The Cabinet Secretary accepted this request.

75 www.planningcommission.nic.in, paragraph 15.6.

76 For the meeting of the National Committee on Rural Infrastructure on 28 March 2006, chaired by the Prime Minister, a series of meetings were held between Secretary, Panchayati Raj and Secretaries of Central Ministries concerned with Bharat Nirman, under the chairmanship of Member-Secretary, Planning Commission. The conclusions were finalized on 1 March 2006. However, the agenda item relating to Devolution to PRIs through Bharat Nirman CSS was not reached at the meeting chaired by PM on 28 March 2006. The National Committee was not reconvened. Therefore, the modest agreements on CSS Activity Mapping for Bharat Nirman programmes that had been reached in preparation for PM’s meeting through negotiations between the Ministry of Panchayati Raj and the principal Ministries concerned withered on the vine and were never implemented.

77 This recitation is based on the files of the Cabinet Secretariat to which the Chairman of this Expert Committee was kindly granted access by the present Cabinet Secretary, Shri Ajit Seth.
3.9 Over a period of about a month in August-September 2007, the two Secretaries interacted with the Secretaries of as many as 13 Central Departments/Ministries and covered 99 CSS with a Central Budget allocation of ₹ 81,619.87 crore in 2007-08. They selected for detailed Activity Mapping a mere 15 which accounted for ₹ 70,611 crore or 7/8ths of the Central budget allocations relevant to the Eleventh Schedule. (The budget allocation to these and related schemes has grown exponentially since then to over ₹ 2,83,000 crore78). The draft minutes were sent back to each Ministry/Department for vetting so that a true consensus could emerge on Activity Mapping through CSS.

3.10 The Report titled “Modifying the Guidelines of Centrally Sponsored Schemes for Identifying a Domain for Panchayati Raj Institutions” was submitted to the Cabinet Secretary on 22 January 2008. It was a brief but telling Report of 13 paragraphs that began by asking the question:

“Can end-users be co-opted ab initio into planning the CSS intervention so that CSSs are designed as more flexible, location responsive and user friendly?”

It sought to answer its own question by pointing out that:

“The task of initially articulating infirmities and gaps prior to preliminary planning for any given CSS is usually done by functionaries of State departments…There is often mismatch between the felt needs of the local population and plans evolved by State departments. This would eventually result in poor ownership of CSSs at the ground level, and even poorer outcomes and impacts.”

3.11 The Report further argued that:

- CSS critically require “user participation and inter-sectoral coordination”, both of which are singularly lacking “in the present structure of CSS”;
- that the “plethora of monitoring committees” (often with the same membership) makes the arrangement “cumbersome and inefficient” and “is largely responsible for sub-optimal implementation” and “under-achievement of expected outcomes”;

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- that “there is no organic linkage” between CSS committees (parallel bodies) at district level “and the Zilla Parishads” and that CSS local committees “run parallel to and are independent of Panchayats”; and
- that “funds allocated under CSS go directly to these local committees in lieu of being channelled to them through the Panchayats”.
- It concluded that, therefore, “any manner of parallel structure set up under CSS does not have any measure of accountability”.

3.12 The Report also found that:

“wherever PRIs of their own volition or with the authority conferred by State Governments have involved themselves in overseeing the functioning of Schools, Anganwari Centres and Primary Health Centres, invariably there has been almost immediate improvement of the quality of services for the aam admi” for “invariably, absenteeism has come down because client satisfaction becomes an issue”

This happens because:

- “The performance and actions of any Committee functioning within the framework of Panchayati Raj are open to scrutiny and deliberation in the Gram Sabha”; and
- “Elected members are accountable to the electorate that they represent and every Committee appointed at the grassroots for local level planning and monitoring can be made accountable only if that Committee actually functions within the PRI system”;;
- “Any direct and upfront involvement of PRIs in the planning, implementation and oversight of CSSs...does impact output and outcomes in a positive manner”.

3.13 The conclusion follows that:

“If the CSSs continue to ignore this aspect of institutional functioning then despite availability of funds, the CSSs will never bridge the gaps and infirmities in implementation in any sustainable manner”.

The Committee can do no better than endorse and reiterate this finding.

3.14 On the basis of this assessment, the Report called for CSS guidelines to be:

“substantially modified to provide centrality to elected rural local bodies with a view to enhancing coverage and outreach”

and urged that:

- “Optimal implementation of CSSs and achievement of desired outcomes is only possible if Ministries and Departments of the Central Government work through Sub-Committees of duly elected, already existing, local bodies. Besides, this is the statutory way to proceed to enhance ownership of the Centrally Sponsored Schemes among the end-users for whom these interventions are designed in the first place”; and, therefore:

- “It is important to leverage the Centrally Sponsored Schemes to demarcate the tasks, responsibilities and activities that lie within the domain of local governments (rural and urban). This will encourage and motivate state governments to systematically engage in appropriate devolution of functions, finances and functionaries. If each CSS clarifies what lies within the domain of local governments, and if this is supported with appropriate devolution of the 3 Fs, we believe that there will be significantly less infirmity in the outcomes and impacts of the CSS. More significantly, CSSs will then serve to further strengthen (for their implementation and oversight) the third tier of elected local bodies with reference to 73rd and 74th Constitutional amendments”.

3.15 Even more telling was that the Viswanathan-Datta Ghosh Committee found “there was significant agreement among the senior representatives of all Central Ministries, cutting across sectors” on the following 23 points:

i. The task of “identifying beneficiaries must be assigned to PRIs”

ii. As “Village panchayats are mandated to maintain household registers. This mechanism is an ideal basis for determining beneficiary lists for most CSSs”
iii. “building a CSS around village level data and through village level institutions can greatly improve the coverage and outreach/effectiveness of schemes”

iv. “Where beneficiary lists are prepared from other data sources, these should be validated against data available with PRIs and with Gram Sabhas”.

v. “Data banks should be built upon by PRIs in respect of all CSSs implemented within their jurisdiction by concerned departments”

vi. for “awareness building”, “PRIs should be the central element” as also for “distribution of publicity material”

vii. “PRIs and their staff, as well as Gram Sabhas (should be) treated as nodal agencies for building up accurate data bases and constantly updating these, to ensure that CSSs are implemented with appropriate coverage and outreach”

viii. “Selection of projects must be done by PRIs wherever micro-level solutions are sought”

ix. “In the post-project mode, CSSs should also provide for operations, future maintenance and management to be carried on through PRIs”.

x. PRIs should “undertake responsibility for functions relating to monitoring and vigilance under CSSs” with PRI representatives chairing such bodies.

xi. “Scheme Guidelines (should) provide for regular and mandatory reporting by implementing officers to concerned PRIs in writing as well as in the form of presentations”.

xii. “key programme intervention (should) be done by PRI staff or under their supervision”.

xiii. For schemes operated through NGOs, “PRIs can provide land or space”, advise on “location of these amenities” and “oversee construction and operation”.
xiv. “Training programmes under CSSs also should be organized using PRIs wherever relevant”.

xv. CSS plans “should invariably be brought within the overall planning framework ” of the District Planning Committees (DPCs mandated under Article 243ZD)

xvi. Departmental field staff, such as those concerned with women and child development, education, engineers for drinking water supply etc., should be placed under PRI control.

xvii. “local committees must now be integrated with the PRI framework by subsuming these state department driven local committees into sub-committees of PRIs, to enable funds to be devolved through the PRI channel...this will immediately improve accountability and auditing arrangements”.

xviii. CSS of “corporations and cooperatives...should also utilize the PRIs for both planning and implementation in the interest of better delivery”.

xix. For all new CSS, “the comments of the Ministry of Panchayati Raj could be incorporated while processing the matter for final decision”.

xx. Since “implementing departments are not always aware of the level of empowerment and the capacity of PRIs in different States...MoPR should have key ministries on its mailing list to inform them about developments in this regard”.

xxi. “On the regulatory side also, it was felt that PRIs should be used for activities like ration card distribution, running and licensing ration shops (with appellate powers to appropriate levels in the departments), birth and death registration, land revenue administration, child labour prevention, etc”.

xxii. staffing of PRIs should be “improved and strengthened”.

xxiii. PRIs should be “incentivized by rewarding them for performance under CSS”.
3.16 The Committee held individual meetings with departmental and Ministry Secretaries concerned to arrive at specific agreed positions with regard to the role of the Panchayats in implementing CSS. These were articulated in the form of modifications of the Guidelines of the CSS concerned. These discussions were then minututed and annexed to the Report. Through these efforts, conformity with the Cabinet Secretary’s directions, issued at the specific instance of the Prime Minister three years earlier, was sought to be achieved. The lacuna in the Report was that it dealt primarily with Activity Mapping for Functions but did not in most cases specify the parallel measures to be taken for the Activity Mapping of Finances and Functionaries, perhaps on the assumption that once the domain of the Panchayats has been established in CSS, the devolution of Finances and Functionaries would follow suit. The Minister for Panchayati Raj highly commended the Committee on the work done and it was expected that the two-member committee, under the general aegis of the Cabinet Secretariat, would start reviewing the process of implementing agreed decisions of the Central Ministries concerned, but this does not appear to have happened.

3.17 On finding over the next several months that the agreed minutes were not being implemented, the Ministry of Panchayati Raj consolidated the agreed minutes into a detailed advisory circulated on 19 January 2009. A few months later, the Planning Commission supplemented the MoPR advisory with its own circular of the 1st April 2009.

3.18 The second UPA government came to office a month later. However, the Ministry’s advisory and the Planning Commission’s circular continued to remain a dead letter. Therefore, the Ministry of Panchayati Raj, more than a year later, took up with the Cabinet Secretariat the question of constituting a Review Committee under the leadership of the Cabinet Secretariat to restore the required momentum to the stalled process. However, the Cabinet Secretariat have taken the position that they cannot be seen to be “driving” matters that fall within the departmental responsibility of individual Ministries. Although the Ministry of Panchayati Raj have repeatedly reiterated the need for the Cabinet Secretariat to take the initiative in enforcing the consensus conclusions of the Renuka Viswanathan-Datta Ghosh Report and, therefore, the Cabinet Secretariat’s circular of 8 November 2004, the question is deadlocked because the Ministry of Panchayati Raj cannot move and the Cabinet Secretariat will not move. That is where matters stand: at a standstill.

3.19 The Planning Commission has also been rather indifferent to enforcing its

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79 Reproduced at Annexe 3.2
circulars of the 25th August 2006 and the 1st April 2009. Indeed, in its section in the Twelfth Plan on “The Problems of Central Ministries Acting as Silos”\(^80\), the Planning Commission talks of undertaking

“collaborative strategizing amongst the concerned ministries to clarify the roles of the departments in delivering holistic outcomes from the perspective of citizens.”

The Committee are concerned at the absence of any recognition of the need for “strategizing” or concerting with the PRIs.

3.20 True, CSS numbers are being restricted\(^81\), which is highly desirable, but CSS parallel bodies continue to proliferate, which is not. Moreover, the district planning exercise initiated in BRGF districts is neither extended to cover the gamut of development requirements in these districts nor replicated in non-BRGF districts.

3.21 Can then the elephant be taught to dance? The Expert Committee believe it can. Effective Panchayat Raj through CSS remains feasible and desirable provided the Central Government gives the lead by deliberately building on the work already done and the consensus already reached.

3.22 As the Prime Minister indicated when he instructed the Cabinet Secretary to initiate the process of aligning CSS with Part IX provisions, each CSS needs to include detailed model *Activity Mapping of Functions, Finances and Functionaries* to promote structured, scientific, internally consistent and practical methodologies for proceeding with effective and meaningful devolution\(^82\). The “model” Activity Mapping should provide for State governments to modify the model to suit local requirements and the perceptions of State governments, but emphasize the importance and ineluctability of Activity Mapping for meaningful devolution. Nothing would then more incentivise State governments to provide for similar Activity Mapping for State schemes.

3.23 While some Activity Mapping for some *Functions* has been undertaken in some States, and there is an element of devolution of *Finances* and *Functionaries* in some States, the paucity of funds in State budgets for undertaking State-funded programmes

\(^{80}\) paragraphs 15.13 and 15.14 of the Approach Paper, [www.planningcommission.nic.in](http://www.planningcommission.nic.in)

\(^{81}\) The recommendations of the B.K.Chaturvedi Committee in this regard are under consideration but the number of CSS is likely to be restricted to 45-55, as against the present number of nearly 150.

\(^{82}\) 86 Model Activity Maps for 8 important CSSs have been attached in this Report to the appropriate sectoral Chapter.
of economic development and social justice has meant that there is little incentive to undertake elaborate Activity Mapping.

3.24 Hence, nothing would more incentivize full-scope Activity Mapping by the States as Activity Mapping through CSS. For once CSS Guidelines are brought in line with the Constitutional imperative, it would automatically create the framework within which States would find it practical and feasible to devolve State schemes to PRIs on the same or similar pattern as CSS-related Activity Mapping.

3.25 This is the perception that appeared to have motivated the Prime Minister to direct the Cabinet Secretary to issue his circular on CSS of 8 November 2004. Unfortunately, instead of following the Cabinet Secretary’s directions and the agreed conclusions of the Viswanathan-Datta Ghosh committee for “devolving powers and responsibilities on the Panchayats at the appropriate level”, Central Ministries have proliferated parallel bodies to undertake the tasks that should properly be the Eleventh Schedule domain of the PRIs.

3.26 If this is rectified, effective Panchayat Raj will follow. And if Panchayat Raj becomes effective, the more effective delivery of public goods and services through CSS and State schemes is bound to follow. There is no provision in the Constitution for the plethora of parallel bodies created under CSS whereas the intended domain of the Panchayats is specified in the Eleventh Schedule. Parallel bodies undermine the Constitution; devolution to the Panchayats is both more efficient and more “in conformity with the letter and spirit of the Constitution”. The Committee stress with all the force at their command the vital necessity of building upon the Viswanathan-Datta Ghosh report to ensure Activity Mapping in CSS.

3.27 The Committee have attempted to demonstrate how this might be done by attaching Model Activity Maps to CSS Guidelines through which the devolution of Functions, Finances and Functionaries to the three-tier PRI system might be promoted in a scientific, structured, practical and pragmatic manner. At the same time, the Committee recommend differential Activity Mapping at the State level by allowing for the modification of Model Activity Maps at the State level for State governments to adapt CSS Model Activity Maps to their respective realities, perceptions and compulsions, hopefully in consultation with the PRIs themselves. To this end, the Committee have prepared eight Model Activity Maps that are placed together in an atlas attached to Vol I of this Report, to practically demonstrate how this could be done.
3.28 The Model Activity Maps prepared by the Committee have paid due regard to the Prime Minister’s directions that:

- “the key issue...is action on transfer of functions, functionaries and funds”
- “Transfer of functions has to be based on the principle of subsidiarity and any task that can be done at a lower level should not move to a higher level”
- “Effective Panchayati Raj requires that functionaries of government work under elected leadership”
- “(W)e have called for non-diversion of funds for Panchayats and their timely transfers. In the best traditions of fiscal federalism, the Centre and the State Governments need to cooperate in strengthening local government finances”.

3.29 The Committee urge that under the supervision and guidance of the Cabinet Secretary, the Prime Minister’s directions of 8 November 2004 be revived for each of the Ministries concerned to prepare Model Activity Maps, broadly patterned on those prepared by the Committee illustratively for eight schemes, with a view to making Activity Mapping an obligatory and ineluctable requirement for approval of, receiving funding for, and implementing CSS/ACA.

3.30 This would be greatly facilitated by the Government’s decision on the recommendations of the B.K. Chaturvedi Committee that has now submitted its final report. The report seems to respond to two key urgings of the Prime Minister in his path-breaking 29 June 2004 address:

- “Does the compartmentalisation of our effort in multiple schemes in a Ministry or ministries – both at the Centre and the States” make investment in rural development and welfare “suboptimal”?  

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83 The Committee would here like to acknowledge and thank four young interns – Raunak Ahmad and Vijay Srivastava of IGNOU and Vincy Davis and Ashish Kumar of the Centre for the Study of Developing Societies (CSDS) for their yeoman contribution to this exercise under the guidance and supervision of the Committee’s principal consultant, Shri T.R. Raghunandan. The Committee also acknowledge their debt to the IBRD World Development Report, (2001), for providing the template on which the exercise has been carried out.
• “Do we have too many schemes which are fragmented in concept, are rigidly designed and impose national parameters on highly differentiated local realities in terms of resources or felt needs? These schemes in turn fragment plans of State governments, which have to find counterpart funds for these several Centrally Sponsored Schemes”

3.31 The B.K. Chaturvedi Committee have recommended that the number of CSS/ACA schemes be brought down from 167 to 59. In view of the critical significance of the Chaturvedi recommendations to dynamizing the centrality of PRIs in the Union Government’s social sector and poverty alleviation programmes, the Committee are reproducing the Executive Summary of the Chaturvedi recommendations at Annexe 3.3 to this Report.

3.32 Activity Mapping has to be complemented by planning at the PRI/DPC level in conformity with Articles 243G and 243ZD of the Constitution. It was to address the question of “the preparation of plans for economic and social development” that the Ministry of Panchayati Raj constituted the V. Ramachandran committee and, on the basis of that Committee’s Report, the Planning Commission issued its Guidelines of 25 August 200684. The importance of these Guidelines is such that they are reproduced in their entirety at Annexe 3.4. The key perceptions of the Guidelines are summarized below and need to be made an integral part of CSS Guidelines:

• The preparation of an “integrated plan for the local government sector...” (note: not separate plans for each scheme)

• “..taking into account the resources (natural, human and financial) available and covering the sectoral activities and schemes assigned to the district level and below...” (note: the State has first to define the Panchayat domain at each level of PRIs in terms of “sectoral activities and schemes” before “integrated” district planning can commence. Hence the emphasis on Activity Mapping in CSS and State schemes as the sine qua non of effective, structured Panchayat Raj)

• The integrated district plan must cover plans prepared by Rural Local Bodies, Urban Local Bodies and “physical integration with elements of the State Plan that are physically implemented within the geographical confines of the district”. The district plan must also “take into account and

84 See Annexe 3.4.
respond to the expected activities of the non-government sector of the local economy” (illustratively detailed in the V. Ramachandran Report)

- After completing “assignment of Activities” (bold and underlined in the original), forming District Planning Committees (DPCs) and issuing guidelines, the State should determine the “formula for distribution of the local government component of the state plan” and “indicate the broad order of resources”, tied sector-wise and untied, that would be made available to PRIs at each level, with a view to presenting these “District Plans, in the format indicated in Section IV, along with State Plan proposals”

- For the process of district planning, “the available data may be put together for each local government” and the DPC “may prepare a Vision Document for 10-15 years” through “formal interactions with local governments and other key stakeholders” covering ten identified sectors, which essentially comprise the 29 subjects listed in the Eleventh Schedule, and other areas in which the district, as an economic unit, enjoys “comparative advantage”

- The indispensability of a Technical Support Group, drawn from civil society and the local intelligentsia to assist the DPC

- The option of running the process in “a campaign mode”

The Committee recommend that every CSS must incorporate relevant provisions from the Planning Commission guidelines so that Activity Maps are given real substance and the present disjuncture between Planning Commission Guidelines and CSS Guidelines is removed in the interest of effective devolution.

Collateral Measures

3.33 The Committee are strongly of the view that Activity Mapping alone does not constitute the answer to the Committee’s mandate. For PRIs to be leveraged for the “more efficient delivery of public goods and services”, the Committee wish to stress a number of “collateral measures” that must necessarily be taken. These are detailed in the paragraphs that follow. In doing so, the Committee have, inter alia, taken into
account these significant points in the Prime Minister’s seminal Address of 29 June 2004:

- “Female-headed households, the aged and the infirm, destitutes and all such vulnerable categories depend on the social security framework in policy that the state is able to craft on their behalf. This is a task that can best be done by local governments supported with funds from the Central and State governments”.

- “Panchayat supervision through Gram Sabhas also offers opportunities to make governance transparent and accountable to the citizen”.

- “We now have the potential to combine grassroots power with advances in information technology to radically alter governance and service delivery, an opportunity we must expand and exploit”.

3.34 These collateral measures constitute the supplementary issues that need to be acted on simultaneously if we are to secure holistic Panchayat Raj. For without holistic Panchayat Raj that takes account of all the mutually reinforcing dimensions of local self-government set out in the Constitution, the danger is of Panchayat Raj slipping into ‘Sarpanch Raj’ and becoming more a vehicle for the devolution of corruption (as has happened in so many States) instead of the devolution of “powers, authority and responsibility” for economic development and social justice as intended by the Constitution. For as the Prime Minister said on 22 November 2006:

“One of the objectives of democratic decentralization is to encourage people’s participation in processes of governance. We hope that this will also help reduce corruption and the abuse of power by various government functionaries. If we introduce mechanisms for social audit and formal audit, we will go a long way towards mitigating the evil of corruption in Panchayats. Strong, empowered Gram Sabhas and Ward Sabhas, which meet frequently and regularly to keep the elected executive authority under continuous check and watch, can also guarantee clean Panchayati Raj.”

3.35 Accordingly, the Committee recommend that, bearing in mind the provisions of Article 243E and Article 243F relating respectively to “Duration of Panchayats etc”

85 The full text of the speech may be seen at Annexe 1.2 or accessed at http://pmindia.nic.in/speech-details.php?nodeid=473
and “Disqualifications for membership”, State governments consider appointing by law Ombudsmen to whom complaints can be referred, with sufficient powers given to the Ombudsman to effect grievance redressal, where justified, within a reasonable period of time, and to require the authorities concerned to carry out the Ombudsman’s directions, also within a reasonable period of time.

**Panchayats as Collegiate Bodies**

3.36 *First*, the provision of clear rules and regulations for Panchayat Raj Institutions to function not as ‘sarpanch raj’ but as collegiate bodies involving the membership as a whole of the district/intermediate/village panchayat, as the case may be. Such transparency in transactions would need to be reinforced by clear rules and regulations regarding the accountability of the three tiers of Panchayat Raj to Gram Sabhas. Thus will the processes of participatory democracy ensure that genuine Panchayat Raj does not concentrate power or decision-making in the hands of a very few but actively involve the whole of the community by giving them a palpable stake in the planning and implementation of resources that they all know clearly belongs to the community as a whole, that the resources are both an entitlement and a right of all, the disposal of which is for the community to decide, and not a discretionary favour to be curried from the bureaucracy or the bureaucratic-sarpanch nexus. CSS could set the example and other schemes will follow.

3.37 The Committee are concerned that in consequence of the marked tendency in CSS to by-pass PRIs by setting up committees (by whatever name called) as sector-based committees, there is such a proliferation of these parallel bodies as to render them dysfunctional at the village level. Many members of parallel bodies do not even know of their memberships; overlapping membership of several committees makes it virtually impossible for members to attend all meetings; and the insulation of parallel bodies from PRIs amounts to insulation from accountability to the local community. The Committee stress that only local institutions of self-government can be held statutorily responsible to Gram / Ward Sabhas. Accordingly, a fundamental principle of grassroots governance must be that for all schemes falling within the domain of the Eleventh Schedule, any committee (by whatever name called) must be either embedded in the PRI system or established with an organic link to PRIs, particularly the Village Panchayat, which, in turn, will be responsible and accountable to the community as a whole in the Gram Ward/ Sabha. In this light, the Committee recommend that PRIs, particularly Village Panchayats, be empowered through CSS guidelines to network
SHG, and other Community-Based Organizations (CBOs) to whom they might farm out the responsibilities they are entrusted with by CSS in such a manner that the network is responsible to the PRIs, in turn and the PRIs are accountable to the Gram/Ward Sabhas.

**Fiscal Responsibilities and Financial Domain of PRIs**

3.38 **Second**, the fiscal responsibilities and own finances of PRIs. The receipt of untied funds from the Thirteenth Finance Commission and the experience of BRGF establish that the availability of untied funds creates, even in the most “backward” regions, a sense of ownership on the part of the local community when these funds are placed at the disposal of PRIs. When communities know that funds are available that belong by right to the community, they tend to be much more demanding of transparency in Panchayat transactions and to be more alert in demanding accountability from the elected representatives and officialdom in the Gram Sabha. This is also borne out by some of the experience of Village Panchayats, who are statutorily assigned responsibilities under the National Rural Employment Guarantee Act (MNREGA).

**E-transfer, Convergence and UCs**

3.39 **Third**, The Committee, therefore, urge that instead of CSS funds being provided through mutually insulated bureaucratic silos, they be converged into as few schemes as possible, with the funds devolved in an untied manner but subject to the funds being utilized on the basis of community selection of schemes prioritized by the Panchayats/Gram Sabhas out of a menu of options. Accounting of funds and local audit, reinforced by social audit, could then be in accord with as simple and readily comprehensible a set of guidelines as possible that provide for electronically tagged and tracked channeling of CSS funds to the PRIs through States, if desired and Utilization Certificates, authorized by Gram Sabhas, being sent electronically by individual PRIs direct to the Central Ministries concerned under simultaneous electronic intimation to State governments. This will also solve the present problem of efficient PRIs being punished for their efficiency by having to wait longest for UCs to be furnished by State governments to receive their second and subsequent installments, while the

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most inefficient of the Panchayats has to await the least time for its next installment because it has informed the State government last of its spending the first installment.

**Audit and Accounts**

3.40 **Fourth**, with regard to accounting and auditing, in evidence led before the Expert Committee, the Institute of Public Accountants of India and the senior-most officer in the Office of the Comptroller and Auditor General dealing with Local Audit have given very important suggestions on how they could help establish really efficient processes of accounting and audit in all 2.5 lakh Panchayats at all three levels.\(^{87}\) These suggestions include:

- Taking advantage of IPAI’s “first-rate programme” for training thousands of rural youth in maintaining simple accounts for Village Panchayats. These youth would not be just “data operators” but could provide wide-ranging advice if anything was going wrong with Panchayat finances. This is possible because typically a village Panchayat does not generate too many vouchers and an accountant visiting the village Panchayat once every ten days would be more than adequate to ensure a high level of transparency in financial transactions.

- Supplement such maintenance of accounts with a system of internal audit, which can be undertaken efficiently and at moderate cost by an army of 1,00,000-1,50,000 qualified chartered accountants available in every nook and corner of the country. The IPAI undertake to mobilise these chartered accountants and put them in place in all village Panchayats and Panchayats at higher levels. It was particularly emphasized that such internal auditors would not only ensure financial propriety but would do so economically. IPAI estimates that the cost of doing this would amount to no more than 1 per cent - 1.5 per cent of funds placed at the disposal of Village Panchayats.

- By entrusting funds to PRIs in preference to parallel bodies, all funding could be brought within the discipline of Local Audit, in contrast to the present situation where over half the expenditure is not captured by

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\(^{87}\) See oral evidence tendered before the Committee on 23 January 2013.
formal audit for the registered societies favoured by CSS fall outside the ambit of formal audit.

- Such a system of Panchayat accounts and audit could follow the recommendations of the Technical Committee on Accounting Standards, which could be ensured by installing PRIA software for e-Panchayats, although care has to be taken to guard against “fudging” as e-accounts are perhaps easy to fudge unless made secure from fraud.

- There are technical questions about the Heads of Account to adapt accounting practices to ground realities of Panchayat Raj. For example, it may be further considered whether 6 digit accounting with account heads aligned to the terms used in the Eleventh Schedule might be possible.

3.41 While the Director, Local Fund Audit (DLFA) will remain as the Primary External Auditor, it would be desirable for DLFAs to prepare their audit plans in conformity with the audit guidelines / standards set by the Accountant General (AG) so that the AG is enabled to ensure proper certification of accounts and secure compliance with AGs audit paragraphs. Such regular preparation and submission of Local Body reports would facilitate stringent application of auditing standards and risk assessment at local AG level. Moreover, if Social Audit summary findings were sent to the CAG, it would facilitate the exchange of information and techniques between the AG and the Directorate of Social Audit at the State level.

3.42 Proper accounting and effective audit, as outlined above, would foster confidence in the responsible “ownership of funds” by PRIs. Such “ownership” would constitute the single most important factor in ensuring both empowerment and accountability. All else can only follow financial inclusion and financial empowerment. There are three principal sources of Panchayat finances: the Panchayat’s own resources; untied block grants; and tied funds.

**Own Resources of PRIs**

3.43 **Fifth**, the Constitution makes provision for the own finances of the Panchayats through Article 243H: Powers to impose taxes by, and Funds of, the Panchayats -

“...
a. authorize 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 monies received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such monies therefrom, as may be specified in the law."

3.44 It is evident that to the extent a PRI raises its own resources, its independence of action, transparency of transactions and accountability to the community are increased pari passu. Case studies undertaken by the Centre for Budget and Policy Studies, Bengaluru\(^{88}\) indicate the “Ten Attributes of Gram Panchayats with higher Own Sources of Revenue” as:

- They tend to be more economically developed
- They tend to have larger populations (of 8,000 and above)
- They tend to be closer to highways or district/intermediate headquarters
- They tend to have a larger share of literacy and education in their general population
- They have at least one bill collector for every 3000 heads of population
- In consequence of having better data availability on properties and tax dues, they tend to generate more property tax (the single biggest contributor to Own Revenue Sources) and are generally more up-to-date in maintaining records over several years and more up-to-date in having their accounts duly audited.

\(^{88}\) http://cbps.in/
3.45 In other words, the more they resemble a municipality, the greater is their potential for generating their own funds through taxes they themselves determine, levy and collect. This suggests that where village Panchayats are small in population (as, for example in Punjab, in contrast to, say, Kerala) the assignment of taxes might best be done at the intermediate rather than the village level. At the other or State end of the spectrum, there is clear need for assigned taxes to be freed of rules, conditionalities and procedural restrictions that come in the way of fiscal independence in the devolved domain. Clearly also, it is only the devolution of functionaries concerned with taxation that will strengthen the ability and, therefore, the political will of PRIs to increase the share of their own resources in the total availability of PRI finances. Most importantly, PRIs must have the full right to appropriate the revenues they raise to their own use so as to incentivize them to undertake taxation. It is only to the extent that PRIs are able to explain to their respective communities that taxes are being raised to meet specific felt needs of the community that PRIs will acquire the political strength and political will to act as fiscal authorities for both raising and spending community revenue. Above all, PRIs must not be made tax collectors but without the authority to themselves spend the resources they raise, as is unfortunately the case in some States.

3.46 This, in turn, means that a much larger number of PRIs than at present need to be made more financially empowered and more developed by recognizing and catering to their requirements of untied block grants and funds devolved in accordance with the devolution of functions and functionaries in CSS or State-sponsored schemes of economic development and social justice. It is not through hectoring but through effective fiscal and financial devolution that one can expect more and more PRIs over time to come up to scratch. Meanwhile, untied and tied grants will continue to hold sway in PRI finances. It is only progressively that one can hope to see PRIs taking up larger responsibilities for generating their Own Sources of revenue.

**Finance Commission Grants and SFCs**

3.47 **Sixth**, Finance Commission grants. Since the 73rd Constitutional Amendment in 1993, there have been four Finance Commissions that have made recommendations for augmenting the resources of Panchayat Raj Institutions. The Tenth Finance Commission (for the period 1995-96 to 1999-2000) recommended *ad hoc* grants of `100 per capita (as per the 1971 census), amounting to `4380 crore over the last four years, that is , about `1100 crore per year, a token amount but an important beginning in carving out an entitlement for the local bodies from the nation's divisible pool of financial
resources. The Eleventh FC 2000-01 to 2004-05), based on the somewhat scanty data then available, raised the Local Government grant to ₹ 8000 crore for five years, that is, about ₹ 1600 crore per year. The Twelfth FC (for the period 2005-06 to 2009-10) substantially raised the grant to ₹ 20,000 crore for PRIs, but this still came to under ₹ 4000 crore for 2.5 lakh institutions of local self-government.

3.48 The breakthrough came with the Thirteenth FC (2009-14)\(^{89}\) whose Terms of Reference made specific reference to PRIs:

> “the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the State on the basis of the recommendations made by Finance Commission of the State.”

3.49 In consequence of the recommendations made by the 13th FC, FC block grants have emerged as the single most important source of untied funds for PRIs. The 13\(^{th}\) FC earmarked 1.5 per cent of total revenues as a basic grant (including the special areas grant) for PRIs and a performance grant commencing at 0.5 per cent in 2011-12, rising to 1 per cent over the next three years, thus providing untied grants to local bodies of 1.5 per cent in 2011 rising to 2 per cent in the following year and then to 2.5 per cent over the next three years which averages out to 2.28 per cent of the divisible poor. The expectation was that this would provide in absolute terms for about Rs. 8000 crore in 2010-11 rising substantially year by year to about ₹ 26,000 crore in 2014-15. The 13\(^{th}\) FC estimated that approximately ₹ 60,000 would thus be channeled to PRIs over the five-year period.

3.50 With the 13\(^{th}\) FC grants being totally untied and a share incentivized as a “performance grant”, the Prime Minister’s perception in his speech of 29 June 2004 stands vindicated that:

> “…we should adopt a system of providing block grants to districts based on their incidence of poverty to plan and implement strategies that optimize their resource potential. These funds need not be tied to specific schemes but linked to a holistic vision of rural development encapsulated in a district plan...The concerns that we have of not being able to unlock varying resource potential of different regions, sub-optimal use of funds, and inability of Panchayat Raj Institutions to become effective can all perhaps be addressed by such a policy shift”

\(^{89}\) [http://fincomindia.nic.in/ShowContentOne.aspx?id=28&Section=1](http://fincomindia.nic.in/ShowContentOne.aspx?id=28&Section=1)
3.51 One hopes the Fourteenth Finance Commission, which begins its labours even as this Committee finish their Report, will ensure that availability of untied finances to PRIs doubles in real terms to at least ₹ 1,20,000 crore over the five-year period which would translate into an average availability of about Rs.4 crore, or about ₹ 80 lakh per year, to each of the approximately 2,50,000 institutions of local self-government (of which about ₹ 2,38,000 are PRIs). Nothing would be more empowering than increasing the availability of finances over which the PRIs have independent control, collegiate responsibility, and accountability to Gram Sabhas, the ultimate stakeholder of Panchayat finances.

3.52 But if the 14th FC were to take the share of local institutions of self-government from the present share of 2.5 per cent of the national revenue pool to 5-7 per cent of the revenue pool, then there could be genuine incentivization of both the States and the PRIs, facilitating that “radical” systemic departure from the present unsatisfactory method of service delivery that the Prime Minister had spoken of in his 29 June 2004 Address that the Committee have taken as the template for their deliberations and recommendations.

3.53 13th Finance Commission grants to PRIs fall in two categories: basic grants and performance grants. The Committee recommend that the 14th FC consider the possibility of converting this into two separate incentivization grants:

- A grant to incentivize States to devolve more powers and authority to PRIs
- A grant to incentivize PRIs to be more transparent and accountable in their transactions

This is what is supposed to have been accomplished under the MoPR’s Panchayat Empowerment and Accountability Incentivization Scheme (PEAIS), now merged with the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan, but the budget allocation for PEAIS was (and continues to be) so minimal and so completely out of sync with the modest projections of the Ministry for adequate funds to actually incentivize States and PRIs that it is unrealistic to expect Central budgetary outlays to provide the funding required to actively promote devolution.

90 Each of these grants may be divided into a basic grant and a performance grant.
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**Backward Regions Grant Fund**

3.54 **Seventh**, the next largest source of untied funds, ironically available only to the most backward regions of the country, comes from the Backward Regions Grant Fund (BRGF), the budget provision for which began at just ₹ 1500 crore in 2006-07 and has now risen to over ₹ 7,000 crore for the Backward District Component. The **sine qua non** of the release of BRGF funds is district planning as envisaged in Article 243 ZD (read with Article 243G and the Eleventh Schedule). Once the Government of India are satisfied that Article 243ZD procedures have indeed been followed, BRGF grants are released. While anecdotal evidence indicates that grants are sometimes made without establishing (or being able to establish) that Article 243Z procedures for participatory planning at all levels of the Panchayat Raj system have, indeed, been observed in practice, or that District Planning Committees have been properly constituted and have duly applied their collective mind to “consolidating” plans made at lower levels, it could be said, to a substantial extent, that BRGF does mark an important beginning towards promoting integrated planning and the deployment of funds for economic development and social justice in terms of priorities determined by the community as a whole and subject to scrutiny and supervision by the Gram Sabha. The germane point for this Expert Committee is that if a fair measure of compliance to Constitutional provisions is possible in what are defined as the “most backward regions” of the country, there is no reason why similar procedures should not be prescribed in CSS guidelines for the vast sums of money that are being sent from the Centre for rural development and poverty alleviation. BRGF has set the precedent. Central Ministries should now follow the precedent in compliance with the Prime Minister’s directive conveyed by the Cabinet Secretary on 8 November 2004. Ensuring compliance should be entrusted to the Performance Management Unit established within the Cabinet Secretariat, a process with which the Ministry of Panchayat Raj could be usefully associated but not required to undertake on its lonely own.\(^91\)

**State Finance Commissions**

3.55 **Eighth**, as for State Finance Commissions, while a shelf-full of their Reports are available, the level of acceptance of their recommendations has been highly uneven

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\(^{91}\) Dr. Prajapati Trivedi, Secretary of the Performance Management Unit in the Cabinet Secretariat, met the Chairman on 25 January and agreed that, if so mandated, PMU could undertake this task.
and actual implementation even more so. This Committee are of the view that this is hardly surprising as SFCs are required to give recommendations on a fraction of funds available with States as compared to the Centre. If the Centre resorts through CSS to parallel bodies that suborn the Panchayat Raj system, it is hardly surprising that State legislatures and governments should also be brushing aside many of the most important recommendations of SFCs. The Committee expect a major role shift for SFC recommendations once CSS funds are substantially placed at the disposal of PRIs.

**Market Borrowings**

3.56 **Ninth**, local bodies in advanced economies and some emerging economies like Brazil are encouraged to resort to market borrowings to finance their more ambitious development and social welfare projects. It is tempting to recommend the same for PRIs, but this Committee would recommend caution in view of the limited own resources of PRIs and the dangers of market fluctuations causing disruption of PRI involvement in the delivery of public goods and services. Perhaps, alternatively, the State governments might consider floating special purpose financial instruments exclusively for the mobilization of funds for PRIs who desire to subscribe to such instruments collectively but not individually. State Local Government Finance Corporations, such as those in Tamilnadu and Kerala, are already doing so. However, such borrowing must be linked to the own resources of the PRIs and meet the objective criteria for financial sustainability that the SPV might wish to put in place before embarking on any such ambitious but risky venture.

**UIDA, Aadhar and DBT**

3.57 **Tenth**, the Committee were privileged to be briefed by Chairman, Unique Identity Authority of India on Aadhaar and the Direct Benefits Transfer (DBT) scheme that the Government has just begun rolling out on an experimental basis. While extending a cautious welcome to the application of the scheme to programmes where all that is required is the provision of cash to beneficiaries, such as pensions and scholarships, the Committee would wish to emphasize that DBT cannot substitute for Panchayat Raj in most other matters covered by Article 243G and the Eleventh Schedule. It is also suggested for further consideration that Gram Panchayats be appointed as business

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92 See Minutes of the meeting with Dr. Nandan Nilekani on 22 January 2013.
correspondents for banks (in addition to individuals) and provided with mini-ATMs for the dispersal of cash benefits, including MNREGA wages, to beneficiaries, preferably in the presence of Gram Sabhas, especially where PRIs are not located conveniently near a bank branch. This is all the more important in view of the discovery that banks are transferring payments made into individual accounts to their own credit to liquidate any unpaid borrowings that the individual beneficiary might owe the banks. What is to be stressed is that there must be synergy between DBT and Panchayat Raj rather than having the two work in competition with, or in isolation from, each other.

**Training, Competency Building and Capacity Development**

3.58 **Eleventh**, questions of training, competencies building and capacity development invariably tend to dominate the skeptical view of Panchayat Raj as an effective instrument of planning and implementation of programmes of economic development and social justice. Interestingly, this was the same point made by the colonial government to postpone self-government for India, best symbolised in the Imperial admonition written over the ‘buland darwaza’ that separates the Ministry of Home Affairs from the Ministry of Finance in North Block:

> “Liberty will not descend to a people; a people must raise themselves to liberty. It is a blessing which must be earned before it can be enjoyed.”

Independent India needs to get out of this colonial mindset in regard to PRIs and trust its electoral representatives to learn on the job even as they have learned on the job at higher echelons of government.

3.59 Since Independence, the argument of a lack of administrative expertise and experience has not been used to deny the indispensability of democracy at the higher levels of Parliament and State Assemblies but continues to be used to express concern over the ability of the representatives elected to the third tier of our democracy to undertake the tasks for which they are elected. In this context, the distinction is drawn that while representatives for Parliament and the State Assemblies are elected to legislatures, and only some make it to the executive, all PRI representatives are elected to executive, not legislative, posts – for which they tend, by and large, to not be qualified. This becomes both the source of solicitousness to train and build the capacity of PRI representatives as the single most important business of Panchayat Raj Ministries/Departments, as also for the argument that not until the PRI representatives
have been adequately “trained” can they be entrusted with devolved functions. Thus, the bureaucracy, from the Centre down to the States, continues to retain its pre-eminence as the sheet anchor for the planning and implementation of CSS and State-sponsored schemes, with PRIs being given no more than a token role; indeed, more often than not, neither the ward representatives nor the Gram Sabha are really involved, PRI involvement being limited to promoting the nexus between the President of the Village Panchayat and the lower orders of the local bureaucracy, thus bringing Panchayat Raj to still graver disrepute.

3.60 Notwithstanding the heroic efforts of the National Capability Building Framework, first elaborated by the Ministry of Panchayati Raj in 2006 to high praise from the UNDP as the “best training manual for local government” they had seen, and since updated, as well as training having been imparted to 23 lakh of 28 lakh PRI representatives in 2011-12, the capacity of the PRIs to undertake the technical tasks of planning and implementation continues to founder, principally for two reasons:

i. Much of the training is for no more than a few days of the five-year term, with much emphasis on the larger aims of Panchayat Raj but bearing little resemblance to the functions actually devolved, the ground experience of the PRI representatives, or their daily concerns, and with little follow-up or continuous involvement of line department officials, worsened by CSS/SSS being entrusted to line departments and parallel bodies rather than PRIs themselves;

ii. Most PRI representatives having little chance of being elected for successive terms because the rotation at every successive election of reserved seats/posts for women, SCs, STs and, in many States, OBCs, comes in the way of their even seeking, let alone winning, a second or third term. What experience has been gathered is thus lost and hits women representatives hardest although it is they who most need to consolidate their often first-time experience of coming into the public sphere.

3.61 The fact is that democratically elected political representatives, whether in Parliament, State Assemblies or PRIs, are primarily just that – political representatives – and get elected principally for their political skills, not their administrative acumen. The administrative acumen is provided to the two highest levels of the executive, in New Delhi and State capitals, by the bureaucracy and technocracy that receives
broad policy direction from the political authority but is generally left to work out the administrative detail. (One witness told the Expert Committee – and others agreed - that up to 80 per cent of a typical Joint Secretary’s time is taken in issuing sanctions and examining Utilization Certificates\(^{93}\)). However, when it comes to the third tier of self-government, trained line department representatives are insulated from elected PRIs, thus depriving the political authority at that level of the advice and support that Central or State ministers routinely expect from their civil servants. Without civil service support under their overall political direction, Central and State Ministers would be quite as lost as PRI representatives tend to be.

3.62 The critical requirement, therefore, is less “training and capacity-building” for PRI representatives than placing third tier bureaucracies and technocracies under the political authority and discipline of PRIs through the processes of Activity Mapping dealt with earlier in this Chapter. It is the training of this level of the bureaucracy and technocracy to re-orient their attitude to third tier of political governance that is more the need of the hour than exclusively emphasizing training and capacity-building for PRI representatives and then using the lack of “training and capacity-building” of PRI representatives as the excuse for not devolving functions and funds to PRIs or, worse, resorting in their stead to parallel bodies that, by definition, are not accountable to PRIs or Gram Sabhas and owe their loyalty and responsiveness to the line departments that created them.

*Training and Mindset Orientation of State-level Functionaries*

3.63 Twelve, the Expert Committee hold that while training and capacity-building programmes for PRI representatives need to be continued and strengthened, especially through continuing electronic “distance education” (as already being promoted in Karnataka, West Bengal and elsewhere) devolution of Functionaries in consonance with the devolution of Functions and Finances is the essence of effective Panchayat Raj. Moreover, officials working with Panchayats must be given orientation programmes that make them conscious that they are servants, not masters, of the elected grassroots institutions. Higher level officers at the district level also need to have their attitude impregnated with the larger vision of Panchayat Raj reflected in the Constitution so that they ensure that officialdom and elected representatives work in tandem and not a cross-purposes. Above all, it should be made obligatory for line department officials to hold frequent, regular interactive sessions with elected PRI representatives at each

\(^{93}\) See testimony of Shri Kewal Sharma, Joint Director, PR Himachal Pradesh, 27 December 2012.
level of the Panchayat Raj system to intensively brief them about line department work. This would be the most practical and sustained way of capacity-building for PRIs and training for PRI representatives.

3.64 Best of all, this would remove the last hurdle in the way of Central Ministries conforming to the Prime Minister’s directive of 8 November 2004 that CSS guidelines be revisited to ensure conformity to the letter and spirit of the 73rd Constitution amendment.

**Rotation of Seats and Posts for Women, SC/ST**

3.65 Thirteenth, the Expert Committee would wish to emphasize with all the strength at their command that the Constitution does not require rotation of reserved seats to take place at every successive round of elections. Indeed, Tamil Nadu led the way by reserving seats for women for two successive terms. This could constitutionally be extended to three terms or more, even as rotation of reserved seats in the Central and State legislatures have been taking place only once in three decades or so, thereby giving SC/ST representatives tremendous opportunity for “learning on the job”, as it were. Longer tenures for women, especially SC and ST women, and SC/ST in general will ensure both efficient performance and effective empowerment of those sections of our society who are at an initial disadvantage. It will also have the desirable consequence of reducing over time the much-derided practice of ‘sarpanch patis’. This is particularly important in view of the decision in principle to amend the Constitution to provide for 50 per cent reservations for women, a practice already in vogue in 15 States94.

**Free and Fair Elections**

3.66 Fourteenth, free and fair elections are pre-requisite for the functioning of any democratic institution. In his 22 November 2006 address, PM observed:

“Equally important is the need for free and fair elections. Here the Constitution places a heavy burden of the States for it is their responsibility to ensure that elections are both free and fair. I commend the State Election

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94 15 States: Andhra Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tripura, Uttarakhand, West Bengal. (Source: MoPR).
Officers on their having come together on a common platform to exchange experience and make recommendations to State governments in this regard. They have given a number of valuable suggestions about a common electoral roll for Parliament, Assembly and Panchayat elections, on the unexceptional argument that the Indian voter is one and indivisible. I hope States will take measures to make our democracy not only the largest and most representative one, but also the cleanest on earth”.

3.67 The Committee exchanged views with a number of State Election Commissioners, drawn from most parts of the country, on 18 February 2013. Some of the key points that emerged are summarized below:

a. SECs should be authorized to decide the date of elections, the number of phases required, security and law and order requirements, financial independence, and control over election staff, as is the case with the Central Election Commission, as also authorize to undertake delimitation.


c. Circulation of Model Panchayat Raj Election Act that has been forwarded by SECs to MoPR.

d. Need for a common voters list for Parliament, Assembly and Panchayat Elections.

e. Consider innovations such as e-voting, use of mobiles for real-time transmission of information relating to disruption of free and fair elections.

The Committee endorse the views expressed and the suggestions made.

3.68 The Committee draw attention to Article 343 C (2) of the Constitution which provides that:

“All the seats in the panchayat shall be filled by persons chosen by direct election from territorial constituencies in the Panchayat area.”

3.69 The election to the Panchayats is to be conducted by the State Election Commissioner as per Article 243 K of the Constitution. So, the conduct of free and fair
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3.70 After anyone is elected in office, he/she should be allowed to continue in office without disqualifying the person on flimsy ground. The power to disqualify any elected representative should therefore, not remain with anyone who is a part of the State government and ideally should rest with the SEC. Also, once any member is disqualified and the seat falls vacant, the legal process of disposal of the charges against the member must be completed fast enough so that, if the member is acquitted from the charge leading to his/her disposal, he/she gets the opportunity to contest again in the election to be held for filling the post.

3.71 Sub clause (5) of the same article provides for the election of the Chairpersons of the intermediate and district level Panchayats to be elected indirectly by the members of the Panchayat. At the village level there are options for either direct or indirect election of the Chairperson. While direct election to the Chairpersons is conducted by the Commission, in respect of indirect elections, these are conducted by the prescribed authorities as per the Panchayat Act of the State. There is need for adequate safeguards for conducting such elections in a free and fair manner. After any member is elected indirectly as Chairperson, he/she may be removed either through ‘no confidence motion’, in case he/she loses majority support, or he/she may resign following due process. All these processes of removal and resignation should be well-defined and safeguarded that there is no arbitrariness or scope for manipulation or coercion. These issues are also discussed in Chapter IV.

Collateral Measures at State Level

3.72 Fifteenth, many of the “mutually reinforcing collateral measures” recommended above for “holistic” Panchayat Raj are further elaborated in the Chapters that follow. State-level collateral measures are spelt out in Chapter IV on Devolution through State Governments. Not until they are all acted upon simultaneously will optimum outcomes be secured for the more efficient delivery of public goods and services by leveraging PRIs.

Literature on Collateral Measures

3.73 In respect of each of these 15 “collateral measures”, there is a vast body of literature generated by the Ministry of Panchayati Raj, the Ministry of Rural
Towards Holistic Panchayat Raj Development and the Planning Commission, as also by the State Finance Commissions, the State Election Commissions, the Comptroller and Auditor General’s office and any number of NGOs, think-tanks and academics. The Committee have drawn on this documentation and commend this vast and growing body of research, experience and scholarship to the attention of Government.

**Institutional Recommendations**

3.74 There remain two institutional recommendations that the Expert Committee would wish to make.

3.75 First, Secretary, Urban Development, who was earlier a long-serving Additional/Special Secretary in the Ministry of Panchayat Raj has testified before the Expert Committee that Urban Local Bodies or “Municipalities”, as they are described in Part IXA (74th amendment) of the Constitution, passed by Parliament along with the 73rd amendment on 23 December 1989 but notified in the Gazette of India a few weeks later than the 73rd amendment, have not moved in tandem with developments in regard to rural Panchayat Raj. Villages in transition from Panchayat to Municipality status are, often, the worst affected by reclassification. The Expert Committee strongly recommend the constitution of a single Ministry of Panchayats and Nagarpalikas, howsoever named, to jointly promote the elaboration and implementation of the 73rd and 74th amendments together.

3.76 This would, of course, fall short of the ideal of combining local self-government into a single Constitutional amendment so that the artificial distinction between urban and rural local self-government that forestalls looking at the district as an integrated unit for interlocking rural-urban economic progress is removed. However, in view of the practical difficulty of amending Parts IX and IXA without unraveling everything that has been achieved so far, the Committee recommend

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95 See testimony of 15 December 2012.

96 See second deposition of Secretary, Urban Development. He urged, as his personal opinion, that the distinction between Parts IX and IXA of the Constitution be removed so that the District Panchayat (and with it the District Planning Committee) become responsible for both rural and urban areas within all districts (except metropolitan districts) so that the planning and implementation of economic development and social justice programmes becomes integrated at the district level instead of being artificially and damagingly compartmentalised into “urban” and “rural” categories with different programmes for each and little scope for convergence or synergy. The Committee recognise the difficulty in making Constitutional changes but recommend that further thought be given to this novel suggestion which is in line with the practice of local self-government in several similarly placed federal emerging economies such as Brazil.
that, at a minimum, effective coordination at the district level for “planning and implementing” programmes of “economic development and social justice” be promoted by having a single Ministry for local self-government at the Centre, which would encourage the establishment of similar Departments in the States. Meanwhile, the District Planning Committee (under Article 243 ZD) could undertake the function of buckling the urban centres of each district to their respective rural hinterland but only if State governments voluntarily bring the DPC under the District Panchayat, especially in view of the Ministry of Rural Development’s stated intention of integrating the District Rural Development Administration (DRDA) with the District Panchayats, thus ending a major and obsolete anomaly in the system of rural development.

3.77 **Second**, the Committee propose the establishment of a statutory National Commission on Panchayat Raj (with State level Commissions wherever State governments agree to setting up such Commissions) on the pattern of the National Commissions for Scheduled Castes, Scheduled Tribes, Minorities etc. for the implementation of the provisions of Part IX (and Part IXA) of the Constitution. These Constitutional provisions need to be continuously overseen by a National Commission on Panchayat Raj, and its State branches. Such a statutory National Commission would ensure Rights-based entitlements to PRIs and individual citizens, as has been so successfully demonstrated with regard to Rights-based Information and Rights-based Women and Child rights. The ambit of Public Interest Legislation and the Right to Information Act might be taken into account by the proposed National Commission on Panchayat Raj in addressing citizen and civil society grievances of PRIs (and against PRIs) in the light of the relevant mandatory and recommendatory Constitutional provisions read with the provisions of the relevant State legislation, as also relevant Government Orders. Thus would the Constitutional order for effective Panchayat Raj move with all deliberate speed towards fulfillment of the Aims and Objects of the Constitution amendments, based on the vision of “Maximum Democracy and Maximum Devolution”, urged by Prime Minister Rajiv Gandhi when he introduced the Constitution amendment on Panchayats on 15 May 1989.

3.78 This would also propel such significant leveraging of PRIs as to ensure exponential improvement in efficiency in the delivery of public goods and services, thus bringing social equity in line with the growth of the economy for “Faster, Sustainable and Inclusive Growth” – the overarching goal of the Twelfth Five-Year Plan (2012-17).
Conclusion

3.79 In concluding this Chapter, the Expert Committee would like to underline its view that bad Panchayat Raj is often worse than no Panchayat Raj. At the same time, effective, holistic Panchayat Raj being a Constitutional duty and obligation, binding the Central government as much as it does the States, if the totality of measures recommended in this Chapter and the Report in general are acted upon, the benefits in terms of inclusive growth would far outweigh the inconveniences in involved in making the “radical departure” urged by the Prime Minister in his Inaugural Address to the Conference of the Chief Ministers on Rural Prosperity and Poverty Alleviation of 29 June 2004. Indeed, the Committee express their hope that Government will find it possible to place this Report before a follow-up Conference of Chief Ministers.

3.80 The Committee also urge that the five-year old Report of the Empowered Sub-Committee of the National Development Council on Financial and Administrative Empowerment of the Panchayats be submitted to the National Development Council at its next meeting.

3.81 Further, the Committee recommend that as NDC is the most important forum that brings the Prime Minister and Chief Ministers together on a common platform, the Planning Commission be required to inscribe Panchayat Raj as a permanent item on the NDC agenda so that progress is kept under continuous review for the national priority of “Inclusive Growth” to be promoted through “Inclusive Governance”.
CHAPTER IV

DEVOLUTION BY THE STATES AND OTHER COLLATERAL MEASURES

4.1 Analysis of the Constitutional provisions at the beginning of the previous Chapter makes it clear that Panchayats have been established at different tiers in all States because of the mandatory provisions (of establishing Panchayats) in the Constitution. Thus, there has been decentralisation of government structure with democratically elected representatives, who are in a position to provide ‘local self-government’ as envisaged in the Constitution. However, the powers and authority to be exercised by the Panchayats and how that authority is to be exercised have been left to the discretion of the State legislature. As per Article 243 G, State legislature, by law, has to “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”. This provision under Article 243 G is purposely not mandatory, since the word ‘may’ has been used instead of the word ‘shall’, keeping in mind the federal nature of the country, where ‘Panchayat is a State subject’. Contexts vary across the country and so State legislatures devolve powers appropriately. However, the spirit of the Constitution is clear that the States should devolve by law appropriate responsibilities to the Panchayats to let them function as units of ‘local self-government’. It means that devolution of power should not only be by law, making the Panchayats accountable to the citizen for its actions, but an appropriate support structure and methodology for exercising powers so devolved should be put in place and that the Panchayats are able to discharge their responsibilities. The enactment of law is an essential step towards that end, but not sufficient to ensure that the Panchayats function as ‘local self-government’. That requires several collateral measures to be put in place.

4.2 Devolution to local government essentially has three components – devolution of appropriate functions with authority to make related expenditure decisions, fiscal devolution in ensuring availability of funds with the lower tier of government to carry out the devolved functions, and administrative devolution of putting in place functionaries. For operationalising these devolved functions there is also need to put in place many collateral measures, so that the lower tier of government can exercise
the authority unhindered within the established legal and administrative framework. The 73rd and 74th amendments to the Indian Constitution concerning devolution to local governments are probably the most elaborate amendments so far; yet, they only outline the broad contours of institutions of self-government. Their precise functioning in practice depends upon the legal and administrative framework that is laid down by the respective State governments for devolution of functions, funds and functionaries as well as putting in place other collateral measures. The said framework should also provide how the citizen remains engaged with the local government in the process of decision-making and implementation of schemes as well as the process of engagement of the local government with the higher tiers of government.

4.3 Most States in India have not devolved clearly the functions, its concomitant funds and functionaries, and have not put in place other collateral measures to the extent envisioned by the Constitution. There could be several reasons for such failure of which the important ones are:-

i. Lack of political will to devolve power to lower level elected governments,

ii. Lack of administrative will to bestow authority by the bureaucracy,

iii. State’s inability to create required posts in Panchayats and reluctance and even opposition by State government employees to work under the Panchayats,

iv. Departmental opposition to part with their budgetary allocation in favour of the Panchayats for carrying out functions which have been devolved to the Panchayats, which is partly due to the compulsion of bearing the share of CSS out of their own budget.

As a result of all these factors, devolution has been very scanty in most States. Also, whatever functions have been devolved, the same have not been done in most cases through supporting legislation. Further, adequate funds have not been provided to the Panchayats to meet the tasks assigned to them, whatever funds that are provided have not always been on time and with no assurance through specific budgetary provision and manpower to the Panchayats in carrying out whatever has been devolved. Many collateral measures are also missing to enable the Panchayats to function properly in discharging whatever has been assigned to the Panchayats. Local governments are still considered subordinate entities to States,
largely entrusted with agency functions, predominantly funded by tied revenue transfers from above and critically dependent upon deputed State government staff with little accountability to the Panchayats for implementation of their schemes. Moreover, Panchayats are subordinated or bypassed by other State institutions, to which the bulk of local governance responsibilities are entrusted. Such faulty design of devolution, practised so far in most States, is the main reason for the weakness in the present Panchayat system. Without correcting those systemic defects, the Panchayats cannot be leveraged to improve delivery of local goods and services, comparable to a local government.

4.4 The Committee also feel that the local government framework has typically been considered in isolation of and as standing apart from, the issue of federalism. They believe that the local government system should be considered an integral part of a larger inter-governmental federal framework. Indeed, strengthening the federal structure would be an essential prerequisite for a strong local government. Such an integrated inter-governmental arrangement will result in three benefits. First, it will lay down the rules of engagement between the Central, State and local governments. Second, it will also lay down with greater precision the roles and responsibilities of the State and Central governments in fostering and nurturing an effective local government system. Third, it will undoubtedly strengthen the local governments, i.e., the Panchayats (Municipalities in urban areas), to perform an effective role in the delivery of goods and services to the people, as rural local governments.

4.5 This Chapter provides an analysis of the existing framework of functioning of the Panchayats, its deficiencies and inconsistencies, and suggests corrective measures to overcome these to make the Panchayati Raj system a vibrant local government in delivering goods and services to the citizen.

**Devolution of Functions and Activity Mapping**

4.6 The starting point for a well-functioning inter-governmental system is the assignment of clearly defined roles to each level of government. Role-clarity between levels of government is essential both for efficient delivery of services as also for people to hold them accountable for their performance. When Panchayats are assigned clear tasks, provided devolved funds and made accountable for their performance of these assigned responsibilities, they are incentivised to demand the capacity required for effective performance. Empowered Panchayats, with clear roles
assigned, would also begin to demand more focused capacity building efforts, as also the staff and other organisational arrangements that are required for effective performance. Therefore, role-clarity can spur appropriate placement of functionaries for better service delivery.

4.7 A study of devolution in 16 States was undertaken as part of the State of the Panchayats Report 2009. Following an analysis of State laws and delegated legislation, the study came to the following conclusions:

a. Most functional responsibilities devolved or entrusted upon Panchayats are derived from the Panchayat laws passed by the respective State legislatures. However, these often need to be followed up with delegated legislation and executive orders, which not only mandate the devolution of functions but also devolve requisite finances and functionaries on Panchayats for effective performance of the devolved functions. A law may declare that a ‘function’ may be devolved through the law. Delegated legislation and executive orders following an activity mapping, might at first glance, put in place a measure of accountability of the department employees concerned to Panchayats. However, if no changes are made in long-established codes prescribing technical standards and approval processes (such as the PWD code), circulars, OMs, transfer orders etc., implementation might still de-facto continue to vest with line departments concerned.

b. State laws express the mandate on the functions and activities devolved to the Panchayats in different modes. The law might contain elaborate provisions laying out the details of functions assigned to Panchayats, or undertake it through a schedule to the State law, or through a combination of both approaches. Some States have classified devolved functions into ‘mandatory’ and ‘discretionary’ or ‘optional’ functions. Another pattern seen is to have a set of precise clauses devolving specific and clear tasks and responsibilities to the Panchayats and a broad enabling clause that empowers the State to give (and by implication, take away) more powers and responsibilities to the Panchayats. This results in non-standardised reporting of the devolution of functions. Thus, some States tend to report a high range of devolution, by counting individual activities assigned under law separately as ‘subjects’ devolved. Others tend to give reports in
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terms of ‘departments’ devolved. It is important, both from a point of view of conceptual clarity as also to permit comparisons between States, to maintain the distinction between ‘activities’, ‘subjects’ and ‘departments’ when analysing functional devolution, and

c. There is considerable variation in the range of devolution of matters to the Panchayats; with the greatest consensus emerging on the powers of the Village Panchayats and the least in respect of the District Panchayats (Box 4A).

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| There exists a cross-cutting commonality on the devolution to the village Panchayats of certain activities relating only to some ‘matters’ listed in the 11th Schedule. Thus, all the 16 States have readily devolved activities relating to social and farm forestry, drinking water, roads, culverts, bridges, ferries, waterways and other means of communication, markets and fairs, health and sanitation, including hospitals, primary health centres and dispensaries and maintenance of community assets. They are also least inclined to devolve fuel and fodder, public distribution system, minor forest produce, small scale industries, including food processing industries and technical training and vocational education to this level. With respect to the intermediate Panchayats, there is greater divergences amongst States. 100 per cent consensus on devolution exists only with respect to social welfare, though there is near-consensus on the devolution of agriculture, including agricultural extension, animal husbandry, dairying and poultry, health and sanitation, including hospitals, primary health centres and dispensaries, minor irrigation, water management and watershed development, fisheries, poverty alleviation programmes, education, including primary and secondary schools, markets and fairs, social welfare, including welfare of the handicapped and mentally retarded, women and child development and maintenance of community assets. States also generally tend not to devolve activities relating to the matters of technical training and vocational education, libraries, minor forest produce, public distribution system and small scale industries to the Intermediate Panchayats.

With respect to District Panchayats (DPs), there is a clearly discernible reluctance to devolve ‘matters’ on them. There is not even one subject on which all the States show agreement on devolution. The closest is however Education and Social Welfare, which 13 of the 16 States (81 per cent) have devolved on the DPs. This is followed by Agriculture, including agricultural extension and minor irrigation, water management and watershed development. In the case of roads, culverts, bridges, ferries, waterways and other means of communication, health and sanitation, including hospitals, primary health centres and dispensaries and family welfare, 12 States have devolved certain powers and responsibilities. Except 5 States other States have shown a marked reluctance to devolve activities relating to non-conventional energy sources and fuel and fodder. Similarly, six States only devolved the ‘matters’ of public distribution system, technical training and vocational education and rural electrification. Only 7 States have devolved the ‘libraries’ to the DPs. |
d. Even if the range of devolution in terms of matters covered may vary, there is considerable variation too in the depth of devolution within each subject matter; a State that might seem to have at first glance a weak approach to devolution, might actually display greater precision and depth of devolution, when the details are examined.

e. Many matters devolved through the law end up in a kind of concurrent list, with different tiers of government sharing the same responsibility, which seriously undermines accountability. The result of such legislative drafting results in diffused accountability as voters cannot find out from a reading of the law alone as to who to blame for breakdowns in service delivery.

f. There are several unfunded mandates given in the law which are not only open-ended, but for which only untied funds are available for implementation. Some of the unfunded mandates arise from vague statements in the law transferring functions to Panchayats.

g. Most States claim that devolution in the Constitutional sense has been done, while in reality confining and controlling the Panchayats and denying them the powers that are required for them to function as institutions of self-government. Several of these practices are (a) Conditional devolution, where States reserve to themselves the powers to amplify or withdraw powers and responsibilities from the Panchayats through executive orders (b) Open-ended devolution through sweeping clauses, without providing for enabling rules to actually operationalise such devolution, and (c) Vague devolution, through using operative words such as ‘promotion’ or ‘advise’, when describing the role to be played by the Panchayats concerned.

h. There are also several good legislative practices seen particularly where laws have provided for asset transfers to the Panchayats and detailed responsibility mapping.

4.8 The study concluded that the quality of devolution needs to be studied in detail, to ascertain whether it is of substantive actions for the failure of which the people can hold the Panchayat so entrusted with the responsibility to account. This requires delving into the operative enabling provisions of the law and rules and deconstructing them to understand what exactly is being conveyed through them.
OPERATIONALISING DEVOLUTION THROUGH ACTIVITY MAPPING

4.9 A process of Activity Mapping results in greater precision and purpose in the devolution of functions and responsibilities to Panchayats. The government of India’s efforts at activity mapping at its own level and in persuading States to undertake the process have been described in detail in Chapter III. However, it is clear that the strenuous efforts to pursue States to undertake activity mapping have gone in vain. Deadlines for completion of activity mapping were extended and in spite of regular review, actual progress was not significant. In some States the issue was being sidestepped. Some resurrected long dormant generic orders for activity mapping issued in the past and claimed on that basis that they had completed the process. Others put together statements of intentions, crafted more to meet the need to release these at political summit meetings, rather than as clear forward policy steps. Some States issued orders that withdrew powers and responsibilities from the Panchayats. However, there have also been painstaking efforts in some States at starting a process of real devolution in which activity mapping was followed by budget analysis and rearranging budget heads to match the functions proposed to be devolved. However, this process is slow and has not been completed in any State that has undertaken activity mapping following the MoPR’s efforts.

4.10 The reasons why Activity Mapping has not proceeded with vigour are manifold. First, in most States, this process was pushed by the State departments of Panchayati Raj. Even if generic orders on activity mapping were issued by the department, they did not have much effect; other departments continued to issue centralising orders as before. Since in most States activity mapping was issued in the form of executive instructions and not through legislation, they could be easily overruled by subsequent orders. Second, the Central government in other ministries dealing with matters devolved to Panchayats themselves issued blanket instructions setting up parallel structures, ignoring the legislative arrangements and activity mapping order of States, regarding the Panchayats. These orders became an alibi for their departmental counterparts in States to withdraw powers from the Panchayats – often in violation of the devolution of functions through the Panchayati Raj Acts and activity mapping orders. This considerably diluted the efforts of the MoPR, which was often told by its counterparts in the States to ensure that the Government of India itself ought to first adopt a cross-cutting policy of activity mapping to Panchayats.
4.11 The MoPR, based on the recommendation of the 2nd Administrative Reforms Commission, also prepared a model Panchayati Raj and Gram Swaraj Act and circulated it to States. The model Act amounted to a restatement of the government of India’s views on activity mapping in a new legislative package97. However, no State has adopted the suggestions contained in the Framework law and amended their Panchayat Raj laws. For these reasons, it can be concluded that the process of Activity Mapping is now largely in limbo.

4.12 The consequence of the indifference to Activity Mapping is the serious breakdown in service delivery at the grassroots. Currently, institutions delivering services that are not decentralised are located far away from villages making access limited and/or expensive. Even in the case of grassroots level institutions, service delivery is hampered by lack of capacity and poor responsiveness arising from poor accountability and compliance mechanisms, which can not prevent major shortcomings such as absence of staff. This is regardless of the dejure function of Panchayats to control and supervise the delivery of such services. To exacerbate the problem, ordinary people have little understanding of the delivery system and view themselves as beneficiaries to receive benefits rather than as rights bearers who can demand services. This is an acute problem for the poor and marginalised. While the answer to this is substantive and real devolution, the ground realities are far from that ideal. Panchayats need to function effectively in such environments too. All these point to an interim solution that might be effective, as well as promote greater devolution, which is, to position the Panchayats as institutions of mediation in obtaining of services from higher levels.

**RECOMMENDATIONS ON ACTIVITY MAPPING**

4.13 Based upon the analysis above, the Committee make the following recommendations:

i. Activity Mapping should be done by all States, as a prior exercise for devolution for the major areas of service delivery, such as health, education, nutrition, water supply, sanitation, various other civic services, employment generation, poverty alleviation and local economic development, livelihoods, agriculture and allied sectors, social security

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97 There is a strong similarity between the Schedules to the Act and the recommendations of the Task Force on Activity Mapping 2001.
and disaster management etc. Activity mapping should also clearly state out where the function is a devolved core function, where the Panchayats function as agencies and where they have a mediating role. The MoPR should come out with incentives for the States to take up the process and facilitate the same by organising professional support.

ii. Activity Mapping should be linked to budget envelopes with a separate statement of funds allocated to PRIs in an annexe to the budget.

iii. There is a need to educate all stakeholders on the importance and implications of an activity mapping exercise. In particular, there is a need to dispel misgivings of departments that Activity Mapping in some way disempowers them. They need to realise that there is no gain or loss of power through mapping out expenditure responsibilities; indeed, it can actually increase the role of higher level governments, though they would not be doing the same things that they were doing before.

iv. Activity Mapping has to conform to certain objective principles. First, subjects can not be devolved wholesale – they need to be unbundled into activities and assigned appropriately to different levels of government. Second, Activity Mapping need not be patterned on the way budget items or schemes are arranged, but should be on the basis of the range of functions in a sector. Third, certain activities, such as beneficiary selection, can span different schemes and different yardsticks cannot be applied to the assignment of the same activity on a scheme-wise basis. Fourth, the State governments have to remain responsible for setting standards of services to be delivered by the Panchayats and monitoring whether the same is being met.

v. While drafting laws and delegated legislation on activity mapping, a clear distinction needs to be made between the agency functions entrusted to Panchayats and their core functions. In respect of agency

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98 Mr. Sharma (Secretary, Panchayati Raj Department, Himachal Pradesh) in his oral testimony to the Committee revealed that apart from undertaking activity mapping in the Panchayati Raj Department, the government has also launched an omnibus scheme which rewards Panchayats and related departments for properly implementing activities from the said map.
functions, higher level governments, parastatals or others entrusting any function on Panchayats must enter into enforceable contracts that lay out the roles and responsibilities of both the Panchayats as an agency as well as the department/others concerned as the one entrusting such agency function. Such contracts should also provide for meeting completely, the costs of carrying out the agency function by the LG concerned.

RECOMMENDATIONS ON THE MEDIATING ROLE OF THE PRI S IN THE DELIVERY OF GOODS AND SERVICES

4.14 The Committee make the following recommendations in respect of mediating role of the PRIs:

i. Panchayats are also ideally positioned to improve delivery of goods and services by higher tiers of government, public utilities and even private providers by mediating with the providers of goods and services at higher level on behalf of local residents. As a representative body, it has a greater bargaining capacity than individuals to undertake proactive and constructive engagement on behalf of their residents to improve the quality or coverage of existing services.

ii. Panchayats can mediate in instances of service delivery failures by public authorities with a larger jurisdiction, which affect communities at large. Any Panchayat could take cognisance of this type of failure of its own without any public resentment/complaint and can mediate with appropriate government/public authority for rectifying such failures.

99 A semblance of this approach, but only a semblance, can be seen in the NREGA arrangement. The national law clearly lays down the tasks of each level of Panchayat in implementing the arrangements. Where it fails is that the Act does not provide the agency commission to the Panchayats for implementing the Act – the 6 per cent of funds provided for meeting the administrative cost is consumed by the higher tier itself, to procure monopoly services that the Panchayat has no option but to accept.

100 Oral testimony of Mr. Sharma (Secretary, Panchayati Raj Department, Himachal Pradesh): “We are contemplating introducing a committee headed by a Sub-Divisional Magistrate which will consider this (grievance redress). If a Gram Sabha discusses there is a problem relating to some department the Sub-Divisional Magistrate will have powers to call the department concerned and to resolve the issue.”

101 For example, failure of or need to improve quality of transport services, maintenance of roads/irrigation facilities, etc.
can also mediate on behalf of individual or families affected by service delivery failures\textsuperscript{102}. Panchayats should have a mechanism in receiving such complaints, processing those and taking up the issues appropriately. When a Panchayat mediates on behalf of its residents demanding accountability of service providers, it gives credence and strength to its own role and rights as a local government. Such an approach might provide a breakthrough in trust on PRIs, absence of which in areas with weak PRIs seems to stand in the way of effective devolution.

iii. If this approach gains ground, then formal channels of mediation that recognise the role of Panchayats may be strengthened by putting in place appropriate institutional arrangement such as providing for regular dialogue and joint reviewing of services delivered in respective areas. Such formal channels would ensure presence of Panchayat representatives or officials in monitoring performance of the appropriate organisation at the higher level responsible to deliver such services and involving them in the grievance redress mechanism. It would also cover sharing of all information and performance reports on delivery of goods and services with data disaggregated up to local level and even individual/family level, wherever relevant, in respect of each local area by the authority concerned.

iv. The Panchayats may also mediate service delivery related to higher tier of governments by providing a front desk facility in the process. For instance, application for receiving services from higher tiers may be accepted locally by the Gram Panchayat for forwarding to the appropriate authority. As the emphasis and shift to electronic delivery of services grows, this mode could provide the last mile connectivity in physical form because it will take a long period in achieving desirable level of access to broad band facilities at the household level in delivering services. Such arrangements could be formalised through service level agreements between the Panchayats and the departments concerned which could also authorise the Panchayats to authenticate and physically deliver the services of higher levels of government, through delegated powers.

\textsuperscript{102} For instance, in a case where someone has been denied a ration card, pension or insurance benefits.
v. The administrative capacity of Panchayats, particularly the lowest and the intermediate tier, should be developed to take care of their mediating role as well. There should also be explicit recognition of such mediation along with appropriate arrangements for monitoring and strengthening the system.

Fiscal Decentralisation and Panchayats

4.15 Fiscal decentralisation comprises arrangements that enable and incentivise Panchayats to function effectively. All efforts to regularly elect Panchayats and formally assign them functions can come to nought if adequate finances are not made available, either through revenue sharing, grants or the powers to levy and collect taxes, to the Panchayats. This Section examines the main issues relating to fiscal decentralisation and makes broad recommendations on strengthening fiscal decentralisation.

4.16 For several reasons, India’s fiscal decentralisation from Centre right down to the local governments does not match the legal commitment contained in the various laws devolving powers and responsibilities to that level of government. Both in terms of taxes raised and expenditures incurred, Panchayats and Municipalities occupy an abysmally low level in India (Box 4B).¹⁰³

<table>
<thead>
<tr>
<th>Level of Government</th>
<th>Revenues (%)</th>
<th>Expenditures (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union government</td>
<td>66.19</td>
<td>47.70</td>
</tr>
<tr>
<td>State government</td>
<td>31.31</td>
<td>45.19</td>
</tr>
<tr>
<td>Local government</td>
<td>2.5</td>
<td>7.11</td>
</tr>
<tr>
<td>Total public R&amp;E</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

¹⁰³ Compiled from Ministry of Finance Statistics and data collected by 13th Central Finance Commission. The revenues of the Union government comprise taxes levied and collected by it. The revenues of the State government comprise those taxes levied, collected and appropriated by it but do not include tax assignments from the Central government. Local government taxes are calculated on the basis of data collected by the 13th Finance Commission. It cannot be stated with certainty that they do not include assigned taxes, as all States might not have indicated assigned taxes separately when presenting data to the 13th Finance Commission.
4.17 Ideally speaking, Panchayats should be able to fully utilise the taxation powers that State governments assign to them by law. Typically, these taxation powers include property taxes, user charges for water supply and sanitation services, professional taxes, taxes on advertisement, ferries, parking fees and entertainment tax. Practice in many States is that no taxes are being collected, or arbitrary lumpsum amounts are being collected. Three States have taken the retrogressive step of abolishing property tax. Moreover, even if the slack in tax collection were to be overcome, Panchayats would still suffer from a situation where their expenditure responsibilities exceed their revenue raising capacities by several times. In such circumstances, the fiscal transfer system becomes critical in ensuring that Panchayats get levels of financing that are appropriate to their functional responsibilities. There is a long way to go to reach the ideal levels.

4.18 One of the main reasons for weak fiscal decentralisation to Panchayats is because the inter-governmental fiscal system both at the Central and State level follows pre-devolution patterns of budget arrangements. A few States have a comparatively better track record and provide for specific budget windows to provide funding for Panchayats. In such circumstances, the way that Central government transfers are funded, including how CSSs are designed, becomes critical. CSS design could either promote greater devolution to the Panchayats by the States, by positioning Panchayats as the primary recipients of Central funds and assigning them critical responsibilities in planning and implementation. On the other hand, they could be equally designed to lead to greater agencification of Panchayats and States by the Central government, by bypassing them through parallel structures, or curbing their functional and fiscal independence. In doing so, the Centre runs the risk of contradicting through schematic provisions that bypass them altogether through parastatals that work directly with CBOs at the sub-Panchayat level, the devolution of functions, powers and responsibility to Panchayats, which lies in the domain of the States.

The larger question of how these overall trends of agencification and tying down of funds to specific purposes should be arrested and, if possible, reversed is considered elsewhere in this report. This Chapter looks at the framework of institutions, laws and rules of engagement, which enable a good system of fiscal decentralisation to be rooted and evolved progressively.
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Salient Features of India’s Fiscal Transfer System

4.19 There are eight Constitutional measures for inter-governmental fiscal transfers, illustrated in Box 4C\textsuperscript{104}.

At the Central level, the Central Finance Commission (CFC) is to set up every five years, which recommends the share of the Central divisible pool that is to be shared with the States\textsuperscript{105}. The CFC also recommends the horizontal shares among the States on the basis of discussions with the Centre and the States. Though the CFC report is only recommendatory, India has so far followed the convention of accepting

\textsuperscript{104} From T.R. Raghunandan (2013), Federalism and Decentralisation, Role of Institutions (under publication).

\textsuperscript{105} Currently, the report of the 13\textsuperscript{th} Finance Commission is under implementation (2010-2014).
recommendations of the CFC in toto and implementing them. The 73rd amendments to the Constitution enlarged the functional domain of the CFC’s by requiring it to recommend ‘measures to augment the Consolidate Fund of a State to supplement the resources of Panchayats’ (‘B’ and ‘F’ in the above figure). Accordingly, the 13th Finance Commission recommended a total share of 2.28 per cent of the Central divisible pool for local governments. These funds are transferred to the States for being passed on to the local governments in turn. Earlier, States used to divert these CFC grants of local governments for their own purposes. The 13th FC, however, has now set strict conditions to prevent these funds from being delayed or diverted. Also, the Commission has broken new ground by allocating for the first time a per centage of the Central revenues for local governments. However, conditionalities on better accounting measures and local revenue collection have been imposed, in order to avail of topping up grants. There has been a recent tendency for States to impose conditions that restrict the use of these funds by Panchayats. The CFC is also tasked with recommending grants in aid for specially disadvantaged areas and States under Article 275 (‘C’).

4.20 A similar provision (Article 243 I) mandates States to set up State Finance Commissions (SFC) every 5 years (‘E’). However, SFCs are not being set up by the States in time. States are also not acting on several of their recommendations. Many of the SFC reports are not of very good quality, which is also one reason why most of their recommendations end up not being implemented. Some States have the good convention of setting these institutions up regularly and following their recommendations, but this is more an exception than the rule. In some States, the State share of the CSS is made to be paid by the PRIs out of untied fund, which totally distorts the purpose of providing untied fund and takes away the discretion of the PRIs in expenditure decisions. The Committee are of the view that such practices should be stopped and what should be transferred as recommendations of the SFC grant should be without conditionalities.

Entrustment of Schemes

4.21 The window of giving formula based grants/share of tax has been overshadowed by the alternative route, described under ‘D’ in Box 4C above. The exception clause of Article 282 in the Constitution enables both the Centre and the State to provide funds for ‘any public purpose’, even if the Centre or the State, as the case may be, does not have the legislative competence to pass laws with respect to the subject
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matter concerned. Over time, this exception clause has become the window for the transfer of a considerable volume of discretionary grants, in the form of tied ‘Schemes’. Centrally Sponsored Schemes are grants made under this clause of the Constitution. It is estimated that Central fiscal transfers through this discretionary window now exceeds the normative transfers through ‘A’, ‘B’ and ‘C’ [see Box 4C]. Quite often, the Central government demands for establishment of parastatals and transfers funds through to those bodies, which not only bypass Panchayats at the field level, but also bypass State budgets. These allocations are handled largely by banks, which benefit from the use of the interest-free ‘float’ provided by these pass-through allocations. Currently, the number of different Central fiscal transfers through this discretionary window is more than 150, comprising ‘Centrally Sponsored Schemes’ and ‘Additional Central Assistance’ programmes. Most of these are designed and managed by the Planning Commission and Central line ministries. There is a large measure of acceptance for such transfers amongst the higher bureaucracy at the Centre and State levels, who see off-budget parastatal-based transfers as insulating Central fiscal transfers from the vagaries of State finances and politicians. However, while there has been a considerable increase of funds flowing through this route to Panchayats, performing these agency functions has had its deleterious effects. Most Panchayats are not compensated for the additional administrative expenditure that is entailed by performing such agency functions. Moreover, core local governance functions tend to get neglected in the rush to perform agency functions. Finally, collection of local revenues and giving local services using the revenue help citizens to realise the value of their money and to demand better services, which is crucial for improving governance and delivery of local services. Such a process fails to take root, which is essential for a strong local government.

**OWN REVENUES**

4.22 Own revenues is the ideal source of fiscal autonomy for any local government. However, in India tax assignment to the Panchayats is very limited and most of these taxes are less elastic and not capable of generating significant quantum of own revenue. Also, there is reluctance to collect such taxes at the Panchayat level. Collection of own revenue of the Panchayats is, therefore, generally quite low compared to their expenditure commitments and the revenue gap is increasing. Oommen estimated that the share of Panchayats in public expenditure in India increased from 2.5 per cent in 2002-03 to 3.7 per cent in 2007-08, while the share of own revenue of
Panchayas declined from 0.4% to 0.3% during the same period\textsuperscript{106}. However, potential for collecting more revenue by the Panchayats have not been fully tapped. A study of three Gram Panchayats of Tamil Nadu has concluded that it is possible for the Panchayats to substantially reduce their dependence of fiscal transfer from above through judicious increase in their tax and fees\textsuperscript{107}. Some of the States and Panchayats have used IT based databases for estimation and collection of taxes for augmenting revenue collection. They have also taken institutional measures like self-assessment of taxes along with random inspections and punitive steps as a back-up to ensure compliance. Some Panchayats have begun to accept online tax returns and payments. Usually, tax is collected yearly and rebates are offered for early payments and late payments carry fines. However, those examples are not common and tax collection in rural areas continues to be patchy, with States in the south and the west having a much better track record. The full potential for taxation remains untapped for the following reasons:

i. Outdated tax estimation systems

ii. Discretionary power with tax estimation and collection agencies in the lack of, or disregarding existing norms

iii. Low ceiling limits on taxes that can be collected, or legislative abolition of local taxes

iv. Non-revision of taxes at regular intervals according to the law

v. Poor coverage of taxable properties

vi. Inability to take action against big defaulters

vii. Lack of well trained staff


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Typically, the huge influx of agency based transfers leaves no time or incentive for Panchayats to collect taxes. ¹⁰⁸

RECOMMENDATIONS ON FISCAL DECENTRALISATION

4.23 Given these features of the inter-governmental fiscal transfer system and their constraints, the Committee make the following recommendations on specific facets of fiscal decentralisation.

Matters related to SFCs

a. The SFCs should be constituted in time and the recommendations of the SFC should be accepted to the maximum extent possible and within a reasonable timeframe through submitting ATR in the State Legislative Assemblies and acting as per commitment made through ATR. The money should also be transferred in at least quarterly and the amount to be received should be predictable.

b. There should not be any conditionalities in such transfer, like making the PRIs pay for certain expenditure/share of CSSs etc. and the PRIs should have full discretion on using the amount in full.

c. There is a need to have a Local Government Fiscal Cell as a permanent body in each State¹⁰⁹. This cell could function as the secretariat for the State Finance Commission, when it is set up. The other duties of this Fiscal Cell include mandatorily submission of a white paper on LG finances to the State legislature every year. This would be an ‘Annual Financial Statement’ concerning the local government, which would be a report to the public on the status of fiscal devolution and funding of local development.

¹⁰⁸ The 13th Finance Commission has made the imposition of property taxes as a condition precedent to receiving incentive grants, from 2013 onwards. It has also suggested that States should establish a Valuation Board in order to standardise property assessment and valuation. Property values should be indexed and guidance values used. It has also suggested that States should institute a GIS system for mapping all properties in cities, which will result in increased coverage. It has further suggested that the Central Urban Renewal Mission should introduce a specific conditionality aimed at reducing the gap between the assessed and market value of properties. With these measures, it estimates that property tax revenues could increase eight fold, merely by bringing all cities to an 85 per cent coverage level and 85 per cent collection efficiency, without changing any other variables.

¹⁰⁹ The term LG has been used to also include urban local government, which may also be served by the Cell.
d. In addition (or as part of) the Fiscal Cell, there has to be a separate wing of the Finance Department in each State that is tasked with the duty of channelising funds to Panchayats. Statutory funds should be transferred to each Panchayat separately, without unnecessarily making block or district level allocations. This will ensure that each Panchayat is treated as a separate and distinct entity and does not suffer because the slowest moving Panchayat has yet to catch up with the rest. This will incentivise each Panchayat to function efficiently, as it will be rewarded for its efficiency. That will also improve competition of functioning among the Panchayats.\footnote{110} With current capabilities of IT-enabling of Panchayats, this is surely possible. Both non-programmatic funds entitlements (such as Central and State revenue shares) and programmatic funds should flow through these arrangements.

e. From the Central government’s perspective, the issue of strengthening the fiscal cell should be placed by the government before the 14\textsuperscript{th} FC also; and

f. As subsuming of some of the local taxes in the GST is imminent\footnote{111}, a separate share of the GST will need to be assigned to the local government to minimise their hardship and maintain assigned revenues at the prevailing level, if not provide a potential for buoyancy. Alternatively, this may be done by raising an additional surcharge on the GST.

\footnote{110}{Dr. C S Rajan (Additional Chief Secretary, Panchatyati Raj Department, Rajasthan) in his oral testimony to the Committee explained how the State devolved funds and functionaries “in a real sense” regarding five subjects - primary school education, primary health services, agriculture and horticulture production, women, child and nutrition services and social justice and empowerment. These have been entirely placed under administrative control of District Panchayat and Standing Committee at the same level. The latter, under new rules, fully review the schemes and also approve proposals put up before them by the General Body. Consequently, in their Memorandum to the Fourth State Finance Commission, they have requested distribution of revenues (which includes Performance Grant) across the three Panchayat tiers be hiked from 3 per cent, 12 per cent and 85 per cent to district, intermediate and gram Panchayats to 10 per cent, 12 per cent and 70 per cent.}

\footnote{111}{For instance, following the introduction of full-fledged GST, Entertainment Tax would merge with it and octrois would be abolished.}
RAISING OWN REVENUES OF PANCHAYATS\textsuperscript{112}:

4.24 For ensuring effective revenue mobilization by Panchayats, there is a need to re-orient the legal and policy regime with a view to giving Panchayats more tax handles to widen their revenue base, as also ensure that the taxation powers currently given are effectively operationalised.

A. Assignment of Tax and Non-Tax Revenue Powers to Panchayats

i. State Governments need to assist the State Finance Commissions to explore the appropriate tax and non-tax revenue assignments to the Panchayats as well as ways and means of administering and enforcing them to achieve a greater linkage between revenue raising and spending decisions at the local level.

ii. An examination of the various taxes levied by Panchayats across States reveals that there are as many as 66 different types of taxes, user fees and charges. Rates and system of collection of these taxes need to be rationalised to improve efficient administration. Each level of Panchayat could be given a basket of at least one or two important tax handles while assigning tax revenues.

iii. State governments may consider assigning to District and Intermediate Panchayats powers to fix tax/non-tax rates in respect of selected handles within a band or to share revenues from selected State taxes.

B. Promoting Tax and Non-tax Collection by Panchayats within Existing Provisions

i. Pending reform in the tax assignment system, significant gains can be made by concentrating on persuading PRIs, particularly village Panchayats, to undertake systematic and timely assessments, to survey fully the tax base and to enforce tax collection. States may undertake a campaign mode approach on improving tax collection based on the existing legal regimes and overcome the large slack in revenue collection. All such efforts must aim to put data in the public domain so that there is wide discussion on

\textsuperscript{112} The Empowered Sub-Committee of the NDC on Financial and Administrative Strengthening of Panchayats considered the issue of assessing the capacity of PRIs to raise revenues and other resources and develop an action plan in this regard and suggested that a National Seminar on Panchayat level revenue mobilisation be held to carry this agenda forward. Following this seminar conducted jointly by the MoPR and the NIPFP, several recommendations emerged for guiding States to chart out a strategy for promoting the estimation and collection of local taxes. The Committee has relied on these consensus recommendations of the Seminar.
taxation measures and a large measure of consensus amongst people. Consensus among political parties will help drive the process, particularly where Panchayat election is fought with political symbols.

ii. In this direction, States could re-examine the current rates of taxation previously fixed and consider an upward revision, keeping in mind current circumstances. In this respect, States may remove maximum limits fixed on tax and all conditionalities that hamper or restrict the powers of Panchayats to tax; and

iii. There is an imperative need to strengthen the capacity of village Panchayats to levy and administer property tax. Experience has shown that area based property taxation would be appropriate, varying with the location of the property, floor area and the type of construction. State governments may work towards implementing a guided value system on a block-wise basis, making it easy for local governments to apply these guidelines in a simple and transparent manner.

C. Capacity Building of Panchayats in Tax Administration

i. States may take steps to strengthen the administrative and enforcement capacity of Panchayats to collect revenues through training of tax collectors in Panchayats to determine and collect tax demands in accordance with rules and regulations. If one collector for each village Panchayat is not viable, a tax collector can be assigned to multiple villages with appropriate specification of responsibility; and

ii. State governments need to ensure that their training programmes for Panchayat elected representatives and officials contain well-structured modules on administration and collection of taxes and non-tax revenues by Panchayats.¹¹³

¹¹³ For instance, in the case of Himachal Pradesh, Mr. Sharma (Secretary, Panchayati Raj Department) explained that part from the foundational/induction training imparted to PRI Secretaries and elected representatives the need for integrated or combined training courses and incentivising attendance emerged. “(Now) we have designed thematic models. The are general functioning of Panchayat, financial management of Panchayat, execution of works by Panchayat...We have developed a special software which we are going to implement ...It is a directory of PRI representatives ...which is also on our website which says how many times they have been elected, gender, literacy level etc...now we are attempting to make entire of their training programmes attended...So we introduced that we will pay Rs. 100 for a day’s participation for training every time they come for this.”
D. Incentives for Collection of Tax and Non-Tax Revenues

i. There is need for incentives for tax efforts of Panchayats. States could consider incentivising tax effort by Panchayats by reworking the formulae for distribution of revenue from the State, adjusting for the revenue capacity of the PRI, estimated on the basis of a simple indicator such as the number of pucca structures;

ii. States may also promote Panchayats to collect revenues, of providing bonus payments at specified pre-announced rates to Panchayats that have demonstrated exemplary collection performance. Such incentive system for enhanced collections may be built around a framework, under which Panchayats would be grouped according to their tax potential into clearly identifiable categories and rewards through increased grants would be given to those who exceed the target. Another incentive could be to make part of the remuneration of the elected functionaries linked to efficiency of collection of own source revenue. In that case, the remuneration will be in different slabs linked to collection efficiency/growth compared to that of the previous year; and

iii. The incentive package may also contain a set of measures for tax avoidance, such as mandating that Panchayats publish lists of defaulters and ensuring that all elected members to Panchayats set an example by paying their taxes promptly.

E. Data Collection and Analysis in Respect of Own Revenues

i. At present, there is inadequate data available on Panchayat tax collection. State governments may take steps to prepare detailed demand, collection and balance statistics in respect of tax and non-tax revenues, separately for each level of Panchayat.

ii. The information system organised for tax administration in respect of Panchayat revenues shall be a part of the general statistical information system relied upon for designing the planning and delivery of services at the Panchayat levels. This information should be made available in the public domain through suitable websites.
iii. States may prepare a compendium of the legal provisions and executive orders issued by the State government in respect of the administration of taxes and mobilisation of non-tax revenues by Panchayats. This compendium could be made available to all Panchayats; and

iv. There are good practices emerging where Panchayats have improved the collection of taxes and non-tax revenues through innovative measures. It is important to understand these practices to evolve incentive structures aimed at promoting tax collection. Champion Panchayats, who have demonstrated good performance, could be used as roving consultants to help design Panchayat-specific solutions and promote the idea of tax collection by Panchayats.

**Recommendations on Measures to be Taken by the MoPR for Augmenting Own Revenue of PRIs**

4.25 Many States on their own do not feel the urge to take steps for augmenting Panchayat revenue. Such efforts, where taken have not been generally sustained for a long period. The MoPR may take the responsibility of having a sustainable initiative for facilitating States effort in giving priority to augmenting collection of own revenue of the PRI, for which the Committee suggest the following measures.

i. MoPR may conduct an expert study on defining the possible own fiscal domain for PRIs in the light of national and international experience in fiscal federalism.

ii. The MoPR may assist States to design local solutions, which could encompass suggesting legislative changes, draft model executive orders, design training programmes and develop local software solutions for tax management. This would be undertaken primarily by networking with those who have championed such approaches at State levels.

iii. The MoPR may undertake analysis of State-specific trends to identify initiatives and drives in respect of enhancing revenue collection by Panchayats. This would also include a compendium of good practices on local taxation which would be widely disseminated to all States.
iv. The MoPR may conduct experience sharing workshops exclusively on own sources revenue of PRIs. Panchayat leaders from various States could also be invited to share their experience in these workshops. In particular, the MoPR could compile details of good practices and incentives mechanisms developed by States and recommend them for replication by other States.

v. The MoPR may support policy studies on PRI revenue, particularly in two directions, first, to ascertain taxation capacity and scope to augment non-tax revenue; and second, to design incentive packages.

vi. The Ministry of Panchayati Raj may ensure that performance of States in designing of the tax assignment regime, preparation of the fiscal information system and capacity building of Panchayats and performance of Panchayats in using the tax handles to collect taxes as assessed, are incorporated as key benchmarks of the Devolution Index, on the basis of which States and Panchayats are to be assessed and ranked. The Devolution Index would be the basis on which the proposed Panchayat Empowerment and Accountability Incentive Fund would operate.

4.26 In the longer term, it must be emphasised that for implementing their core functions, Panchayats must realise that local taxes ought to be the primary source of funding. The fact that they are currently at abysmally low levels should not deter one from this re-conceptualisation. Even, given the limitations in the growth of local revenue, there is a lot of laxity in its collection, which can be reeled in only if they are conceived as being the primary source of funds to implement core functions. Positioning local revenue as the main source of funds for the performance of core functions will also spur more serious thinking on enlarging the fiscal domain of the PRIs, a matter that has not received the attention it deserves, due to the flood of agency funds that are now pouring into Panchayat coffers.

4.27 In order to facilitate the change proposed above funding PRIs from higher levels of governments, in the long run, should only be provided as topping up grants, on the presumption that local revenue are deemed to have been collected. Only will such an approach prevent the exporting of tax burdens by Panchayats and change the local funding stream from the clutches of patronage to make it normative. These must be untied, as only then will local planning and prioritisations have any real meaning.
Weaknesses in Fiscal Transfer Systems and Financial Management

4.28 There are several other weaknesses of the fiscal transfer system. These include the large number of fiscal transfers to Panchayats, which are uneven, unpredictable, lumpy and untimely, treasury bans on expenditure, lapse of funds devolved on Panchayats towards the end of the financial year, and their non-availability thereafter, delays in releases of funds caused by cumbersome financial transfer processes and the procedures involving several intermediate steps, and prior ‘cuts’ imposed on funds transferred to Panchayats.

4.29 Besides, several shortcomings in procedures concerning approval and sanction of projects, hierarchical procedures prescribed for technical and administrative sanctions of projects, strictly limited and stagnant financial powers delegated to Panchayats, slow pace of decision-making processes within Panchayats resulting in delays project commencement, payment of bills and provision of utilisation certificates. Panchayats also take up of a multitude of projects without sufficient allocations being made, causing time and cost overruns and leakage of funds.

4.30 One of the key process measures required to ensure that the fiscal trail from the Centre to the local government via the States governments is to have common accounting standards and common account Heads of Account under which expenditures are accounted for at all levels of government. In the first instance, this will require the systematisation of accounting formats. The CAG has been making steady efforts in this regard and these seem to be yielding positive gains (Box 4D).

Recommendations on Improving Financial Management

4.31 In order to overcome these deficiencies, the Committee recommend the following measures:

i. A fiscal responsibility regime should be established through appropriate legislation, by which one can, inter-alia, ensure stability and predictability to Government-PRI fiscal transfers. Such a framework would lay down principles of financial management at the Panchayat level, mandate transparency in fiscal management at the local level, which would include prescribing the timing and periodicity of fiscal transfers and the pre-conditions for release of funds. It could lay down principles that govern the sanction of works by Panchayats,
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Box 4D

Under Article 243J of the Constitution, the Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the Panchayats. Typically, States issued rules under their respective Panchayati Raj Acts for the maintenance of Panchayat accounts. However, since Central funds began to flow to the Panchayats through the Jawahar Rozgar Yojana (JRY; 1989) for the first time, there has been an increasing need to standardize the accounting system of Panchayats. This need has been prompted by the fact that Central fund allocations to the Panchayats have exploded in volume since the days of the JRY. Ever since the Centre has thus become a key stakeholder in the local delivery of services, greater attention has been focused on the possibility of Central intervention in standardizing Panchayat accounting. In an environment where a predominant proportion of Panchayat expenditures are financed through fiscal transfers, standardized accounts enable comparability across States and Panchayats. Standardisation of accounts requires two kinds of steps, namely, the Standardization of Accounting Formats, (which include standardized Heads of Accounts) and the adoption of common accounting standards, (which define precisely when an income can be said to have occurred, or an expenditure said to have been made). In respect of the former, the CAG has taken steps since the 11th Finance Commission onwards. The 11th Finance Commission suggested that States adopt a Technical Guidance and Supervision (TGS) Model, wherein the CAG would provide both technical guidance, as also supervise the State accounting system to strengthen accounting at the Panchayat level. However, since States had misgivings about the ‘Supervision’ aspect, this has been substituted by the more acceptable ‘Support’. Along with the TGS system, the CAG suggested a standardized system for maintenance of accounts which States could adopt. These initial formats prepared in 2002 were found to be too complex for adoption by States and underwent further simplification in 2007. During that period, the MoPR also took steps to obtain formal consent from States to the TGS model. Finally the CAG and the MoPR constituted a Technical Committee on Budget and Accounting Standards for PRIs in 2008, co-chaired by the Deputy Comptroller and Auditor General (LB) and the Secretary, Ministry of Panchayati Raj, Govt. of India to further simplify the accounting formats. This committee constituted a Sub-Committee co-chaired by Director General (LB) and Principal Secretary, Panchayati Raj Department, Govt. of Gujarat, comprising of representatives from the Planning Commission, Ministry of Finance GOI, the State Governments of West Bengal, Uttar Pradesh and Andhra Pradesh and representatives from the Controller General of Accounts (CGA) and National Informatics Centre (NIC) for the purpose. The mandate of the sub-committee included the preparation of a simple but robust accounting system for PRIs, comprehensible to the elected representatives and functionaries of PRIs and which facilitates generation of financial reports through Information and Communication Technology.

Simplified formats of accounts for PRIs prepared by the sub-committee were approved by the Technical Committee in January 2009. One of the key features of this simplified format is that the 29 items listed in the 11th Schedule of the Constitution have been represented through
23 major heads. Some of the related items have been clubbed together for convenience. In this simple system the first 4 digit classification represents the function enumerated in the 11th Schedule, the second 3 digit represents the programme unit of expenditure (or where 11th Schedule items have been clubbed under a single major head, the precise item in the 11th Schedule). The next level of classification (a two digit code) represents the object item of expenditure. Central schemes have been given distinct two digit sub-heads of account. In addition, flexibility has been provided for opening further sub-heads for state-specific schemes, as well as to add more object heads to take care of further kinds of expenditure not provided for in the standardised system. In addition, Panchayats may also operate the following separate major heads to record receipts, payments and disbursements under separate heads for Loans, Pension and Provident Fund, Insurance and Pension Fund, Deposits and Advances and Civil Advances as and when necessary.

The report of the Technical Committee thus represents the state of the art evolution of a standardised accounting system. Adoption of the system will fully serve the objectives with which this exercise was conducted. The NIC has already developed its ‘Priasoftware’ application for the maintenance of accounts based upon the report of the technical committee and the standard system of classification. Once adopted, the standardised system will enable comparisons of expenditures across Panchayats. Such data will be very useful for analysis and policy formulation.

On the issue of auditing of such accounts, the acceptance by States of the TGS system proposed by the CAG has increased the responsibility of the CAG over the audit of local government accounts.

such as enabling over-spending, taking up more projects than they can handle, violating due process in sanctioning funds and incurring of wasteful expenditure. These provisions would specifically provide for a transparent process of budget preparation and adequate provision being made for spill-over works.

ii. A timely record of allocations to, releases made and expenditures of PRIs must be maintained and made available in the public domain, and

iii. There must be an in-principle acceptance by States that across the board cuts at source on funds devolved to Panchayats will not be undertaken.
Recommendations Regarding Strengthening of Accounting and Auditing

4.32 In order to strengthen the accounting and auditing system of the PRIs for better financial management and for reducing fiduciary risks, the Committee recommend the following:

i. The CAG-recommended accounting classification may be adopted forthwith by all the States in accordance with the recommendations of the 13th FC.

ii. Alongside the adoption of the budgetary classification reforms recommended by the CAG, a separate classification in the budget books of both the State and the Central government will need to be adopted for devolved funds. Such heads of account may be described as “devolved” Heads of Account and further classified into “revenue” or “capital” heads. The revenue head would have a separate sub-head to deal with transfer of funds to meet the salary requirement of deputed staff. The department concerned in the State level could move the Assembly for passing the budget but will not be responsible for any failure to spend or in following rules, for which a separate mechanism may be adopted as recommended at section 3.66 of this Chapter.

iii. To strengthen financial accountability of Panchayats, several steps such as upgrading skills of auditors, systematisation of accounting formats, introducing a concurrent audit system and online monitoring of GP accounts should be undertaken.

iv. Computerisation of Panchayat accounts as part of the e-Panchayat programme should be pursued. The Priasoft software prepared by the NIC could be the basis of this effort, as it conforms to the accounting pattern suggested by the CAG. While other software solutions could also be developed by States to cater to this need, they must be interoperable with Priasoft, so as to enable seamless integration of data.

v. There should be progressive adoption of double entry and accrual based accounting system in accordance with the recommendations of the CAG in this regard.
vi. Rules need to be introduced, enabling the maintenance of electronic cash books, so that audit may be conducted on such cash book (all the vouchers must be maintained in physical form for verification).

vii. Existing Accounts rules need to be amended to provide for clear procedure for procurement, audit, and preparation of an Annual Financial Statement for each Panchayat in prescribed format and for laying the compiled report before the State Assembly within a given time-frame. Similarly, each State should prescribe formats for placing the accounts of each tier of Panchayat in their Standing Committee and General Body meetings.

viii. On the issue of TGS, the training material prepared by the Institute of Public Auditors of India, a Society of retired and experienced officers of the CAG’s office, may be used for training of grassroots level accountants. Such accountants could prepare accounts of Panchayats at the village level, where there are no regular employees entrusted with the task of preparing accounts.

ix. A repository of best practices on social audit policies available in different States could be prepared by the Government of India. CAG may be requested to take up a pilot exercise in linking social audit with formal audit in States which are willing to support such an exercise.

**Devolution of Functionaries and Related Issues**

4.33 In order that Panchayats function effectively as units of local self-government, they should have a strong administrative framework. That includes having adequate number of qualified employees with relevant expertise, clear accountability of the elected body, laying well defined administrative rules and regulations and putting in place a system for monitoring their performances and enforcing compliance to rules and regulations in their functioning. In most States there are neither adequate number of employees having due capacity to perform their tasks nor is there clear accountability of those employees to the Panchayats. In addition to that, the rules and regulations are not always clearly defined; there is poor oversight function to check if the existing rules are being violated. Administrative experience and education level of the elected functionaries in Panchayats, particularly in the GPs, are not always adequate to
comprehend the bureaucratic processes and they rather look forward to the employees for guidance. It is left to the employees, in absence of a strong oversight function from the State, to rightly guide them as they are supposed to do or to exploit the situation due to ignorance of the elected functionaries and sometimes with collusion with them as well. Role of the State government, particularly the Panchayat directorate becomes very important in this respect, which ensures that the local bureaucracy does their job in a professional manner and brings any failure to notice of the Panchayats concerned for taking appropriate measures. Competence and attitude of employees engaged by the Panchayats becomes very crucial in this respect and they need proper orientation to not only provide the Panchayats professional bureaucratic support but also helps in continuously educating their political masters to develop a rule-based system of local government. The problem gets aggravated with presence of large number of women elected functionaries, many of who are elected to take any public responsibility for the first time. In fact, the way the permanent bureaucracy at the State and Central level helps to ensure governance as per rule and even a new minister does not find it difficult to function, the same does not happen for the Panchayats. The permanent bureaucracy of the Panchayats has several weaknesses.

4.34 The most important weakness is the lack of adequate manpower for carrying out core functions of the Panchayats. Most of the States governments have not created required number of posts and even the existing posts remain vacant. Also, employees who are available remain busy with agency function of the Panchayat, which involves expenditure many times that of what is required for discharging core functions. The core functions of the PRI get neglected in the absence of employees. Thus many important institutional initiatives are neglected in carrying out urgent scheme work. GoI has adopted a view that providing share of administrative cost and allowing engagement of employees on contract can take care of the agency functions that they assign on the Panchayat. The system has the following problems:

i. Quality of employees engaged on contract is not generally checked through any rigorous process and there is easier scope for patronage. As a result, the best available persons are not always recruited.

ii. There is conflict between regular employees, who are generally less qualified but paid at much higher rates and the contractual employees who are more qualified but paid at a lesser rate without any security of service. The contractual employees remain aggrieved and ultimately start collective bargaining for asserting their benefits at par with the
regular employees. The difference in remuneration also affects the perceived hierarchy of employees. There are many Group D employees drawing higher remuneration than contractual employees with much higher responsibility and qualification. So, the bureaucracy remains inherently weak.

iii. Those contractual workers who are more competent leave the organisation when any opportunity comes, which badly affect accumulation of administrative capabilities. That also augments the training need because even good domain experts need to be oriented on local governance and to develop right attitude for working under elected functionaries, who may be perceived to have lower social, economic and educational status.

iv. State governments are reluctant to create posts even for engagement on contract where the remuneration is provided out of scheme contingencies to avoid permanent liability. Thus, many States even prefer to keep the allowed administrative expenditure unutilised which badly affects implementation of the schemes.

v. In the face of these constraints, Panchayat members often assume the role of quasi-executives. This does not come without real and opportunity costs incurred by such members, for active participation and intervention on behalf of people. However, their efforts are not compensated; the honorarium or sitting fee given to them is nominal. This tends to drive Panchayat members to divert money from programmes irregularly, to meet such expenses. In the absence of close scrutiny, such diversion can also transform itself to well organised corruption and embezzlement.

**PANCHAYAT CADRE OF EMPLOYEES**

4.35 Though, ideally speaking, having dedicated employees for each Panchayat is a good proposition, this has several managerial disadvantages. Each Panchayat being a unit of self-government, an employee engaged by a Panchayat becomes exclusively attached to its establishment. Since the total number of employees is small at the gram Panchayat level, any problems such as poor performance or prolonged absence of the
employees will adversely affect service delivery by the Panchayat. Moreover, scope for promotion of any employee, recruited by a Panchayat, say a GP; also gets severely restricted. It is, therefore, better to have a cadre of employees dedicated for serving the Panchayats and assigned to work with any Panchayat within a district or a block. All Group D employees of Intermediate and Gram Panchayats may constitute a block cadre of employees and they may be liable to serve the Intermediate Panchayat and GPs within that area. All other employees will constitute a district cadre of Panchayat employees. There may be several functional streams of district cadre of employees, like those who will have expertise on institution and administration; accounting and auditing; engineering; planning, various extension work etc. Entry level of the employees will be GP or Intermediate Panchayat, based on to which functional discipline the employee belongs and size of those bodies and will vary from State to State. In States having small GPs some of those workers may be entrusted to look after works for a group of GPs and the Intermediate Panchayat has to ensure that they remain accountable to the GPs as well. The employees may be selected by a suitable Commission, which may be called the Panchayat Service Commission, unless the State Public Service Commission is entrusted with that task. Successful candidates may be allotted, based on their merit and option, to be a part of a district cadre within any district or being a part of block cadre within any block. Appointing authority for district cadre of employees will be the Zilla Parishad and that of the block cadre of employees will be the Panchayat Samiti. There may be even a State cadre of Panchayat employees, if any State so desires, so that very senior posts dedicated for serving the Panchayats may be created. For example, there could be post of one or more Chief Engineers at the State level to check the quality of engineering works of the Zilla Parishads. The posts will be filled up by promotion from district Panchayat cadre. The appointing authority in such case has to be a State government functionary, e.g. the Director/Commissioner of Panchayat.

4.36 It will take time to develop the entire Panchayat cadre, particularly to fill up the senior posts, which have to be filled up, for the present, on deputation from State government employees. However, even to fill up the entry level posts in the Panchayat cadre, all entry level recruitments of State government employees concerned with devolved functions are recommended to be stopped immediately. Also, there has to be organic linkage between the district cadre of Panchayat employee and the State Government employees. Ideally when an employee in the district Panchayat cadre reaches its highest level they may be given an opportunity for serving the State government by inducting them based on merit in equivalent
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Posts. The State Public Service Commission may test the merit for such induction. Providing such opportunity will attract meritorious candidates to start their career as a part of Panchayat cadre and then move on to become a part of cadre of State government employees. Who can be inducted at what level has to be worked out separately for different disciplines and the same will also vary from State to State. However, this may be adopted as a general policy and State-specific details may be worked out by respective State governments.

4.37 Vacancies in government posts filled up through State government employees are generally much higher in backward areas. The employees keep on trying to get posted to better areas and moreover, even those who are posted to backward areas show high extent of absenteeism, both officially as well as unofficially. If they are recruited as a district cadre of Panchayat employees then they may at best come to district head quarter (Zilla Parishad) but cannot escape to serve the district. So, having district specific cadre of Panchayat employees in respect of all functions which are assigned to the Panchayats will ensure better availability of the employees to the latter along with clear accountability.

RECOMMENDATION ON DEVOLUTION OF FUNCTIONARIES

4.38 In order that the PRIs have adequate number of employees required for its effective functioning, the following recommendations are made by the Committee:

i. Administrative and Legislative measures must be taken for creation of Panchayat cadres of employees at the block, district and State level, so that Panchayats can function effectively and execute schemes.

ii. Sometimes, departments post staff to the Panchayats without any reference to the overall availability of staff at that level. This results in surpluses of staff in one department, while there are deficiencies in another. Appropriate mechanisms should be put into place to ensure convergence and cross-departmental movement particularly of Group D and Group C levels, who are non-technical in nature, such as assistants, superintendents and office staff. Panchayats should be able to transfer such staff from departments where they are surplus, to those departments where there are not adequate staff.
iii. While creating Panchayat cadres, a system of transfers that ensure a prescribed mandatory level of cross Panchayat experience should be introduced,

iv. A Panchayat Service Commission to be established in each State for recruitment of various cadres of Panchayat employees, unless the State Public Service Commission is entrusted with that responsibility. The Commission that is in charge of recruitment of employees should examine performance based promotions. When officials in the Panchayat cadre reach the highest level, then they should be absorbed into the State government cadre on recommendation of the State Public Service Commission.

v. Panchayats must be allowed to secure the services of qualified technical personnel to undertake their developmental works. The State government may facilitate the process by accrediting selected firms/consultants or setting pre-qualification standards for such consultants as well as fees to be paid to them to avoid separate approval.

vi. Attendance of officials of the State government working at the village level, whose services have not been placed at the disposal of the Gram Panchayat, should be invariably monitored by Gram Panchayats and there should be a system of collecting feedback of attendance of such employees by the department concerned. All such employees may have their offices established in the Gram Panchayat premises for easy monitoring and convergences. Similarly, all block level employees of the State government, except like police and those posted in hospitals etc, whose office has to be with the facility concerned, should have their offices in the office of the Intermediate Panchayat. Their attendance should be monitored by the Intermediate Panchayat.

vii. Salaries to departmental field functionaries deputed to work under any Panchayat should be paid to them by the Panchayat concerned.

viii. Full time staff consisting at the minimum, a full time Secretary and an Accountant ought to be provided to Gram Panchayats either through redeployment or through recruitment by Gram Panchayats on contract
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ix. There must be an emphasis on recruitment of women to the posts of Secretaries of Gram Panchayats.

x. GoI has to share the responsibility of adequate staffing of all Panchayats for implementation of CSS. For at least the flagship CSS, which constitutes bulk of the expenditure on CSS, GoI should come out with a required employee structure and give assurance for providing Central support for unlimited period so that posts are created with pay scale at par with the pay structure of the permanent employees of the Panchayats. The States will have liberty to create posts at the GP or Intermediate tier of Panchayats depending on their population coverage for proper utilisation of those personnel. In that case all the recruitments will be in the Panchayat cadre only. Experience shows that all these programmes are continuing for long period, sometimes with mere change in name. Also, even in case of some change the basic requirement of employees remains the same, implying that there will be continuous need for regular employees to carry out those jobs. In some of the schemes like the ICDS and the RCH (now as a part of NRHM) GoI reimburses cost of employees. Making them regular employees of the Panchayats and paying their salary directly can only improve their accountability to the Panchayat and responsiveness to the local people. That will help every State to develop a cadre of Panchayat employees.

xi. The phenomenon of Panchayat representatives performing quasi executive tasks on behalf of the Panchayat and recoupment of their expenses through local adjustments needs to be recognised and addressed in a systemic fashion. One way is to enhance the honoraria paid to members, particularly Standing Committee chairpersons and others. For this purpose, studies need to be conducted in each State and by the Central government, to ascertain what the true costs of administering service delivery are, following which various options could be explored on how they could be met.

xii. In order that the Panchayat representatives and the employees can function properly there is need for equate physical infrastructure for every Panchayat.
CONDUCT OF REGULAR FREE AND FAIR ELECTIONS TO THE PANCHAYATS

4.39 The foundation of an effective Panchayat system is the conduct of regular elections to Panchayats every five years. Free and fair election is one of the essential pre-conditions for proper functioning of any democratic government. Rural society in India is highly stratified in terms of class and social groups and, therefore, the spirit of democracy in which every citizen perceive and can exercise their democratic rights at par with others does not exist naturally. The Constitution provides establishment of State Election Commission under Article 243K. The commission is entrusted with the task of superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats. Article 243E(1) and (3) stipulate that elections to each term of Panchayats shall be completed before the completion of the earlier term, so that the next Panchayat can take over on the completion of the term of the sitting Panchayat. In order that the State Election Commission (SEC) can function with full autonomy, their removal from office except in like manner and on the like grounds as a Judge of a High Court is provided in the Constitution. However, for functioning effectively the SEC has to depend entirely on the State government. The State Election Commissioners of several States, whom the Committee had opportunity to meet, had expressed several shortcomings in the autonomous functioning of the SEC, and, in extreme cases, they have faced impediments in conducting free and fair elections. The problems are both systemic in terms of existing legal provision as well as specific situations when election could not be conducted at all in spite of the Constitutional mandate. There are also wide variations in the relevant State Acts, which the State Election Commissioners felt that the same should be similar in all States. The main problem they mentioned is that although the Constitution entrusts to the SEC all activities related to superintendence, direction and control, which involves delimitation of the constituencies, reservation of seats and conducting elections for many of the processes they are dependent on the State government. The specific issues they raised were:-

i. Though timely conducting elections is a Constitutionally-mandated requirement, the SECs cannot decide on the dates of election and the number of phases of election to ensure free and fair polls. There have
been several instances\textsuperscript{114} where elections to Panchayats were postponed and by-polls were not conducted in vacant seats.

ii. Although Panchayat elections are fought intensely with generally higher voter turnout and the difference of votes between winning and losing candidates are quite small, the SEC cannot requisition para-military forces based upon an independent assessment of sensitivity of the polling booths to restore law and order. Consequently, they had to compromise on the security arrangements. Inadequate police arrangement and dependence on local police who are known to the local political leaders, makes local government elections vulnerable to violation of the election code of conduct and also being influenced in favour of the ruling political party or other powerful groups.

iii. They are dependent on the State government on getting adequate officers and staff, funding for running their office and conducting elections. SECs are not empowered to requisition the services of the employees of the Central government or Central public sector undertakings like banks for engaging them as polling personnel. Also, the SECs in many States are not entrusted with the provisions for adjudicating cases of disqualification of elected representatives. Where this power is vested in the State government officials it is unlikely that they will be able to act independently and without any influence of the ruling party.

iv. In some States Panchayat boundaries are changed through a delimitation process every five years. While this does not unduly affect the conduct of elections, healthy local governance suffers as people will not be able to clearly identify them with any specific local area as unit of government. In addition, many essential records like

\textsuperscript{114} In the initial years following the 73rd and 74th Constitutional amendments, several States were slow to conduct of Panchayat elections. Among these were Tamil Nadu, Odisha, Bihar, Assam and Uttaranchal. These States put forward several alibis, such as delays in delimitation of Panchayats, determining the seat reservation matrix and natural calamities to justify postponement. Public interest litigations by concerned citizens and NGOs forced these States to conduct elections. Since 2004, postponements of elections have continued to happen, as in Jharkhand, Pondicherry (on two occasions), Karnataka (for Zilla and Taluk Panchayats), Goa (for Gram Panchayats) and Assam. Some postponements have happened in spite of the Supreme Court's judgment in the Kishan Singh Tomar case, where it unequivocally stated that elections shall be held within the five-year period mandated in the Constitution as the term for each Panchayat.
birth and death will not be properly maintained and the continuity of development process and comparison with the past for various development indicators will be difficult. They recommended much longer cycle of delimitation.

v. SECs also believe that the period between rotations of reserved seats should be widened. This is perfectly in consonance with the Constitution and is already being practised in Tamil Nadu.

4.40 In the first eight years following the enactment of the 73rd Amendment, several States delayed the conduct of Panchayat elections. Several reasons were put forward by the defaulting States, such as delays in delimitation of Panchayats, determining the seat reservation matrix and natural calamities to justify postponement. Public interest litigations by concerned citizens and NGOs forced these States to conduct elections.

4.41 However, the issue of delayed conduct of elections continued to severely hamper the growth of LGs. Finally, a five-Judge Constitutional Bench of the Supreme Court took the view In Kishansing Tomar Vs. Municipal Corporation of the City of Ahmedabad and others (2006), as follows:

“... it is clear that the State Election Commission shall not put forward any excuse based on unreasonable grounds that the elections could not be completed on time... The Election Commission shall complete the election before the expiration of the duration of five years’ period as stipulated in Clause (5) and not yield to situations that may be created by vested interests to postpone elections from being held within the stipulated time.”

4.42 In spite of this judgment, States continued to turn a blind eye to the mandatory provisions of Article 243E (1) and it amounts to violation of the Constitution and denying the citizens of their democratic rights of exercising their franchise and electing constitutionally mandated Panchayats. Several funding streams for Panchayats now prescribe the constitution of elected Panchayats at all three levels as a pre-condition for the release of funds. Prominent among these are the Central Finance Commission grants and the Backward Regions Grant Fund. Delay in the conduct of Panchayat
elections therefore seriously affects the devolution of funds to Panchayats, thereby harming the interests of the poor and the downtrodden\textsuperscript{115}.

4.43 However, recent Judgments of the Supreme Court have emphasised the importance of holding local government elections in accordance with the Constitutional provisions. This is a progressive development (see Box 4E) that will place beyond the pale of doubt that elections to Panchayats have to be held at regular intervals strictly as prescribed by the Constitution.

\begin{quote}
\textbf{Box 4E}

A serious blemish on Karnataka’s relatively better record of strong PRIs has been its tendency to postpone Panchayat elections on one pretext or other nearly every single time that elections were conducted over the last twenty years. Its track record on holding regular elections to urban local governments has been equally poor. One of the tactics to do so was to delay inordinately the announcement of the election roster list of reservations, which would then result in the fait accompli of postponement. However, in a recent development, the State legislature passed the Karnataka Municipality and Certain Other Law (Amendment) Bill, 2013, which proposed to make it mandatory for the SEC to announce poll dates in concurrence with the government. This was a clear attempt to limit the constitutional powers of the SEC to hold elections. In the meantime, on the basis of an earlier Supreme Court direction, that the SEC is required to announce the calendar of events for local body elections so as to complete the same before March 13. Irked by this, some legislators even moved a privilege motion against the SEC. Appearing before the Speaker of the house, the SEC made the point that he was bound by the constitutional obligation and the Supreme Court judgments and directives that mandated the completion of elections to local bodies within the prescribed period. Following this, the SEC moved the Supreme Court again. The court passed directions as follows:

"Keeping in view the background facts and the orders passed by the High Court and this court, we consider it appropriate to direct the Chief Secretary of Karnataka government and subordinate officials to extend full cooperation in holding of elections for the urban local bodies,". It also said that "No officials can make any attempt to frustrate the election process...". As regards the fact that the roster system for reservations was not yet finalised by the State, the court directed that elections should be conducted on the basis of the same roster system applied for the previous elections.

\textsuperscript{115} A recent example where the postponement of local government elections has harmed the interests of citizens is of Andhra Pradesh. Elections have not been held to urban local bodies whose term ended in September 2010 and to PRIs, where terms of the elected bodies had ended in July 2011. Since then, these institutions have been under the rule of special officers in the absence of elected councils. As a consequence, the State has lost its Central Finance Commission recommended local government grants to an extent of ₹ 1,500 crore."
Election to the Post of Chairperson, Disqualification and Removal

4.44 Chairpersons of the district and intermediate level Panchayats and in some States that of the village level Panchayats are elected indirectly by the members of the Panchayats. Rules are prescribed how the election will take place and also how the chairpersons may be removed by moving a ‘no-confidence motion’. Lack of clarity in such rules lead to confusion, arbitrariness in decision, tension and the same affects effective functioning of the Panchayats. Apart from clarity in rules and procedures, there should be enough safeguard and administrative watch so that there is no manipulation in removal of any member, which is one of the causes of corruption in the Panchayats. There may be instances of threat or coercion for compelling an elected member to voluntary resign and there should be administrative vigilance and safeguards against such possible cases also to avoid recurrence of such incident, which will make democracy meaningless and the Panchayat will lose its representative character. The same applies to election to the Standing Committees also. All the relevant rules and procedures must be very clearly and unambiguously laid. Such elections are generally conducted by the prescribed authorities, who are officials of the State government. All such officials must be well trained on the rules and procedures with arrangement for faster redressal of grievances.

4.45 There are various reasons for which a member of the Panchayats may be disqualified. In most States these are mostly administered by the State government officials who may take arbitrary decisions if the rules and procedures are clearly laid and the officers concerned are also not trained. Power to disqualifying any elected representative should not be with any State government officer and the same should rest with the SEC. Also, once disqualified against any charge the proceedings should be completed fast enough so that, if acquitted, the person concerned may again contest in the election.

A similar situation prevailed in Andhra Pradesh too, where elections to Municipalities and Panchayats were not held since September 2010 and July 2011 respectively, as the High Court of Andhra Pradesh had stayed the elections in response to appeals against the reservation matrix made by the State government. However, in an appeal to the Supreme Court by the SEC and the State government, the Supreme court vacated the stay and directed that elections be held forthwith on the basis of the reservation matrix that prevailed during the previous term of the local governments.
Recommendations Related to Elections, etc.

4.46 Elected Panchayats constitute the foundation of Panchayati Raj. The provisions in the Constitution are mandatory and not optional, in this regard. Court Judgments have clearly reiterated the imperative of regular elections and pointed out that specious excuses, such as non-revision of electoral rolls etc. will not be tolerated. It has also cautioned SECs, that they should not succumb to the pressures of vested interests. Therefore, it stands to reason that ensuring the conduct of regular elections to Panchayats should be the first priority of the State and Central governments. Also, once elected the member or the office-bearer must be allowed to function without any disturbances as long as the person is not disqualified or loses majority support (in case of chairpersons). The following recommendations are made in this regard:

i. The MoPR needs to institutionalise a system of vigilance to ensure the regular conduct of elections and that the Supreme Court judgments in this regard are strictly followed. At least six months before the elections, senior officers of the Ministry could undertake a detailed review of the preparedness of States and SECs on the conduct of elections. Such a review could cover the following points:

   • Preparation and updating of electoral rolls
   • Delimitation of constituencies
   • Assignment of reservations for elected representatives
   • Assignment of reservations for leadership positions in Panchayats
   • Determining qualifications of candidates to contest
   • Preparation for the conduct of elections
   • Provision of budgets by State governments for the undertaking of these processes.

ii. The Ministry should establish contact with the SECs on a State by State basis, with a view to ascertaining if there are any constraints that might hinder them from conducting regular elections such as the necessity of
notifications by the State government to start the process of elections, or the provision of a budget by the State government. Even a visit by a high ranking officer of the Ministry to the SEC sufficiently in advance would send the right message and bolster their confidence.

iii. There is an urgent need to work towards commonality, if not uniformity, in election procedures and provisions across States and in particular, the vesting of all responsibilities for the election process in SECs, including:
- preparation of electoral rolls;
- delimitation of constituencies;
- reservations and rotations;
- qualifications of candidates;
- conduct of elections; and
- functioning as the first stage of adjudication in election disputes.

iv. In this direction, the Standing Committee of State Election Commissioners has drafted a model law which may be considered by States and the ideal framework to be followed in rectifying the inconsistencies and shortcomings in their respective legal frameworks for local body elections.

v. There is also a need to prepare a model code relating to the supervision, direction and conduct of elections to the Panchayati Raj Institutions (PRIs). The Ministry of Panchayati Raj could take up this issue in consultation with the Standing Committee of State Election Commissioners.

vi. The Committee recommend that the boundaries of Panchayats ought not to be changed, except in exceptional circumstances. While constituency delimitation within the Panchayat could be changed at regular intervals, such as once in ten years, Panchayats are units of government and not merely electoral constituencies. Several services
of the government, such as residence, birth and death registration are undertaken by the Panchayats and frequent changes in panchayat boundaries can wreak havoc in the dispensation of such services and management of historical records. Panchayats provide a distinct identity to their resident, which has a tremendous value for the citizen. This should be preserved unless there are compelling reasons to change the boundaries. Moreover, any such change has to be with the full consent of the Gram Sabha and cannot be done unilaterally by the State administration.

vii. Frequent rotation of reservations, done in the name of ensuring adequate representation of all categories of people in the electoral process has in practice led to two adverse effects. First, persons elected to reserved seats rarely get elected to the same seat when it gets de-reserved in the next cycle of elections. Therefore, there is a high attrition of experienced elected representatives at each election. Second, rotation of reservations has turned out to be a fractious and complex exercise, often leading to long drawn out litigation. Due to inconsistencies in the election reservation rotation process, courts have often stayed the elections, thus defeating the intent of the Supreme Court that elections to local governments shall be held regularly\footnote{In order to overcome this difficulty, the Supreme Court has recently, in the case of elections to urban local government in Karnataka, directed the conduct of elections based upon the same reservation matrix adopted for the last cycle of elections.}. For these reasons, there is a need to extend the period between exercises of rotation of the reservation matrix for Panchayat seats\footnote{This approach also has the advantage that the determination of the new matrix can be based on the current census figures.}. Tamil Nadu has shown the way forward by extending the term between rotation of reservations to a 10-year period, covering two five-year terms of the Panchayats and this good practice needs to be emulated in other States too.

viii. The lack of provision of adequate funds to the SECs to undertake the superintendence and control of elections is a key hindering factor to the regular conduct of elections. States need to address this problem by making the expenses for conduct of local government elections a charged expenditure on the State budget. The Committee also recommend that the Government of India examines the possibility
of bearing 50 per cent of the cost of conducting Panchayat elections. In this direction, a similar exercise could be conducted by the MoPR to make provision in their budget taking into account the number of States that come up in a financial year for Panchayat elections and provide funding for the same.

ix. Government of India should authorise the SECs to requisition the services of GoI officials and bank officials for the conduct of Panchayat elections. There should be a model staffing pattern for State Election Commission offices. The MoPR could develop this in consultation with the Standing Committee of SECs.

x. Indirect election to the post of chairpersons should be conducted in strict observance of clearly laid rules and any form of manipulation or coercion leading to losing the post should be avoided through effective watch by the government officials.

xi. Power to removal of members due to disqualification should not rest with the State government officials and the same should be entrusted, by law, to the SEC.

**Deepening Democratic Decentralisation and Strengthening Participation**

4.47 This section examines two issues, namely, the one of strengthening Gram Sabhas and the other to examine the relationships between NGOs, CBOs and parallel structures with the Panchayats.

4.48 Article 243 “(Definitions) (b)” defines a Gram Sabha as a body of voters living in a Panchayat relating to a village. The Constitution provides for the establishment of Gram Sabhas to exercise such powers and perform such functions at the village level as the Legislature of a State may, by law provide. Though there are variations, functions assigned to the Gram Sabhas in most States include reviewing all development programmes of the village, selection of beneficiaries for beneficiary-oriented programmes transferred to the Panchayati Raj Institutions (PRIs) and preparing plans for local development including minimum needs, welfare and production-oriented programmes. In some States, Gram Sabhas also prepare lists of all able bodied persons to whom employment is to be provided under locally taken up wage employment
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schemes. In few States, Gram Sabhas consider annual statements of accounts, administration reports; audit notes and replies of GPs. Gram Sabhas also monitor report submitted by GPs in respect of ongoing development programmes and approve programmes proposed to be undertaken. In some States, if the GP fails to convene the Gram Sabha meeting, the Executive Officer of the Intermediate Panchayat is mandated to convene the Gram Sabha meeting.

**FUNCTIONING OF GRAM SABHA**

4.49 Studies of the system show that their functioning is uneven. Gram Sabhas may not meet at all, may be thinly attended or may be vibrant and active. Commonly heard complaints are that attendance is thin in Gram Sabha meetings, agendas are not circulated in advance and several activities, such as social audit, etc. are only nominally carried out. Another common complaint heard is that officials concerned rarely attend Gram Sabha meetings. Disillusionment with Gram Sabhas also tends to snowball, with office-bearers of Gram Panchayats often not being keen to convene meetings as they find it inconvenient to face people without meeting their earlier demands.

4.50 While levels of Panchayats are organs of representative democracy, the Gram Sabha is an important forum for participatory democracy. The Article 243(b) defines a Gram Sabha as a ‘body’, consisting of all persons registered as voters in the electoral roll relating to the village comprised within the area of the Panchayat at the village level. Unfortunately, the word ‘Sabha’ can mean both a ‘body’ and a ‘meeting’. Mistakes are often made in conceptualising the Gram Sabha as only a meeting and, therefore, the emphasis remain on discussing the dynamics of how to make meetings of the Gram Sabha more effective. A meeting is just one of many ways in which members of a body can participate or be consulted. By concentrating on strategies to get (even force) people to attend Gram Sabha meetings, one overlooks the potential of other forms of consultation and participation.

**Recommendations on Empowering Gram Sabhas**

4.51 Keeping the above conceptual position in mind, the Committee make the following recommendations:

i. In order to deepen the opportunity for more participation, States may
consider establishing Ward Sabhas at the level of each ward, through appropriate legislative changes. In this regard, the provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 extending the provisions of Part IX of the Constitution relating to the Panchayats to the Scheduled Areas provide that 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 and that 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. We suggest replicating this approach in all other areas too.

ii. Gram Sabhas must be empowered to ensure accountability of the GP through regular meetings in which open discussions are held on structured agenda matters. There are two aspects to this issue:

- The practical aspects concerned with convening the Gram Sabha so as to ensure that interest is sustained

- Legally empowering the Gram Sabha.

iii. Administrative instructions could improve the manner in which Gram Sabha meetings are conducted, in order to ensure that they are inclusive and participative. The date, time and location for the Gram Sabha meeting should be convenient for all to participate. There should be enough publicity for Gram Sabha meetings through the local media and local communication methods. People who attend Gram Sabha meetings should be encouraged to express their opinion freely, so that no single group dominates the proceedings. NGOs may be encouraged to promote awareness and people’s participation. To sustain interest in Gram Sabha meetings, agendas must be circulated in advance. The Gram Sabha meetings can be preceded with meetings of common interest groups, such as SHGs etc. Full disclosures of budgets and resources available for planning and implementation should be provided in Gram Sabha meetings, so that they do not become petition collection meetings or wrangling matches between groups with high expectations and Panchayats that do not have the resources to meet them. Video recording of the proceedings of the Gram Sabha is being
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practised by some States and the same has been found to be quite effective in ensuring proper interactions in those meetings before any decision is taken, which may be manipulated to just ensure observance of rules on paper. The same may be considered to be adopted by all States.

iv. There must be a specific duty cast upon the Chairperson of the GP to convene Gram Sabha meetings as provided in State legislations without fail, with punitive measures of being disqualified in case of non-compliance. Similarly, relevant officers must be directed to attend Gram Sabha meetings without fail through administrative instructions prescribing stringent measures in case these are not complied with.

v. Several States with large size of Panchayats have provided for meeting of the voters constituency-wise or at the neighbourhood level. That helps in better participation of the people and those bodies become quite important in providing inputs for village-specific development plans for being included in the GP plans. Since meeting of all voters even at that level of aggregation is not possible very often, those bodies may be allowed to constitute various committees for dealing with certain aspects of public well-being in which the GP can play a role. States with large size Panchayats may consider deepening the process of decentralisation through such village/habitation level committees.

vi. To ensure more effective social audit, State governments will need to bring out policies and rules for the conduct of social audit. Voluntary council of experts and eminent citizens can be constituted ideally by the Gram Sabhas themselves, or even at higher levels to encourage this practice initially, to evaluate the work carried out by Panchayats.

vii. The practice of various community based organisations working at the village level placing their reports before Gram Sabhas must be promoted. This will also greatly aid in their eventual integration into the Panchayats. These committees include the Watershed Development Committees, Village Water Supply and Sanitation Committees, Village Education Committees, Joint Forest Management Committees, etc. Even NGOs could make report to the Gram Sabha explaining details of their own programmes so that there is more complementarity and
convergence of activities of the GP and the NGOs

viii. In order to strengthen Gram Sabhas for better identification and selection of beneficiaries, Gram Panchayats require specific data with names and faces. Therefore, BPL surveys ought to be re-conceptualised as a Gram Panchayat level multipurpose household survey. Such surveys should be supervised and managed by Gram Panchayat members and the survey formats should be user-friendly icon based formats so that even the illiterates can use them. Gram Panchayats can then compile the information available in these formats into Gram Panchayat/Ward registers for use during selection of beneficiaries in Gram Sabhas.

**Collegiate Functioning of the Panchayats and the Standing Committees**

4.52 The essence of decentralisation of governance is to enable sharing of responsibilities along with accountability in order to ensure the best outcomes. However, most discussions focus on vertical decentralisation and not so much on horizontal sharing of responsibilities by the elected members within each body. Therefore, in Panchayats, powers remain largely confined to the chairperson of the elected body. This is more so in situations where the chairperson is directly elected by the people. Provision to enable horizontal decentralisation has been made under Panchayat Acts in most States through allowing formation of subject-specific Standing Committees (SC). However, how these bodies are to function is left to the elected body to decide, and normally, these remain dormant because of inadequate devolution of power and authorities on them. There is also no institutional mechanism for checking how those bodies are functioning. For true collegiate decision making and implementation it is imperative that Standing Committees are activated and made to function meaningfully.

**Recommendations on collegiate functioning of the Panchayats**

4.53 The Committee recommend that:-

i. Power of the Standing Committee to take any decision, particularly in terms of activities and ceiling of fund involved should be spelt clearly so that for any decision beyond that limit the matter is referred to the General Body (or Standing Committee on Finance and Planning).
The Standing Committee should function like a Ministry of a State government in respect of subjects assigned to the Standing Committee concerned by the Panchayat.

ii. There must be representation of members from the Opposition (if the members are elected through political identity at that tier) who will be aware of all decisions and will be in a position to submit their views. That will facilitate involvement of the opposition members in local development. Resolution of the Standing Committee should take care to reflect views of the Opposition member, at least in cases whenever the same is not in agreement with the decision taken.

iii. Officers belonging to the line department dealing with subjects related to any Standing Committee should be required to attend meetings of the Standing Committee concerned, which should be a part of their duties for which appropriate GOs should be issued. They will have no voting power but they will participate in all deliberations and will provide technical input to the Standing Committee for taking decisions and monitoring implementation. One of them may be made the Secretary of the Standing Committee and he/she will remain responsible for providing secretarial support. It will be better to have secretary from among those officers whose service has been formally placed with the Panchayat.

iv. All decisions related to plan expenditure belonging to the district sector of the State budget (and not devolved) must be discussed in the Standing Committee for views of the ZP. This will help the ZP to knowdepartmental plans and ensure convergence of the same with their plans. It is needless to mention that for all activities assigned on the Panchayat, the decision has to be taken by the Standing Committee and the same may be taken to the General Body for vetting wherever necessary.

v. Every Standing Committee should have an earmarked budget, within which they will be allowed to plan and get the draft plan submitted to the General Body for approval.

vi. Approved budget and approved Plan of any Panchayat should show
Standing Committee-wise disaggregation of activities to indicate clearly, which Standing Committee will remain responsible for what. The Standing Committee should be informed in advance about the quantum of fund within total expected available resources for the draft budget of the Standing Committee.

vii. Members of Standing Committees should be provided with specialised training to acquire domain knowledge about the subject being dealt by the committee along with national and State priorities and goals and possible local actions in pursuing those goals.

viii. There must be arrangements for preserving all resolutions, budget documents and published literature in any designated public library and giving soft copies of the same to the Common Service Centres. Each tier of Panchayat will have one public library earmarked for that purpose.

**INTERFACE BETWEEN PANCHAYATS, NGOs, CBOs AND PARALLEL STRUCTURES**

4.54 After the Seventh Five-Year Plan officially recognised the contribution of Non-Government Organisations (NGOs) in various development programmes, their involvement has burgeoned. However, the reaction of the NGO community to the Panchayati Raj system has been mixed. While some have seized the opportunity to work with Panchayats on local development, others consider them as competitors.

4.55 The Second Round Table Conference of Ministers in charge of Panchayati Raj held at Mysore in August 2004 agreed that parallel bodies, which are set up to plan and execute development projects in areas that are in the functional domain of Panchayats, should be brought into an organic, symbiotic relationship with Panchayats at the appropriate level. Thus, if CBOs like user group, etc., are to be set up under any CSS, those must (a) be set up in consultation and with the collaboration of Panchayats at the appropriate level, (b) report periodically to the Gram Sabha and (c) should not undermine the constitutional authority of Panchayats, but work together with them as arm of the GP.
Role of NGOs in Panchayati Raj

4.56 There are several roles that NGOs could play in Panchayati Raj. First, NGOs can help in building voter awareness for Panchayat elections. Second, they can take a lead role in capacity building of Panchayats, through training, exchange programmes, visits to successful Panchayats, building networks and lobby bodies and information sharing. Third, NGOs can assist District Planning Committees established under Article 243ZD and Panchayats in undertaking village planning, resource mapping and identification of development schemes. Fourth, they can take up evaluation studies on Panchayat performance and educate people periodically so that they can better hold their Panchayats to account. As a continuation of this approach, NGOs have a big role in empowering people to be better engaged with the Panchayats in improving local governance and to also be able to effectively use legislation such as the Right to Information Act, NREG Act, etc., which will help in improving delivery of services to the people by the PRIs. They can also take up difficulties faced by Panchayats because of various constraints beyond their control with higher tiers of government and drawing attention of the civil society at large for removing the constraints faced by the PRIs.

Interface Between Panchayats and Other Community-based Organisations

4.57 Development strategies of the immediate past have created and relied on a multiplicity of institutions such as watershed development teams, water supply and sanitation committees, village education committees and joint forest management committees to implement them. However, there is a clear distinction between CBOs, SHGs and User Groups existing as autonomous social groups, augmenting social capital and deepening democracy and government-organised groups for implementation of specific programmes like water supply, irrigation, watershed management or poverty reduction. The former are entitled to absolute freedom of action and can even challenge Panchayats through public action. But the latter, organised for specific purposes around using public development funds, have to be considered differently. These groups cannot be considered as substitutes for Panchayats, which are local governments performing a range of governance and development functions accountable to the entire population of a Panchayat and not just responsible to a small circle of beneficiaries for project implementation.

4.58 The myth that these bodies are in some way more efficient than Panchayats also needs to be addressed. There is little evidence to show that such groups are free of all the evils that are supposed to bedevil PRIs, such as politics, sharing of spoils, corruption and elite capture. There are also serious questions about the sustainability of such groups. People may be very active when there is fund flow and capacity
building support, but tend to lose interest when faced with the more mundane tasks of maintenance of assets and collection of user charges.

4.59 On the positive side, CBOs can realise all the stated objectives besides enriching social capital if they are seen as thematic or sectoral sub-systems of Panchayats. CBOs should draw their powers and resources from PRIs, not in a relationship of subordination or agency-function but in a spirit of social contract. Thus the autonomy of CBOs would be well-protected even while being accountable to PRIs. Such an approach would strengthen both PRIs and CBOs and release synergies, paving the way for a symbiotic relationship.

**Recommendations Regarding Panchayats, Parallel Structures, NGOs and CBOs**

4.60 The Committee recommend, based on the discussion above:-

i. Parallel bodies in the functional domain of Panchayats pose a serious threat to the full emergence of Panchayats as institutions of local government. Their legality to exist is also open to question, particularly in the light of Article 243ZD of the Constitution. We recommend that parallel institutions created through scheme guidelines and by individual Central ministries be brought into a formal relationship with Gram Panchayats, through the Standing Committee system. Several experiments have been attempted in this regard and promising results could lead to an appropriate redesigning of the system. Mandating the creation of such parallel structures through executive directions and their funding through Centrally Sponsored Schemes will need to be strictly eschewed.

ii. For improving rural development delivery, community-based bodies entrusted the delivery of services must, as a rule, have organic linkage with the Gram Panchayats so as to have their accountability to the people at large. Such linkages may be established through various Sub-Committees of the Gram Panchayat. As a rule, States must not continue to perform local government functions through CBOs. Line agencies must not by-pass elected PRIs and directly deal with CBOs. CBOs should not be utilising funds and performing functions in the legitimate sphere.
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of PRIs or utilising public funds or natural resources of the locality. CBOs also cannot be nurtured as developmental substitutes of PRIs through generous infusion of funds even while starving the PRIs of resources.

Other Collateral Measures

4.61 All State laws have provisions under which appeals can be preferred against decisions taken by Panchayats in exercise of their regulatory authority. Typically, two routes are preferred; in the first model, appellate powers often involve the District Collector as the first level of appeal, with further appeals lying with the State government. In other models, which is prevalent in States that have a well-grounded ZP system, appeals against GP orders may lie with the intermediate Panchayat, with further appeals lying to the ZP. Kerala has got another system which is worthy of emulation, where there is a separate appellate tribunal to hear such appeals. In the opinion of the Committee, vesting the first appellate authority with the District Collector is a model that is full of contradictions. In today's circumstances, a District Collector is directly put in charge of service delivery, as he wields executive authority through the various parallel structures set up at the district level, many of which marginalise the Panchayats as institutions of local government. In such a model, the District Collector transgresses into the space of the Panchayats and has a vital role to play in the delivery of local services. At the same time, the District Collectors also have regulatory powers over the Panchayats through appellate powers conferred through the Panchayati Raj laws. Combining both service delivery and regulatory powers in the same institutions leaves the system without any checks and balances. There are no instruments to check possible misuse of powers by District Collectors; there are no social audits of District Collector's offices and Panchayats hesitate to take up cudgels against the District Collectors because of the latter's wide and sweeping powers. A model that takes away appellate powers and vests it in a separate appellate authority would be a more robust one, as compared to the current system where the District Collectors stand in the position of being both service provider and regulator, with little safeguards against possible misuse of such sweeping powers.

4.62 While setting up an appellate tribunal system would be adequate to hear appeals from the exercise of regulatory powers by the Panchayats, there is need for another institution to investigate misdemeanours in the field of administrative activity. With greater devolution there will be a need to investigate independently complaints made by individuals, groups and even the Government relating to defective administration by Panchayats. An Ombudsman system could provide a convenient and relatively
low-cost mechanism to deal with complaints of mal-administration. The work of the Ombudsman is essentially investigative in character and such investigation can be conducted according to appropriate principles decided by the Ombudsman itself. The Ombudsman can go into the reasonableness of a decision as also investigate complaints relating to action or inaction. In looking at matters relating to internal administration, which need not necessarily affect only the individual’s interest, the Ombudsman system goes beyond the limits of a judicial process.

4.63 The institution of Ombudsman would be distinct from the Lok-Ayukta, in terms of its procedure and focus. Whereas the latter predominantly focuses on corruption and punishes it after the event, an investigation by the Ombudsman would be more in the nature of an on-going check on PRI administration and it would be empowered to check wrong doings at the initial stages themselves. The Ombudsman will take care of the citizen’s grievances relating to due process being disregarded in rendering a service or deciding on a claim. The Ombudsman would have the advantage of easy and almost informal access to the lay public, through the prescription of simpler procedures. Additionally, the Ombudsman would have the inherent power to observe the functioning of administration and suggest reforms. The Ombudsman would go a long way in upholding the rights of the citizen even while protecting the autonomy of the elected body against possible intrusion by the executive. The Ombudsman would provide a strong system of checks and balances required to make the system work with greater efficiency.

4.64 For any inter-institutional arrangement to be grounded, it is necessary to have a regulatory mechanism that arbitrates between institutions in case of disputes between them. The Constitution does contain certain elements of independent mediation or regulation; in a sense, both the State Finance Commissions and the Election Commissions are conceived as institutions that function independent of the State government. However, there is no such mechanism to decide upon disputes relating to expenditure assignments; or of agency agreements between the State and local governments. The latter cannot sue the State in a court of law, because under Article 12 of the Constitution, Panchayats are equally the State, as are the Centre and State governments. So far, this missing piece in the institutional design has not been noticed, because it has been taken for granted that the State can grant and withdraw powers from the Panchayats through law and executive orders, without any modicum of consultation. However, if a new paradigm for service delivery arrangements, fundamentally based on contractual agreements, which describes the inter-se responsibilities of Panchayats and the State is institutionalised, the need for mechanisms to enforce these arrangements would
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come to the fore.

4.65 One of the lacunae of the current system is that there is no redress, if the failure is caused by the State or Central government through some breach of written or implicit contract in providing support for the Panchayats to be able to deliver those services. It would be worth more than a thought to entrust to the Ombudsman the powers to arbitrate and if necessary, enforce contracts entered into between the Panchayat as the service providers and higher tier government or any State agency.

Recommendations

4.66 The Committee recommend the following for strengthening the collateral measures:

i. **The appellate system against orders of the Panchayats needs to be modified:** States could examine the appellate systems against the orders of the Panchayats and establish appellate tribunals to hear such appeals. It would be desirable to remove such powers from the District Collectors, as that would amount to the concentration of too much implementation and regulation power in one authority.

ii. **The institution of Ombudsman for Panchayats needs to be created in all States.** There are now moves to constitute Ombudsmen in States to look into complaints and grievances that citizens might have against local governments. The NREGA has already provided for the creation of Ombudsmen at the district level, but with the narrow focus of investigating complaints into the implementation of that programme alone. The Committee suggest creation of the institution of Ombudsman for Panchayats in all States. The composition of the Ombudsman and the number of Ombudsmen to be provided for can be decided by the States. The body could be headed by a judicial officer of the rank of a High Court Judge and other ombudsmen could be selected from a panel of judicial officers of the rank of District Judges and administrative officers of the rank of Secretary to the State government. The Ombudsman can act on complaints from elected members or citizens or on reference by audit authorities or Government or initiate proceedings *suo moto*. The Ombudsman can be empowered to pass awards to compensate losses sustained by PRIs and to redress grievances. Where the alleged
irregularity is found to be a criminal offence, the Ombudsman may refer such cases to the appropriate courts. In order to reduce establishment costs and for effective functioning, the Ombudsman can be vested with the power to conduct enquiries utilising the governmental system by requisitioning the use of any official, with the stipulation that while carrying out the directions of the Ombudsman all officials and agencies are deemed to be working under the Ombudsman and any dereliction of duty would attract a contempt of the body. A critical test of success of the Ombudsman would be the speed with which appeals are heard and disposed. Such speed can be attained only if procedures are simple. The institution should combine relatively simple procedures of an executive authority with the advantages of an independent judicial system. For this reason it would be useful to prescribe time limits within which the Ombudsman shall normally complete its investigation.

iii. **Accountability Mechanism at the higher level of Panchayats to be established.** At the GP level the Gram Sabha works as the forum for demanding accountability of the GP. There is no such equivalent forum at the intermediate and district level. There should be a larger body apart from those who are members of those bodies to which the ZP and the intermediate Panchayat should be liable to report and seek guidance. The bodies at the district and the intermediate Panchayat levels may be called the Zilla Sansad and the Block Sansad, respectively. Apart from elected bodies who are members of the ZP, all chairpersons of intermediate Panchayats along with vice-chairpersons/chairpersons of SCs of intermediate Panchayat may be made members of the Zilla Sansad. Officials from the State level may remain present as invitee. Important officials of district and block levels may also be invitees to attend the meetings without having any voting right. The Block Sansad may consist of all members of the intermediate Panchayats, the ZP members from within the block area, the Pradhans and members of all the SCs at the GP level. Important officials at block and GP level may also attend as invited members. Such Sansads should be held at least twice a year and there should be certain norms as to what all should be disclosed before the body. The disclosure should be through circulating documents in advance so that anyone can raise any question for being answered by the ruling group as well as any suggestions.
iv. Examination of Accounts related to devolved fund to be arranged at the district level: It is the State Legislative Assembly, which authorises expenditure out of Consolidated Fund of the State. For any amount devolved to the Panchayat the department concerned, which devolves the fund, remains accountable to the Legislative Assembly. This is one of the reasons for departments being reluctant to devolve funds since they remain accountable for any misutilisation of fund so devolved out of the departmental budget by the Panchayat. They also remain busy in seeking detailed utilisation certificates (UCs) for being satisfied that all expenditure has been made as per rules. One alternative is to absolve department of all such responsibilities in respect of devolved heads of accounts. The Panchayats should provide a simple UC that fund has been received and utilised following all norms. Detailed examination of quality of expenditure and deviation from rules may be left to a District Public Accounts Committee (DPAC) to be constituted at each ZP. The DPAC may be constituted under the chairmanship of the Leader of the Opposition of the ZP with proportionate representation from all political parties represented in the ZP. The DPAC may be given the authority for checking compliance to rules in respect of all expenditure made by any Panchayat within the district. The Committee may be provided with technical staff for such examination and all reports of the Committee related to any Panchayat must be placed in the General Body of the Panchayat concerned for their views and submitting an Action Taken Report, if any. The ATR along with the original complaint has to be placed before the Zilla Sansad/Block Sansad or the Gram Sabha as the case may be for wider dissemination of the same. In respect of any complaint of misutilisation of devolved fund the department concerned may refer the matter to the District Forum, which may go through the process of examination and obtain views of the body concerned along with Action Taken Report and forward the same to the State government for knowledge of the Legislative Assembly and taking legal action, if any. All such observations should be mentioned as a part of the Annual Report that the Accountant General should prepare on the status of Panchayat Accounts, which should be laid before the Legislative Assembly. The Forum will also examine all expenditure being made by the Panchayats of the district irrespective of whether fund available is out of own resources or devolved fund or
any fund transferred to execute any specific work. In case of serious violation amounting to criminal offence the same may be taken up following existing rules.

v. **Providing forum for discussion of issues on devolution:** There is need to establish a common forum in which the State and the Panchayats can participate, which would cover important matters such as the inter-governmental fiscal and administrative architecture and a mechanism to resolve disputes that may arise between levels of government. Such arrangements are the need of the hour as the Panchayats lie at the cutting edge of service delivery to citizens and often bear the brunt of citizens’ dissatisfaction as they are the most proximate governance structure that can be blamed. Some States have provided for a State Development Council or a Panchayat Council as such a forum. Such measures are encouraged in other States too for which the MoPR may take necessary advocacy and facilitation.

**Other Recommendations**

4.67 In order that other necessary collateral measures are taken, the Committee recommend the following:

i. The Panchayat Directorate, district Panchayat office and the block level Panchayat Unit (Panchayat Development Officer, Audit Officer, etc.), are to be strengthened appropriately for maintaining an efficient oversight on functioning of the Panchayats as well as to providing necessary support to the Panchayats as and when needed.

ii. Annual Self-assessment by all Panchayats. The State Government should prepare a format for self-assessment by Panchayats in consultation with the Panchayats and prescribe that they will give their self-appraisals within a given time every year. The reports could then analyse to find out the strength and weaknesses of the Panchayats. Those documents will help to identify weakness of every Panchayat for appropriate correction and facilitation, which will be a joint exercise by the Panchayat directorate and the Panchayat concerned. The analysis will also help in comparison and competition among the Panchayats of each tier for improving their performances.
The State government must disclose the analysis on various aspects of functioning of the Panchayats in the public domain for information of the Panchayats as well as for people in general to understand how their Panchayats are functioning. Well-performing Panchayats, based on such evaluation and after due verification, may be given incentives for encouraging every Panchayat to assess and improve their own performances.

iii. While achievements under various programmes are easily measured and monitored, institutional aspects of functioning of Panchayats which are not confined to any particular programme are difficult to measure and hardly monitored. The Panchayat Directorate should gain expertise to take up that exercise on a regular basis and there should be special monitoring for progress of institutional aspects of the functioning of Panchayats once in a quarter at block and district level.

iv. The Panchayats face many legal issues in the course of their functioning and they hardly get any guidance. They need the support of legal expert for correctly following all laws for their functioning. There should be legal professionals available at district Panchayat office for assisting all Panchayats on legal issues.

v. Proper functioning of Panchayats requires good political leadership at the local level. The elected Panchayat members, where election is fought with political symbols, remain accountable to their political higher-ups, which need to supervise activities of their members as functionaries of Panchayats. Oversight on their own elected representatives by political parties can be improved by forming/strengthening a Panchayat Cell within the respective political party. The State government may consider strengthening such cell, if created by any political party having at least 10 per cent or more share of the total elected posts. They may be provided support in terms of allowing to engage research scholars (to be identified by an independent expert group) for compiling all data related to functioning of Panchayats by their party and reviewing internally with more probity for taking corrective measures. The members of
the cell may be provided exposure to better functioning Panchayats in other States and even train them for better understanding the administrative issues of functioning of the Panchayats.

**Amendment of the Provisions of the Constitution for Strengthening Devolution**

4.68 The analyses made above are based on the existing provisions of the Constitution and conformity Acts passed by the States based on these provisions. This Committee considered several suggestions for amendments to the Constitutional provisions, including those suggested by the Second Administrative Reforms Commission, which considered this question in detail and suggested several amendments to strengthen the Constitutional provisions. Recent suggestions for amendments have also been made by the Commission on Centre State Relations\(^{118}\) and the Thirteenth Finance Commission. Following deliberations, the Committee believe that the framework provided in the Constitution for Panchayats is an elaborate one and the priority should be to ensure their full implementation in letter and spirit.

4.69 While recognising the very great difficulty in securing the stipulated majority in Parliament, as well as consensus of at least half the States in present political condition, as also the danger that attempt to substantially amend Parts IX and IX A of the Constitution might unravel the 1992 consensus, the Committee believe that in fullness of term and time and when political conditions permit, consideration may be given to a few amendments mentioned below.

**Amendments to Article 243-I to Strengthen the Fiscal Devolution Framework**

4.70 One of the weaknesses seen in the institutional framework for fiscal devolution has been the indifferent functioning of the State Finance Commissions. Except in a few States, the convention of accepting the recommendation of the State Finance Commissions in toto has not been established. Reports are ignored and there are inordinate delays in placing action taken reports before the State legislature. The scant attention given to the recommendations of State Finance Commissions also hampers the smooth flow of Central revenue shares to LGs, as recommended by the Central Finance Commission. Article 280 (3) (bb) & (c) of the Constitution currently states that Central Finance Commission grants for local governments should be transferred to  

\(^{118}\) The Justice Madan Mohan Punchhi committee.
them ‘on the basis of the recommendations of the Finance Commission of the State’. The 13th FC has recommended that this constitutional provision should be amended to ‘after taking into consideration the recommendations of the Finance Commission of the State’, so as to avoid bottlenecks in fund transfers. The other related issue is that the same clockwork regularity of appointing SFCs every five years is not followed by States. The asynchronous constitution of SFCs means that many of them are out of step with the period of currency of the CFC reports. For ensuring synchronous operation of the reports of the SFCs with that of the CFC, the 13th FC recommended a one-time alignment of all SFC terms with that of the CFC. For this purpose, the currency of existing SFC terms might need to be truncated, so that all of them can be constituted and their reports run synchronously across the country. In this direction, the 13th CFC recommended that Article 243-I of the Constitution should be amended to include the phrase ‘or earlier’ after the words ‘every fifth year’. The Committee considered this suggestion and endorse the same.

**Amendment of the Constitution for Establishing District Councils**

4.71 The idea of creating a District Council as a local government at the district level has been mooted by the Administrative Reforms Commission. The rationale for a District Council might be stronger in those States where urbanisation is progressing; a District Panchayat might have a shrinking jurisdiction in the face of increasing urbanisation. The Committee, while emphasising that amendments to the Constitution should be approached with caution and should not be undertaken except as a last resort, endorse the view that the option of going in for a District Council, as an alternative to the District Panchayat, could be explored through a Constitutional amendment. The District Council will comprise constituencies from both urban and rural areas and will thus have jurisdiction over both rural and urban areas of the district. Most departments of the State government have activities covering both rural and urban areas and are reluctant to devolve district level activities to ZPs on the ground that even after such devolution they will need to have strong presence in the district for taking up such activities in the municipalities, many of which are too small to take up those activities of their own. A unified local government at the district level, will take care of all district sector activities of department (e.g., education, health, drinking water supply etc.) irrespective of rural or urban areas. In that case it will be easier to devolve functions and functionaries of the district sector activities to the District Council. Formation of the District Council will enable better rural-urban convergence and providing similar standards of living for both rural and urban population. However, this could be offered
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as a choice to the State governments. The District Council will also act as the DPC, with appropriate amendment of the Constitution, which will be supported by a strong establishment and is expected to function better. In that case constitution of a District Planning Committee might be redundant and could be dispensed with, in States that adopt the option of constituting District Councils.
CHAPTER V

DECENTRALISED PLANNING THROUGH PANCHAYATI RAJ INSTITUTIONS AND DISTRICT PLANNING COMMITTEES

5.1 The idea of decentralised planning in India is as old as planning itself. The title of Sir Visvesvaraya’s seminal book published in 1940 was “District Development Scheme - Economic Progress by forced Marches”\(^{119}\) where he advocated a four-tier planning system for Mysore. In contrast, the Bombay Plan\(^{120}\) of 1942, which deeply influenced mainstream thinking on planning, had no reference to decentralised planning. Decentralised planning survived in the work of Gandhians like Shriman Narayan and J. Kumarappa, who not only wrote tracts and books but also involved themselves in village studies and preparation of village plans. It was not this Gandhian tradition that was taken forward in post-Independent Indian planning. Planning became an exercise undertaken in national and State capitals where departmental schemes were drawn up to be implemented by the departmental bureaucracy at the local level. The widespread feeling that there was a disconnect between the departmental schemes for the local conditions and people prompted two initiatives to take planning to lower levels viz. block level and district level.

**Decentralised Planning: Block Level**

5.2 The Second Five Year Plan saw the emergence of a network of Community Development Blocks for the implementation of agricultural and rural development programmes. It created a pool of developmental expertise below the district level though only with limited autonomy in planning and implementation of development schemes. In a sense, the recommendations of Balwantrai Mehta committee\(^{121}\) for

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\(^{119}\) Sir Mokshagundam Visvesvaraya, District development scheme: economic progress by forced marches, Bangalore Press, 1940 Bangalore.


rejuvenation of the Panchayati Raj system attempted to complement the bureaucratic development structures in the form of Community Development Blocks with popularly elected Panchayati Raj Institutions (PRIs). The Panchayati Raj System would ensure participation of the people and accountability of the local bureaucracy in the development process. As already noted in the Introductory Chapter, the first generation panchayat had only short lease of life, overtaken as if they were by centralised schemes of green revolution and parallel bodies. Nevertheless, the planning efforts at block level continued, though, without any role for the PRIs.

5.3 The “Report of the Working Group of Block Level Planning”122 by M.L. Dantwala (1978) was a reflection of the growing number of Centrally Sponsored Schemes and also a justification of the distancing of local planning process from the PRIs. The Committee concluded that the PRIs existed in only few states, and even there, were dominated by vested interests. They were skeptical of effective public participation given the technical imperatives of planning. Unless “a well articulated and feasible framework of approaches, objectives, measures and alternatives” are provided, the people are bound “to put up a charter of demands, which will be far beyond the capacities of the government”. The outcome of the Dantwala Report was model block level plans prepared by agencies such as National Institute of Rural Development (NIRD), voluntary organisations and experts. It must be admitted that considerable methodological experience was gained. However, much of these remained esoteric exercises little translated into practice. Further, these model experiments in Planning could not be scaled up because of high level of expertise they required. With the failure to implement Dantwala Committee recommendations the block level planning rapidly degenerated to compartmentalised scheme based planning. Certain efforts were made to have integrated planning of the selected Centrally Sponsored Programmes with different levels of success.

**Decentralised Planning: District Level**

5.4 In the year 1969 the Planning Commission issued “Guidelines for the formulation of district Plans”123. Considering the existing expertise, data availability and administrative capability the district was considered to be appropriate sub-State

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level for the area of planning. The district plan was to be based upon available data information and experience of local officials and key stakeholders. On the basis of critical appraisal of the existing level of development and ongoing programmes, an integrated strategy and hierarchy of priorities were to be drawn up within the envelope of available resources. There was hardly any recognition of the role of PRIs in the Guidelines. Nevertheless the outcome of the Planning Commission Guidelines was manifold: District Planning Offices and a modicum planning structure were set up in most districts in India and efforts were made on a pilot basis to draw up model district plans. But for the most part the district planning was confined to efforts to identify outlays of various state schemes in different districts and put them together as district plans. Certain deliberative bodies, at times, including non-officials was also set up in many States.

5.5 The progress of district level planning was reviewed in “The Report of the Working Group on District Planning”\(^{124}\) headed by C.H Hanumantha Rao in 1984. It was seen that certain interesting innovations such as criteria based allocations of schemes among districts and devolution of untied funds were introduced by the State governments of Maharashtra, Gujarat, Karnataka, Uttar Pradesh and Jammu and Kashmir. Gujarat provided 20 per cent of district outlays as untied funds. one-third of it was earmarked for distribution as incentive for local resource mobilisation. In Karnataka the process generated a fairly reliable database, a core team of planning personnel, financial procedures for devolving untied funds and an integrated district perspective plan. These came in handy for Karnataka when it embarked upon its remarkable experiment in district level planning in 1987. However as G.V.K Rao Committee on “Administrative Arrangements for Rural Development and Poverty Alleviation Programmes in 1985”\(^{125}\) pointed out, in most States district planning has degenerated to mechanical district-wise aggregation of State and Central schemes. Like its predecessors, the new committee also did not visualise any role of PRIs in district level planning. The so called decentralised planning procedures continued and remained unchanged until the 1990s but for two notable exceptions of Karnataka and West Bengal.

5.6 Karnataka and West Bengal belong to what is known as the second generation panchayats that came up following the reforms that were prompted by Asoka Mehta


Committee Report (1978)\textsuperscript{126} State governments such as Karnataka, West Bengal, Andhra Pradesh and Jammu Kashmir amended their Panchayati Raj Acts. In Karnataka, the district panchayats were given wide range of powers including that for the preparation of district plans. The mandal panchayats were conceived more as implementation agencies. The new Panchayat Scheme came into existence in 1987. 20 per cent of the Plan outlay was devolved to the district panchayats as untied funds. Criteria for inter-district allocations and intra-district allocations to mandal panchayats were clearly laid down. The district panchayat plans were submitted to the State government to be formally incorporated into the State annual plan. The Karnataka planning was the boldest initiative for the district level planning up to that time \textsuperscript{127}. However, due to various political reasons and decline in the size of untied funds, the powers of district panchayats waned and district planning degenerated. The experiment came to a formal end with a passage of 73\textsuperscript{rd} and 74\textsuperscript{th} Constitution Amendments.

5.7 The West Bengal’s second generation reforms materialised after the local government elections of 1978. The new panchayats played a leading role in carrying out land reforms and relief work after the devastating floods of 1978. Subsequently, planning and implementation of Food for Work Programme and National Rural Employment Programme was delegated to the Panchayats. It was in 1985, efforts were made to introduce comprehensive planning. The District Planning Committee with District Panchayat Presidents as Chairman and Collector as Secretary and representatives of Panchayat Samitis and Municipalities as members was set up as effective district level planning machinery. The main operational component of local plans consisted of funds from Centrally Sponsored Schemes. The untied funds were relatively small when compared to Karnataka. The success of district level planning varied from district to district and the most famous model was the Midnapore district plan.\textsuperscript{128}

5.8 Unlike most States in India, Kerala never had Block or District Panchayats. It was in 1991, during the first year of the 8\textsuperscript{th} Five Year Plan that District Councils were set up. The District Councils with jurisdiction over both rural and the urban areas were to prepare district plans. An indicative of outlay for district sector schemes were


intimated to the districts. The District Development Councils in consultation with Block Planning Committee and Gram Panchayats were to prepare comprehensive district plans and forward to the State Planning Board for inclusion in the State plan. Most districts failed to send the proposals in time. The annual plan for 1991-92 placed an outlay of ₹ 250 cr. for the newly formed district councils129. But with the change of government neither money nor schemes were transferred to the district councils which were allowed to wither away till they were disbanded after the passage of the 73rd and 74th Constitutional Amendments.

**Decentralised Planning and the 73rd and 74th Amendments**

5.9 It is the 73rd and 74th Constitution Amendments that has brought in planning as a mandatory duty of the government and also an institution for planning into the ambit of the Constitution. The Constitution enjoins the panchayats and municipalities to be self-governing institutions in “the preparation of plans for Economic Development and Social Justice” and their implementation. Constitutional status has been given to District Planning Committees “to consolidate the plans prepared by the Panchayats and Municipalities in the district and to prepare a draft development plan for a district as a whole”. Thus, there are two sets of Planning tasks –

a. Preparation of local plans by different tiers of Panchayats and Municipalities and

b. Consolidation of these plans into a district plan.

5.10 The district plan as envisaged in the Constitution is distinctly different from the district plans that the Planning Commission has been experimenting from 1969. The district plan is not a substitute for the local plans to be prepared by the local governments. The latter is a pre-condition for the preparation of a district plan. The district plan is not an operational plan but at best can give a macro district level perspective for local level planning. It is to initiate an iterative process of interaction between macro and micro perspectives so that more optimal choices can be made at the local level.

5.11 The contemporary status of decentralised planning in the country is not a very enthusing picture. The mandatory constitutional provisions regarding planning

have been the ones least realised in practice. In no State other than Kerala the local governments have continuously prepared the annual plans. Even after 16 years of decentralised planning in Kerala, consolidation of the plans and formulation of the district plans by the DPC have not yet become institutionalised. Only in 12 States are elected representatives of PRIs, the chairpersons of the DPCs. Data collected by the Ministry of Panchayati Raj for Devolution Index show that in 10 States even regular meetings are not being held. Yet it must be noted that three tiers of PRIs are today nearly universal and they do have access to at least some funds from the State and the central Government, no matter how inadequate they might be. Even if they do not prepare systematic and integrated plans, certain level of local thinking is going into the preparation of local budget.

**Kerala Model of Decentralised Planning**

5.12 The success and sustainability of Kerala grassroot level planning is the outcome of the political will exhibited by the successive governments to strengthen democratic decentralisation. Favourable conditions such as high level of literacy, land reforms, relatively weak cast structures etc. have also contributed to the success. Kerala ranks above other States in the decentralisation index. There is indeed a broad correlation of index of devolution and relative success of local planning of different states. Better local government produce better local plans. Indeed a unique feature of decentralisation process in Kerala has been the selection of planning as the key link in initiating reforms. Without getting bogged down in debates regarding the preparedness and capability of local governments to source funds, prepare plans and implement them, it was announced that 35 per cent of the 9th Plan outlay will be devolved as virtually untied funds to local governments. However, before the local governments could lay claim to the entitlements, a plan for utilisation of the fund had to be prepared and approved by the DPC. Detailed procedures for planning were laid down, the rationale of which were the following:

i. Ensure that nobody is excluded and maximum participation is achieved,

ii. Transparency is ensured to prevent elite capture and corruption and certain level of scientific objectivity is ensured in the decision making process.

5.13 The planning process consisted of the following steps.
a. The need assessment was undertaken in the Gram Sabhas specially convened for the purpose. The discussion was organised by the sectoral groups with trained facilitators helping the deliberations.

b. Comprehensive Development Reports were prepared for each of the local governments. The Reports undertook an analysis of human and natural resources and development problems including review of the ongoing schemes for each sector. The exercise was based on secondary data collected from local level departmental offices and a transect walk.

c. The Development Reports were discussed at Development Seminars attended by representatives selected by the gram sabhas. Priorities were determined at the conclusion of the development seminar.

d. The prioritised proposals were written into detailed project proposals which clearly laid down the objectives, activities, organisation, and financial outlay of the project. An elementary cost benefit analysis and gender and environment impact statement was also mandatory.

e. The panchayat samiti incorporated the project proposals into a Plan Document which clearly lay down the rationale for the priorities and choices.

f. The project documents and Plans were vetted and approved by DPC with the help of officials and volunteer technical experts.

g. Taking into consideration the Plans of the lower tiers, the intermediate and district tier of panchayats prepared their Annual Plans.

5.14 The process took more than a year of campaign mode of non-formal education in seven rounds in a cascading manner from State level to the local level. Around 500 resource persons at the State level, nearly 6,000 resource persons at district level and over 100000 resource persons at local level, besides the elected representatives and key officials were so trained.

5.15 The planning was utilised as an instrument of social mobilisation which became the support structure and created enabling environment for the local governments to overcome their handicaps and prepare and implement the plans. The People’s Plan
Towards Holistic Panchayat Raj Campaign, as it was called, also generated political will cutting across political divide for successful democratic decentralisation.\(^{130}\)

5.16 Since 1997, year after year every local government in Kerala has been preparing integrated annual plans. On the basis of experience and new problems that have emerged, certain modifications have been introduced in the planning procedure but basically the overall guidelines have remained unchanged. Today the local governments submit and get their plan scrutinised online. The e-governance system also enables effective monitoring of the plan. Instead of the committees of experts, higher level officials scrutinise the projects now. Another experiment is the effort to produce five-year plan instead of the annual plans.

5.17 An effort was made in 2001 to prepare the district plans. All districts prepared draft plans which consisted of (a) a long-term vision of the development of the district, and (b) a critical analysis of the schemes implemented by the local governments and district schemes of the State plan. The comparison between the two would enable the DPC to identify the critical gaps to be filled, duplications of schemes to be avoided and revision of inappropriate schemes. The process involved bottom-up review of the local plans and district level preparation of the vision documents by teams of experts and officials. However, there was no follow-up to the plans prepared and the process was not taken forward. Kerala failed to produce the district plans in 2006 even after the mandate of the Planning Commission. Instead a comprehensive experimental exercise was undertaken in the Kollam district to prepare a district plan strictly adhering to the constitutional provisions and with significant input from the town and country planning department.

5.18 As per Article 243 ZD (3) (a) of the Constitution of India, the contents of a draft district development plan are: “(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 resources whether financial or otherwise”. Thus the nature of a district planning methodology as envisaged in the Constitution is:

- The development needs of the rural and urban areas should be dealt with in an integrated manner

• Assessment of physical and natural resources of the district and sharing proposals
• Need of integrated approach in the development of infrastructure
• Environmental conservation
• Financial investment plans
• Planning in a spatial platform

Kollam District Plan

5.19 It was in Kollam district of Kerala that a comprehensive district planning exercise was undertaken as an experiment to develop a realistic methodology which combines the participatory process, maintains the Central role of local governments, provides for rational and scientific analysis of data and preparation of a vision and perspective of its basis.

5.20 The salient steps on the preparation of the district plan as revealed by from the Kollam experience are summed up below:

1. Analysis of Data
2. Communication of the results of analysis and acceptance by the stakeholders
3. Identification of the development issues arising from the analysis of data.
4. Formulation of the core “development concept” based on the potential of each local government and district as a whole.
5. Development of policies and strategies – sectoral and cross-sectoral
6. Fixing of priorities
7. Presentation of projects and plans. This is consolidated at each local government and by the level and finally for the district by the DPC.
5.21 It is the district vision which comes out first and the plans of local governments are positioned vis-à-vis their own visions and the district vision. The end result is both a perspective plan of 15 to 20 years, and a five-year plan from which annual plans are prepared.

5.22 The key feature facilitating integration, across sectors, and local governments is the spatial analysis at the local, sub-district and district level. The hierarchy of settlements is determined on the basis of clear criteria which suggest the growth centres. This analysis is of great significance for determining the connectivity requirements and provision of facilities and services. Also the spatial analysis of economic development thrown up the potential for intensification of different types of economic activities in the primary, secondary and tertiary sector. Spatial analysis reveals the priority areas for eco-upgradation and eco-preservation as well. The visual element of characteristic of the spatial analysis is the most important factor leading to participating consensus on priorities and programmes.

5.23 Within the whole process DPC occupies the central place. This calls for the active participation of officials from all departments working not only within their sectors but reaching out to related sectors to develop to identify synergies and build bridges.

5.24 The success of this methodology depends on the following:

1. Harnessing of all available data

2. Creating a pool of experts for analysis and interpretation of data including the spatial dimensions on GIS platform

3. Widespread dissemination of the results of the data in simple terms for common understanding

4. Frequent interaction of local governments horizontally in a region and vertically across tiers up to the district level

5. The congruence between the priorities drawn up by the analysis and the priorities felt by the people, achieved through a process of iterative negotiations and consensus.
Towards Holistic Panchayat Raj

Decentralised Planning Approach in 11th FY Plan

5.25 The decentralised planning got a shot in the arm in 2006 when the Planning Commission issued formal guidelines for preparation of local plans and integrating them into a district plan as a prelude to the finalisation of State government’s Eleventh Five Year Plan. It called for the States to complete the assignment of activities to be undertaken by different level/type of local governments, indicate resources available to local governments for planning and issue of planning guidelines to District Planning Committees.

5.26 The DPC was to consolidate the schemes from the Panchayat and urban areas and integrate them with the departmental and district level schemes and prepare both the Five Year Plan and Annual Plan. The summary of the district plans had to be presented as part of the State’s Eleventh Five Year Plan and Annual Plan 2007-08 proposals.

5.27 Interestingly, the guidelines narrowed the definition of District Planning as “the process of preparing an integrated plan for the local government sector in a district taking into account the resources (natural, human and financial) available and covering sectoral activities and schemes assigned to the district level and below and those implemented through local governments in a district”. It further suggested that the district plan should reckon and respond to the development activities of people’s groups, cooperatives, credit institutions, NGOs and even the private sector.

5.28 As regards the methodology of local level planning, the Planning Commission endorsed the procedure laid down in the “Expert Group of Planning at the Grassroots Level” under the chairmanship of Shri V. Ramachandran. The Committee suggested that each panchayat at all three levels and municipality be treated as a Planning Unit and the district plan be built through consolidation of these plans in a two-way interactive process and arrive at an integrated, participatory, coordinated idea of development of the district viewed as a convenient “local area”. The Committee saw beyond sectoral planning efforts which were termed as “programmes”, the ‘plan’ was arrived through the integration of the programmes. It outlined the methodology of district planning on the following lines:-

   a. Building a District Vision through discussions with panchayats and the urban local governments.
b. Stock taking exercise including collection, collation and analysis of available data, preparation of Human Development Reports, preparation of asset registers, assessing service delivery levels, collecting data of physical and financial achievements of development programmes and assessing credit availability.

c. Determining the resource availability and communication to local levels

d. Participatory planning

e. Assessment of resources from different sources available to the local governments

f. Classifying needs and matching of resources – first with tied grants, then with partially untied funds and the remaining one with fully untied funds.

g. Preparation of plans at the intermediate and district levels with focus on larger issues like agriculture, forest, credit, livelihood and health.

5.29 Even though the Planning Commission had issued the guidelines, no serious effort were made to modify the procedures laid down for the different Centrally Sponsored Schemes so that they would provide support to the local planning process and the schemes themselves integrated with local plans. The only exception was Backward Regions Grant Fund (BRGF) of the Panchayati Raj Ministry. The BRGF guidelines followed the Planning Commission guidelines and mandated their implementation. It gave special emphasis to capacity building and harnessing of resource persons at all levels. In spite of the small allocation, BRGF succeeded in pushing the constitution of DPCs and initiation of some kind of participatory planning with local governments at the Centre.

5.30 Another committee headed by Shri V. Ramachandran was set up by the Ministry of Panchayati Raj to look into the issues of decentralised planning in the VI Schedule areas and those areas not covered by Parts IX and IX-A of the Constitution. The Committee analysed the different institutions formal and informal, involved in local level development and suggested that through very careful discussions and capacity building efforts, the Autonomous Councils need to be brought into the development process. Also, the formal and traditional institutions need to be harmonised. Essentially, change has to come from within, actively catalysed from outside but never
imposed. This would call for unambiguous mapping of functions and authority at
different levels of governance, active engagement of stakeholders including women,
dovetailing of funds, provision of revenue raising powers, building of capacity and
putting in place accountability systems. In order to build capacity, NGO and private
sector participation would be essential to supplement the planning mechanism which
needs to be institutionalised.

5.31 Following the Guidelines of 2006, the Planning Commission got prepared a
comprehensive Manual for Integrated District Planning which was published in end
2008. It essentially detailed the methodology suggested by the V. Ramachandran
committee and gave additional focus to district level integration and to strengthening
of district planning. It focused on resource envelopes being communicated to local
governments and it also emphasised the need for technical support and mobilisation
of different stakeholders through Working Groups at the level of local government
for different sectors and capacity building of different actors - both official and non-
official. It laid, for the first time, special emphasis on participatory planning in urban
areas starting from Area Sabha which is a sub-ward entity. It laid a lot of emphasis
on consolidation of plans and expounded the concept of “cascading consolidation”
implying that at several levels of the planning process, works and projects would be
rearranged through dialogue and consensus in the interest of proper integration,
convergence and efficiency. The Manual also emphasised the spatial dimensions to be
considered for planning.

**FAILURE OF THE PLANNING COMMISSION INITIATIVE**

5.32 In spite of clarity of methodology, availability of experience and adequacy of
policy instructions, decentralised planning did not take off as desired. Reasons are not
far to seek. They could be summarised as follows:-

1. At the State level, the Department in-charge of Panchayats showed
interest but in most places, they did not get the required support from
the Planning Department or other line departments with the result
that decentralised planning got confined only to the BRGF districts and
that too in a rudimentary fashion due to the low resource availability.

2. Local governments did not have any clarity on the resource envelope
available to them for planning. Even where they had relatively untied
funds like MGNREGS and grants from the State and Central Finance Commissions, no attempt was made to assist the local governments especially the Panchayats in trying to prepare participatory local plans. Mostly, they had to adhere to the silo-based process of schematic planning. A large number of States introduced a schematic pattern into the utilisation of even the Finance Commission grants, leaving little flexibility to the local governments to prepare plans as required by the people.

3. For the major Centrally Sponsored Schemes, the role of local governments was not properly delineated and made functional, even in areas which are the natural functions of local governments like water supply, sanitation and provision of electric connectivity. Schemes in these sectors like National Rural Drinking Water Programme, Total Sanitation Campaign (now called Nirmal Bharat Abhiyan) and Rajiv Gandhi Grameen Vidyutikaran Yojana bypassed the local governments in almost all the States. Another scheme where local governments have a tremendous natural advantage, namely ICDS, was also implemented departmentally except giving a few functions to the Village Panchayats. Even schemes which insisted on mandatory bottom-up planning like Sarva Shiksha Abhiyan and National Rural Health Mission, did not try to engage the local governments seriously. It is an irony that the Planning Commission did not attempt to implement its guidelines even in respect of schemes which were Centrally sponsored.131

4. Most of the schemes mentioned above, had parallel structures especially at the district level functioned outside the local government system and even of the District Planning Committees. These parallel bodies include District Rural Development Authority (DRDA), District Watershed Agency, District Water and Sanitation Mission, district level societies under SSA and NRHM, etc. and they sapped efforts at even convergence, be alone integrated planning.

131 “(It has been) a longstanding demand of the Panchayati Raj Institutions that the Centrally Sponsored Schemes should also be brought within the(ir) mandate but when we issued our orders we had to keep the CSS guidelines (in mind), which required that these institutions be chaired by the Collectors (and not the Zila Pramukh). Therefore, we had to keep these schemes (related to 5 subjects which were devolved in the state) outside the scope of PRIs.” Dr. CS Rajan (Additional Chief Secretary, Panchayat Raj Department, Rajasthan) in his oral testimony before the Committee.
5. **District Planning Committees were never given the roles and responsibilities envisaged in the Constitution.** In many States, Ministers head the DPCs which would naturally weaken the strength of the local government representatives. Further, DPCs were not given any professional or secretarial support. Strangely enough, the District Planning Missionary created in the 70s, was not linked with the DPC even by the Planning Commission. Though it was realised by the V. Ramachandran committee and in the BRGF guidelines and the Manual for Integrated District Planning, no attempt was made to build capacity especially at the level of Gram Panchayats. The elected members and cutting-edge officials were not sensitised on the concepts of local level planning. Also the services of voluntary resource persons were not harnessed. Though in some States with UN Support, technical assistance was provided at the district level for want of clarity on the resource envelope, the efforts did not make much headway.

6. **Availability of data at the local level for planning has been very poor.** Even the available data have not been classified local government-wise and made available to them. Though participatory methods for resource mapping, need identification and need prioritisation are well developed, they have not been employed on a large scale.

7. **The guidelines did not take into account State-specific variations in the powers and functions of local governments, resources available to them and their capacities.** There was no attempt even during the plan discussions to fine-tune the preparation of decentralised planning in accordance with the objective conditions prevailing in States. There was no sustained pressure from the Planning Commission to implement its guidelines.

8. **Because of the duality of departmental responsibilities at the State and Central levels, the critical issue of urban rural integration was never addressed jointly,** even though the Manual for Integrated District Planning did provide some useful suggestions. Therefore, large schemes of water supplies, sanitation, connectivity and power were delivered separately in the urban and rural areas with no attempt at integration.
ANTI-POVERTY SUB-PLAN

5.33 There are big Centrally Sponsored Schemes related to poverty reduction without any convergence or even any introduction-ship, independently planned for and which are implemented as separate schemes. These schemes could be categorised as follows:

Food And Nutrition
- ICDS, Mid-day meals, SABLA and PDS – Right to Food

Basic Minimum Needs
- Housing (IAY), Toilet (TSC), Drinking Water (NRDWP), Connectivity (RGGVY), Core Connectivity (PMGSY), Miscellaneous Items (BRGF, TFC grants)

Social Security
- NSAP, RSBY, AABY/JSBY, JSY, Care for the aged, Care for the challenged

Human Development
- Health (NRHM, RSBY), Education (ICDS, SSA/RMSA and Right to Education)

Social Development
- SCSP, TSP

Economic Development
- MGNREGS, NWMP, MGNREGS, Agriculture (RKVY, MGNREGS, MKSP, Micro-enterprises, (NRLM, RSETI)

State Schemes could also be added to these categories.

5.34 These schemes could easily be converged through a participatory planning process emanating from the grassroots, starting from the Village Panchayat and getting aggregated initially at a cluster of Gram Panchayats (in States where Gram Panchayats are small) or at the intermediate Panchayat and then further linked up at the level of District Panchayat. As poverty is multi-dimensional and there is kind of ratchet effect among the different causes /manifestations of poverty, it requires a multipronged, simultaneous-action strategy. In order to operationalise the preparation of anti-poverty sub-plan, the following suggestions are made:
1. The guidelines of the individual schemes have to be mandated to facilitate preparation of a bottom-up common plan and also responsibility maps may be prepared for each level of Panchayat for undertaking different components of the schemes using the principle of subsidiarity which itself would be determined by the service area of schemes, spill over effects, complexity of activities, availability of human resources and potential to mobilise people’s participation and action.

2. The resource envelope covering all the schemes should initially be developed at the level of the district and later disaggregated to the level of Gram Panchayats based on normative criteria related to backwardness and poverty.

3. Gram Panchayats should use the Socio-Economic Caste Census (SECC) data to prepare and also participatory poverty assessment and prepare a status report of poverty at the Village Panchayat level. These reports could be aggregated with additional data and analytical inputs at the level of intermediate and district Panchayats.

4. The status report of poverty and strategies to combat different elements of deprivation could be discussed at the Gram Sabhas, Facilitators may be drawn up from NGOs and Self-Help Groups and suitably trained to guide discussion at the Gram Sabha level.

5. Task Forces may be created at each tier of panchayat for converting priorities from the Gram Sabha into projects in accordance with the guidelines of the schemes. These could be integrated at the intermediate and district levels

6. The DPCS could get these proposals vetted to ensure proper integration and finally approve the anti-poverty sub-plan.

5.35 The poverty sub-plan may be prepared in a comprehensive manner integrating all the Centrally Sponsored programmes or any of the appropriate thematic sub-groups given below. The untied funds received by the local governments may be utilised to fill up the gaps.
MINIMAL POVERTY SUB-PLAN

5.36 This may be prepared by the Gram Panchayats utilising the resources available under MGNREGA, BRGF and Central and State Finance Commissions over which the GPs have command. The following steps are suggested:

**Step 1—Situation Analysis**

This could be done through participatory resource mapping and data collection, including SECC data and Census data. The situation analysis would give a clear picture of the different issues related to local level development which could be addressed using the resources available with the GPs.

**Step 2—Identification of needs**

Needs of the people may be identified through consultations at the habitation level which have to be noted down in the order of priority. Also in large Village Panchayats, consultations may be held with different stakeholders like MGNREGS workers, SHGs, small and marginal farmers, Watershed Committees and agricultural labourers and their needs identified and prioritised. Special efforts should be taken to include the priorities suggested by SCs and STs. In addition to consultations, participatory techniques like focus group discussions, transact walks, natural resource-cum-social mapping, participatory priority setting etc. should be adopted.

This could be facilitated by either the Cluster Facilitation Teams or a Task Force set up for the purpose, consisting of elected members of the Village Panchayat officials, experts, representatives of Civil Society and Community Based Organisations as well as representatives of stakeholders. Such Task Force has to be trained properly for the planning process.

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132 “In fact, Gram Panchayats have today reinvented themselves thanks to NREGA... ...because when the Annual Action Plan is drawn up then what happens is that all the members would like to get some works from their respective areas included...” Dr. CS Rajan, Additional Chief Secretary, Panchayat Raj Department, Rajasthan, in his testimony dated 27-Dec 2012.
Step 3—Identification of Resource Envelope

The Cluster Facilitation Team or Task Force as the case may be in consultation with the Village Panchayat could identify the resources available locally from different Schemes like MGNREGS Integrated Watershed Management Programme, Rashtriya Krishi Vikas Yojana, Nirmal Bharat Abhiyaan, National Rural Drinking Water Programme, BRGF, ICDS etc and the own resources of the Panchayat including grants of the Central and State Finance Commissions.

Step 4—Preparation of Draft Development Plan

The Cluster Facilitation Team/Task Force would, in partnership with the elected Village Panchayat, prepare the Development Plan by matching the prioritised needs with the resources available. Those elements of the Development Plan which could be taken up under MGNREGS could be noted separately as a shelf of projects to be included in the Labour Budget.

Step 5—Approval of Gram Sabha

The draft Plan could be presented in the Gram Sabha and got approved by incorporating the suggestions of the Gram Sabha.

Step 6—Plan finalization

The Plan including the MGNREGA component approved by Gram Sabha could be discussed in a special meeting of the Gram Panchayat without disturbing the priority of work decided by Gram Sabha.

Madhya Pradesh Experiment in Consultative District Planning

5.37 Yet another interesting experience of decentralized planning is in Madhya Pradesh. Comprehensive guidelines for bottom up planning from ward level onwards, the outcome of which are consolidated at block level and then integrated with the district plan have been issued. However in practice there are severe limitations in local level planning which by and large is limited to identification of the felt needs of the people. These are then explicitly considered in drawing up the district plan which consists of district schemes of the state plan and the Centrally sponsored schemes. It is
for the reason that we have described the process as consultative district planning. This innovation in planning has significant relevance for states with weak local planning structures.

5.38 The process of distribution of state budget into district budget was introduced in the year 2000-01 so that the resources are available for different schemes of various departments in the district. The decentralised district planning was strongly advocated during the Eleventh plan. Initially the district planning was a district level bureaucratic exercise with the help of Non Governmental Organisations with little involvement of local people. Unfortunately till date district plans were made, but they were not bottom-up, participatory plans. Further, no plans were available for lower tiers panchayats or municipalities. In 2009 an experiment for decentralised bottom-up district planning initiated, in five pilot districts, Khargone, Rajgarh, Chhatarpur, Satna and Mandla under the GoI-UN Joint Programme on Convergence. From the year, 2010-2011, GoMP took the decision to scale up the decentralized planning process across all 50 districts.

5.39 The three tiers of panchayat and urban municipalities and corporations were the basic units of planning. At the district level, DPC gave the overall guidance and support. In order to empower the local governments the State Planning Commission envisaged the concept of village level Technical Support Group (TSG) which was formed over 3-5 gram panchayat, comprising 5-6 grassroots level government functionaries such as Jan Shikshak, ANM/MPW, Sub-Engineer (PHED/RES/PWD/Irrigation), ADEO, Van Rakshak, Patwari etc. to facilitate the village level planning process. These TSGs supported the village development committees of gram sabhas during the planning process. This ‘convergence of already available human resources’ proved to be cost effective and provided for the very first time opportunity to grass root functionaries to go to a village in a team mode.

5.40 State Planning Commission has developed a web based application to capture the demands of citizens / local bodies including the baseline information, available infrastructure and status of services of various sectors. The application prepares the village master plan on the gaps identified within a village. Application also facilitates the departments to respond on the demand and take decision whether demand can be approved, taken in future or marked as non-feasible. Based on the response plan, department make the department district plan which is discussed in the District Planning Committee. The IT application envisaged for the decentralized planning is to cater not only the planning but also monitoring, evaluation and social auditing.
5.41 DPC in consultation with subject matter Specialists, Government officials, VOs and other stakeholder(s) will determine plan ceiling between rural & urban segments and formulate strategy to prepare and integrate plan proposals of local governments. Rural plans will be prepared by PRIs and urban plan proposals will be prepared by local governments with support from the Technical Support Group (TSG) constituted for each of the gram panchayat and Ward. Local governments are expected to come up with vision of development based on local needs and specific strengths.

5.42 The plans prepared at gram panchayat wards/ urban wards are integrated and consolidated at each subsequent level finally to be consolidated at the district level by District Planning Committee. This is further submitted to the District Planning Committee for approval and consolidation. All the line departments will be grouped into key sectors. Further working groups will be constituted for each sector for preparing proposals keeping in view the needs and possible inter and intra sector convergences. Working groups will also prepare positioning paper for the achievement of MDGs at their levels.

5.43 The DPC, after receiving the rural and urban plan, consolidates the plans at the district level with the help of district level Technical support group. The integrated plan finalized by DPC will also ensure clarity on the roles of various departments and arrangements for monitoring and evaluation of the projects. The plan will be submitted to State Planning Commission after due deliberation in district planning committee.

**Recommendations for Preparation of Local and District Plans**

5.44 The key lesson to be learned from the failure of the decentralised planning initiative of the Eleventh Plan is that there cannot be universally valid optimal procedure for all the States given the wide diversity of local capability for planning and economic, social and political conditions. Unfortunately, the lesson drawn by the Planning Commission seems to be rejection of the feasibility of decentralised planning itself. In contrast to the 11th Plan, the approach of the 12th Plan does not involve any attempt to draw up plans from below.

5.45 It is our recommendation that instead of universal procedures for all states, there must be a menu of planning choices offered to the State Governments. The Constitution demands (i) preparation of local plans and (ii) consolidation of local plans into district plans.
5.46 There may be three types of district plans –

- **Kollam model** – district plan consists of (a) district vision with due consideration to spatial planning and participation of LSGIs and (b) an integrated plan for the district by consolidating the local plans and district state and central schemes. The report would be used the document based on which DPC would offer suggestions or guidelines for improvement of the local plans within the overall frame work of the district plan. (Para 19 - 24)

- **District plan prepared as per the Planning Commission Guidelines of 2006.** (Para 25 – 31)

- **Madhya Pradesh model** where Gram Sabhas and Local Governments are consulted in identifying the needs and then prioritised and integrated in the district plan by a team of experts. (Para 37 – 43)

5.47 The local government plans also may be of three models –

- **The integrated plan as in Kerala** where needs are identified at Gram Sabhas, envisioning and stock taking are done at the level of GP, detailed project proposals are prepared according to priorities and presented in a plan document. (Para 12 – 16)

- **Integrated comprehensive poverty sub-plan** basically drawing upon the Centrally Sponsored Schemes and the untied funds made available to the local Governments. (Para 33 – 35)

- **A minimal poverty sub-plan** consisting of MNREGA sub-plan supplemented with untied funds and other schemes feasible. (Para 36)

5.48 There may be different combinations of local and district level planning. District level plan is not an operational plan. It is an iterative process through which the local plans can be improved over time and integrated into a district development perspective.

5.49 Scheduled Caste Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) should be prepared by the Panchayats to the extent possible. This is to ensure that the social justice function endowed by the Constitution is realized in practice. In order to protect the interests of the Scheduled Castes and Scheduled Tribes, it is necessary to get the Panchayats
prepare social maps and conduct participatory assessment of priority with these socially disadvantaged groups. Diversion of funds from SCSP/TSP should not be permitted and should be treated as violation of their civil rights.

5.50 Panchayats perform relatively well in responding to the needs of women and disadvantaged groups including minorities and people with disabilities. Using the SHG network coming up under National Rural Livelihood Mission, Panchayats must be asked to prepare simple gender status studies and Women Component Plans.

**Decentralised Database for Local Planning**

5.51 Planning has to be objective, which is possible only when one knows the current socio-economic status or physical infrastructure in respect of the area for which plan is being made. Also, progress at the end of the plan should be measured to understand the progress made through planned interventions. That becomes possible only when database relevant for the area on every aspect of planning is available. Gram Panchayat being the lowest unit of planning, all relevant development parameters for which interventions can be planned and implemented by the Gram Panchayat should be available with them. Same is true for all higher tiers of Panchayats. However, required data is generally not available Panchayat wise and many of the important data are compiled for national and state level only. Disaggregated data becomes rarer as one goes down from district to Gram Panchayat level. There is deficiency in the present method of collection and compilation of data, which totally ignores the need for compiling data Gram Panchayat wise.

5.52 In some cases data is compiled from services delivered from various facilities (e.g., enrolment/drop out of children from schools). Such data are primarily compiled on the basis of jurisdiction of program implementation units, which is generally not commensurate with Gram Panchayats. Also, the MIS of the CSSs are designed to provide feedback to the higher levels of government and though one can theoretically compute data for GP level but that is not practical because of lack of conformity between jurisdiction of the Gram Panchayat and jurisdiction of the program implementation structures except in cases like MGNREGS. In absence of data the Panchayats have little appreciation of the services which are delivered and what has failed. They have anecdotal experience from individual who may share their experience or the PRI members themselves have faced, but it is difficult to relate those to overall performance of the institutions within the entire jurisdiction of the Panchayat. Publishing disaggregated
MIS Gram Panchayat wise will have many advantages. The Panchayats will be able to better appreciate performance of the program in their areas with the help of such data and will also be able to check the reported outputs with ground reality more easily (sharing highly aggregated data hides all local variations and it is difficult to understand failures at the local level).

5.53 Data is also collected through sample survey (e.g., NFHS or NSSO surveys) for understanding of macro-picture which does not come out with information below state and in some cases up to district level. Census operation (e.g., population census, livestock census) is carried out on regular intervals. In case of census operation the data is compiled for areas up to revenue village, yet the same cannot be easily compiled for Gram Panchayats. This is because many Gram Panchayats have revenue villages which are partly inside the Gram Panchayat and partly spills over to adjoining Gram Panchayats. The problem could be overcome if the census enumeration blocks were so defined that no enumeration block had areas within more than one Gram Panchayat. However, perhaps except in Kerala that was not the case. So census data are compiled revenue village or block wise and not Gram Panchayat wise, which deprives the Gram Panchayats from knowing their status at the end of each Census. Frequent change of jurisdiction of the Gram Panchayat is another problem which hinders maintaining time-series data for the Gram Panchayats over a long period for use in planning purpose.

5.54 A primary survey of households is also carried out by the Anganwadi workers annually, which has both household and some ICDS related infrastructure data but the same is hardly used for any planning and is mostly not available outside the ICDS system.

5.55 The MoRD conducts household survey from time to time primarily to identify the BPL families. It has taken up a Socio-economic and Caste Census in the year 2011, which is expected to provide household level data and as per the design it will be possible to download such data for use by Panchayats. However, the said survey does not include any information on facility for service delivery or other infrastructures.

Recommendations on Preparation of Panchayat level databases

5.56 The Committee recommends that the following steps will be needed for availability of necessary database for local planning:-

   a. All programmes related to rural areas, whether run by State or Central government, must redesign the MIS so that along with aggregated reports, which are needed by supervisory level officers at district, state
Towards Holistic Panchayat Raj

or central level there is also automatic generation of Panchayat specific program outputs and outcome (wherever possible). Those should be displayed in web enabled GIS showing Panchayat boundaries wherever possible.

b. The State Planning Board/Commission should publish all relevant data block/Gram Panchayat-wise, at least in respect of those subjects mentioned at Schedule 11 and duly disaggregated up to GP level (wherever possible or at least up to Intermediate Panchayat level). The data should be published in the form of a statistical handbook and the same may be made available in website and updated regularly.

c. The State may develop methodologies for preparing service delivery reports relating to schools, hospitals and anganwadis. The methodologies developed by Public Affairs Centre, Bangalore and by PRATHAM which prepares Annual Status of Education Reports (ASER) may be adopted. Most of the States have data on infrastructure like water supply, irrigation facilities, schools, hospitals, banks and so on. These may be provided to the Panchayats concerned preferably on a GIS platform.

d. While taking large scale sample survey related to any aspect of socio-economic development of the rural people the same should be so designed that at least district wise macro picture is available. The methodology for preparation District Human Development Report has well been developed. All districts may be encouraged district HDRs technical support may be arranged through academic or research institutions. The Human Development Index (HDI) of all the districts in a standard format will help the DPCs to take stock of the progress of the district in different sectors and may initiate appropriate actions.

e. As recommended by the Expert Group on Grassroots Level Planning, participatory surveys may be widely encouraged. A system of collection of household, natural resources and infrastructure related data may be taken up by each Gram Panchayat in a participatory mode. This should be appropriately designed so that it meets (i) the need for planning at that level (ii) no department is required to carry out any separate survey (iii) within the scope of capability of the GP.
f. Census of India which collects the most detailed set of data relevant to local planning has revenue village as basic unit. This needs to be changed into the Village Panchayat. Now, a similar exercise has been done as part of the Socio-Economic Caste Census where the Enumeration Blocks of 2011 Census are being rationalized with Village Panchayat boundaries as SECC is for Village Panchayats. This opportunity could be utilized to bring about a permanent shift.

g. The jurisdiction of any GP should not be changed to help so that time series data for various socio-economic developments can be maintained and analyzed over a long period. All the states should review jurisdiction of the GPs before the next Panchayat election and to ensure that every revenue village is entirely accommodated within a GP. There could be very large revenue village which cannot be accommodated within one GP in which case the same may be split by the Land Revenue department following usual procedures. In respect of other revenue villages extending over more than one GP either jurisdiction of the GP has to be changed to include any revenue village entirely or if it is not possible to change the jurisdiction for social or political reason the revenue village has to be split appropriately.

h. While measures are being adopted for the creation of a comprehensive local level databases it would be advisable to undertake local level collation of the secondary data available at the local offices of government departments. Chapter 3 of the expert group report has presented a long list of secondary data available different departmental local offices which would be useful for local planning. Most of the macro data published by different authorities are collated from data generated by the local offices. This disaggregated data have so far been neglected because the decision making process at the top. A participatory secondary data collection program can be organized to collate this information. The data collection process would also, in a sense be a validation program. Government should instruct all local offices of line departments to make available the data on a specified format.
Preparation of Panchayat Maps for Local Planning

5.57 Panchayats like any government have certain territorial jurisdiction. In India the basic unit of territory is the revenue village which is a certain land parcel whose boundary and exact location has been worked out through physical survey undertaken and improved over a long period of time. Consequently, all administrative boundaries, such as that of the Police Station, Block, and District etc. are defined by notifying the list of revenue villages within its jurisdiction (except certain parts of North-East and Himachal Pradesh where revenue village boundaries have not been worked out). Proper maintenance of maps and making those available are, therefore, very important in larger public interests and is an important responsibility of the State governments. The Survey and Settlement wing of the Land Revenue Department of a State is usually responsible for keeping all records and preparation and printing of maps of revenue villages, blocks/mandals/taluka and districts as well as to incorporate and notifying all changes. However, even after the establishment of Panchayats as local governments following the 73rd Amendment, the Land Revenue Department does not maintain the boundaries or maps of those units. The jurisdiction of a Gram Panchayat is, expressed in the form of a list of revenue villages comprising it and no map of its territory is available. This issue could be easily tackled by combining the maps of the villages concerned to generate the map of the Panchayat. However, this is not easily possible in States where Panchayats comprise of part of one or more revenue villages. Moreover, in some States, settlements of people move from one geographic location to another for various reasons. Here too, the preparation of maps is difficult. For judging access to various facilities by the citizen and planning for bridging the gaps, there is need for every GP to have the map of its territory showing the revenue village boundaries and location of habitations and facilities within its area. It is even better if such map is available on the web for everyone to know the locations of various facilities. For planning of roads etc the maps should be geo-referenced so that exact alignment of all roads and access to different habitations can be clearly visualized. Such maps will also be much more useful in spatial planning.

Recommendations on Preparing Spatial Maps for Gram Panchayats

5.58 The Committee recommend the following steps:

i. Each State should take steps for preparing maps of all Panchayats showing revenue village boundaries within the Gram Panchayat
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boundaries, Gram Panchayat boundaries within each Intermediate Panchayat and the Intermediate boundaries within each Zilla Parishad map. The maps should be geo-referenced.

ii. panchayats may be encouraged to develop participatory resource maps. They could complement the GIS maps.

**District Planning Committee**

5.59 The provisions on the responsibilities of Panchayats for planning set out in Article 243G, which we have been examining and explaining, are complemented by Article 243ZD in Part IXA of the Constitution, section (1) of which reads as follows:

“243ZD. 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”.

One further clarification needs to be given about the planning process. The provisions on the responsibilities of Panchayats for planning set out in Article 243G, which we have been examining and explaining, are complemented by Article 243ZD in Part IXA of the Constitution, section (1) of which reads as follows:

“243ZD. 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”.

The following may be noted:

- “There shall be constituted in every State at the district level a District Planning Committee”: it is thus mandatory that every State and UT to which Parts IX and IXA apply must mandatorily have a District Planning Committee (DPC) in every district, for which section (2) stipulates that the State Legislature may, by law, make provision with respect to: the composition of the DPC; the manner in which the seats shall be filled; the functions relating to district planning which may be assigned to such Committees; and the manner in which the Chairperson of the DPC shall be chosen;
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The DPC is not to itself “prepare” the district plan but “consolidate the plans prepared by the Panchayats and the Municipalities in the district”: this means that each Panchayat at each of the three levels (and each Municipality in the district) is to prepare a plan for matters falling within its domain. Hence the emphasis in the V. Ramachandran Report on identifying the domain; determining the resource base for each level; maintaining a data base of all relevant information for each level; and broadly indicating to each level the funds, untied and scheme-wise, that will be made available for the devolved functions at that level: in other words, Activity Mapping;

Taking account of all these Panchayat and Municipality plans, the DPC is to “consolidate” the plans coming up to it from lower levels: in other words, district planning cannot even begin without lower-level plans having reached the DPC;

The DPC is not required to prepare a district plan but to restrict itself to a “draft development plan” that will be sent to the State government for finalization, in terms of the express provisions of section (4) of the Article. In other words, there need be no apprehension about the technical quality of such planning because fine-tuning can always be done at the State level. To reduce this burden of technical finalization, the Ramachandran Committee recommended Technical Support Groups

As the “draft development plan has to be consolidated by the DPC “for the district as a whole”, that is, for both its rural and urban areas, section (3) makes detailed provision for “matters of common interest between the Panchayats and the Municipalities” to be incorporated by the DPC in the draft development plan;

Section (3) also makes provision for the DPC to take into account “the extent and type of resources whether financial or otherwise” available to the District, which is why the V. Ramachandran Committee elaborates the requirements in this regard and stresses the need for “integrated planning” because there cannot and should not be separate planning processes for each devolved scheme but integrated planning that takes into account the financial resources that will be made available, scheme-wise and untied. Of course, the greater the measure of untied funds, the
more effective will be Panchayat Raj. Kerala has shown how even up to 40% of the State’s entire development outlay can be devolved to local self-government institutions and DPCs for both planning and implementation.

**Recommendations on DPC**

5.60 Composition: The Committee recommend that the State governments frame rules under the appropriate Act in terms of which DPCs should be presided over by the President of the district Panchayat. The District Collector could be the Member Secretary and the other nominated members should be top quality professionals. In order to send a signal that DPC is a collective body for all the development departments in the district, it is necessary to make the district heads of different departments as ex-officio Joint Secretaries with an obligation to attend every meeting of the DPC and also provide necessary information and other forms of support.

5.61 Technical Secretariat: The existing offices at the district level and below related to Planning, Statistics and Town and Country Planning should be placed under the control of DPC to function as a technical secretariat. In order to provide IT support, the services of the district units of NIC may be made available to the DPC. Further, the recommendation of the Committee on restructuring of DRDA on the new institutional arrangement for decentralized planning is fully supported. The existing DRDA should be restructured into the District Plan Support Units. The details are given in the Annex 5.1.

5.62 Harmonization: Other than DRDA, there are several district level agencies related mostly to Centrally Sponsored Schemes. Ideally, they should be wound up and made an integral part of the District Plan Support Unit. Till such time, the DPC should be given the power of oversight and coordination of these agencies.

5.63 Additional professional support: The DPC should be given the powers to network with academic and research institutions to access professional support for decentralized planning. It would be useful if ‘Planning Clubs’ are revived in all academic institutions having courses in economics, sociology, development studies, management, planning and so on. District Planning Committees may be authorized to set up Technical Support Groups for different sectors to assist its activities.

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133 On strengthening the planning machinery of PRI institutions, Committee Chairperson, Shri Mani Shankar Aiyar, drew attention to the Kerala experience where non-Panchayat members were roped in for assistance. “There is no district in India that doesn’t have retired army personnel, retired government servants, teachers who may be serving or retired professionals/doctors…(by mobilizing) this community of professionals to come and assist the Panchayats at all levels and the District Planning Committee in doing their work. … That is where the involvement comes.
5.64 Role in preparation of credit plan: The DPC should be given a formal role in preparation of the District Credit Plan and also the Potential-Linked Credit Plan (PLCP) coordinated by NABARD. Suitable instructions need to be issued in this regard.

5.65 Infrastructure: It is necessary to have exclusive building for the DPC with adequate space to house all the members of the staff, fully equipped with IT facilities.

5.66 Budgetary support: In order to meet expenditure on staff as well as to hire professional support to conduct surveys and studies, it is necessary to provide adequate funds to DPCs. Planning Commission could revive its old scheme to support the district planning machinery for this purpose.

5.67 Capacity building: NIRD may develop high quality modules for capacity building of DPC Chairpersons, members and officials. Action Research should also be taken up in different parts of India to assist DPCs in discharge of their key responsibilities. It would be useful if regular meetings of DPC members are held at the State level and of DPC Chairpersons at the regional and national levels. The latter meetings could be held at least once in a year and best practices discussed and exchanged.
CHAPTER VI

TRAINING, COMPETENCY BUILDING AND CAPACITY DEVELOPMENT

Everything comes to us that belong to us if we create the capacity to receive it.

Rabindranath Tagore

6.1 INTRODUCTION

6.1.1 Just as ‘decentralisation’ is often conceptually stretched to describe a wide variety of inter-governmental arrangements, so also is the term ‘Capacity development’ widely interpreted. The approach of different international development agencies is indicative of the different lenses through which capacity development is seen (Box 6A)

Box 6A

<table>
<thead>
<tr>
<th>What is Capacity Development?</th>
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<tr>
<td>The process by which people, organisations and society systematically stimulate and develop their capability over time to achieve social and economic goals, including through improvement of knowledge, skills, systems, and institutions - within a wider social and cultural enabling environment.</td>
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<tr>
<td>— United Nations Disaster Risk Reduction Office (UNISDR)</td>
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<tr>
<td>The processes whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time.</td>
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<tr>
<td>— Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC)</td>
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6.1.2 The common thread that runs through the above definitions is the repeated reference to ‘people’, ‘organisations’ and ‘society’. It is therefore, clear that whatever the scope and ambit of ‘capacity’ might be, efforts to ‘build’ it ought to be focused on these three distinct focus areas. Yet, sadly, in the context of Panchayat Raj, this fundamental tenet of capacity building has been all too easily forgotten. When higher level governments and bureaucracies assert that PRIs lack the capacity to perform, no effort is made to distinguish between organisational lack of capacity and individual lack of capacity. Far too often, policy makers tend to put all the blame for sub-optimal performance of Panchayats on the so called ‘lack of capacity’ of elected representatives. This approach is not only short sighted, but also inaccurate. Quite often, it is noticed that Panchayats suffer from severe shortfalls of what is absolutely essential for any organisation to function well. In many States, Gram Panchayats have just one secretary to run its office administration. To exacerbate the problem, vacancies of Panchayat secretaries are not filled for many years, leading to secretaries holding charge over several Panchayats. In some States, the Secretary of the Panchayat is a task that is performed part time by the village Patwari, who is a revenue department official. At
higher levels of Panchayats, the problem of lack of organisational capacity is of a different nature. Most government officials who are to handle the responsibilities entrusted to intermediate and district panchayats are not attached or formally deputed to work under the superintendence and control of these Panchayats. On the other hand, they answer to their departmental superiors, or to the external power centre of the District Collector. In such circumstances, however active and knowledgeable the Panchayat elected representatives might be, panchayat effectiveness suffers. For example, it cannot be expected that a Gram Panchayat will be able to effectively carry out its roles and responsibilities in implementing the MGNREGA programme, however competent the Sarpanch might be, if there is no full time Secretary attached to the Panchayat.

A recent publication sums up the narrow viewpoint on capacity building and the downstream distortions that it spawns, in the context of local governments (Box 6B).  

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**Box 6B**

“An argument often heard against empowering LGs is that they do not have the capacity to undertake their responsibilities. Pointing to the large number of poor, illiterate and scheduled caste (SC) and scheduled tribe (ST) members elected to LGs, most sceptics believe that capacity building should precede devolution.

…the elites that drive policy will need to realise that the 3.2 million elected representatives of LGs are a valuable and responsive market and not a liability; that there is now a sub-optimal utilisation of the enormous potential that exists within the LG structure. They will have to give up their simplistic notion of equating capacity with the ability to be articulate or to read or write. They will need to understand that on the ground these skills might not have the kind of value attributed to them; that “capacity” always has its context.

...(s)second, the elites will need to realise that much of the reprehensible behaviour that they see in LG representatives arises from two infirmities—that there is no clearly discernible functional space for LGs and that the government system is unable to satisfactorily respond to the huge demand for knowledge support. It

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135 Since the 73rd Constitutional amendment, at least three rounds of elections have been held to panchayats in most States. Jharkhand, the last State not to have had elections to panchayats, also did so in 2010, following delays arising from protracted litigation. There are more than 2.6 million representatives elected to panchayats and about a million to municipalities. About 1.2 million of these are women and about 22 per cent SCs/STs. On an average, about 370 rural voters, or 75 families, elect a panchayat representative.
is necessary to realise that devolution by itself will accelerate capacity building by making it demand driven. If one really gives LGs clear roles and holds them accountable for these, they will have an incentive to seek out the capacity support they need.

For being able to even begin doing all this, the elites must lower their voices and hear the subterranean rumblings among elected local representatives. They will need to realise that there is widespread simmering tension among the elected representatives of LGs. If LG representatives are determined to do something useful now, they have to fight against severe odds, with precious little nurturing or help from the higher levels of government. Wedged between an indifferent government and an increasingly restive electorate, they devise their own means of functioning, which is a mélange of hard work, rhetoric, arbitrage, rabble rousing, petitioning and corruption. Elites will need to understand that these pressures underlie the desperation of elected representatives; that their impatient behaviour is essentially conditioned by the desire to show results and get elected again.

If local administrations pause and look around, they will realise that notwithstanding the lack of flexibility and indifference from higher levels, LGs have performed quite remarkably. If in spite of serious breakdowns in service delivery the country has not slipped into anarchy, it is because of the tireless efforts of hundreds of thousands of elected representatives to keep things going locally. Wandering around in panchayats with an open and perceptive mind would reveal many unsung heroes. The critical bottleneck is not in finding innovators or visionaries, but in enabling them to upscale. It would be ideal if we get LG champions across the country in touch with each other, indeed, facilitate them to document each other’s work. A directory of best practices from panchayats themselves would easily make a substantial difference to the performance of LGs.

Finally, there is no point in exhorting LGs to be transparent in their dealings if district administrations are not walking the talk on transparency. If the government itself does not reveal guidelines, say how much, when and how fiscal transfers are made and provide other details that critically effect decision-making in LGs, they cannot expect a high quality of decision-making from the latter.

However, higher levels of government have no particular interest in informing panchayats about the labyrinthine ways of the fiscal transfer system. We cannot
6.1.3 It is a paradox that at higher levels of government, it is more easily accepted that an elected representative is not expected to have the levels of technical and administrative knowledge that the bureaucracy has. On the other hand, it is understood that a generalist political leader who is assigned to perform the role of a minister would necessarily depend upon the aid and advice given to her by an experienced and knowledgeable secretariat comprising experts well versed in the task of running a government. Thus individuals, who may or may not have the ‘capacity’ to govern, are supported by institutions that have the organisational capacity required to run administrations and governments. Yet, quite often, this simple precept is forgotten when it comes to Panchayats. A high expectation is set by the bureaucracy-led administration from the Panchayat elected representative in terms of ability to perform. Much of these double standards arise from the contrasting grammar of engagement between the bureaucracy and the higher and local levels of elected representatives, respectively. While the bureaucracy accepts the position that they are subordinate to Central and State level political executives, they see local elected representatives as their subordinates, who are to do as commanded, as a substitute for the lower bureaucracy itself.

6.1.4 Clearly, if any approach to capacity development is to be useful, it first needs to distinguish organisational capacity from individual capacities and have distinctly different strategies in place for making up shortcomings in both these areas. Tackling organisational lack of capacities requires radically different approaches as compared to strengthening individual capacities. Training, competency building and capacity

\[\text{expect a government training agency}^{136} \text{ to promote an awareness of rights and true decentralisation as it would mean that it has to be critical of existing government policies.}^{137} \text{ Such support for panchayats, which encourages them to throw the book at higher levels of government wherever necessary, will have to come from civil society. This ought to encourage and provide them with the information to demand transparency from higher levels in the same manner as transparency is expected from them.}\]

\[\text{136 It would only pursue its agenda of promoting top-down decentralised planning and will thereby seek obedience.}\]

\[\text{137 There are individual trainers who are deeply committed to the ideal of decentralisation and bring a lot of the required attitudes to bear on their work. But being within the government, there are limits to how much they can highlight internal contradictions in government actions. We cannot expect them to cross this border when educating LG representatives on how to assert their rights.}\]
development can be visualised as ever widening circles. Training is merely one component of developing competencies, which in turn is part of the larger universe of capacity development. For example, even in the absence of conventional training of elected representatives, the capacities of Panchayats to perform their duties can be enhanced if competent staff is posted in adequate measure to the Panchayats and made accountable for their performance to them. Even if the government in unable for whatever reason to recruit and post staff, it could rapidly enable Panchayats to improve their competencies by enabling them to obtain technical expertise such as engineers and accountants through outsourced arrangements, so that they can better perform their organisational responsibilities.

6.1.5 The wider aspect of improving the competencies of Panchayats by providing greater administrative support has been dealt with at great length in Chapter 3. This chapter concentrates on the narrower, but equally important aspect of providing training and similar related measures to various stakeholders in Panchayats, particularly elected representatives, so as to improve their individual capabilities to perform their responsibilities effectively. It also examines some aspects of organisational capacity development that are closely connected to and logically flow from training efforts, and therefore are more appropriately dealt with in close conjunction with the former.

6.2 Efforts for training of Panchayat representatives and officials; a brief history

6.2.1 Both at the Central and State levels, various programmatic efforts have been in place for training and capacity development of individual elected representatives and Panchayat level officials, since the enactment of the 73rd amendment. A cornerstone of the MoRD’s programmes in this regard have been the support given to the NIRD for designing and running training programmes directly for elected representatives. The NIRD has also coordinated and supported State Institutes of Rural Development to undertake training of elected representatives, largely through policy contributions and coordination efforts (Box 6C).

Box 6C

Efforts of the NIRD in Capacity Development and Training

NIRD has a dedicated Centre for Panchayati Raj (CPR), which is one of the first centres of its kind to be established in the country. NIRD has been a partner in historic...
events that actualised Panchayati Raj development in the country, supplementing policy reflection and aiding research from time to time. The Director of NIRD was a member of the Asoka Mehta Committee on Panchayati Raj. The centre had extended support to both the Shri M. L Singhvi and Dr. G.V.K Rao Reports (1983 & 1987, respectively). The Institute was involved in preparing the concept notes for the Workshops on Responsive Administration chaired by the Prime Minister at the NIRD campus and at Jaipur in 1988. Prior to the 73rd Constitutional amendment, the Joint Parliamentary Committee meeting was organised and subsequently the Centre for Panchayati Raj in NIRD prepared the Model Bill on Local Self-governments. The Centre prepared the National Action Plan for Training PR functionaries (in 1996, 2001 & 2007) and training modules and course material for Master Trainers Training under this National Action Plan. The centre pioneered the India Panchayati Raj Report in 2001 and 2002 and prepared an Overview of PESA in Schedule V Areas, with a comparative status across States (2000). The centre extended support to the National Advisory-cum-Review Committee on Backward Region Grant Fund (BRGF) under the chairmanship of Shri V. Ramachandran in 2009.

6.2.2 The erstwhile MoRD also maintained a separate budget for supporting capacity development efforts of State SIRDs and NGOs working in the field of strengthening Panchayats. These budgets were modest, not exceeding ₹ 10 crore per year, and were clearly inadequate for running training programmes aimed at comprehensive coverage of all elected representatives. Given the small amounts of money involved, there was competition between SIRD and NGO training efforts, as both were treated at par by the MoRD while evaluating and funding proposals. Apart from the MoRD’s training programme, there were efforts made by other ministries too, to support certain aspects of elected representative training. An excellent effort in this regard in the early years immediately following the enactment of the 73rd amendment was the ‘Mahila Samakhya’ effort of the Ministry of Human Resource Development under the Department of Education. This programme was launched in 1988 aimed to put in place a concrete programme for the education and empowerment of women particularly those from socially and economically marginalised groups, in rural areas (Box 6D). In States that had a head start in
providing reservations to women in elections to Panchayats, this programme has had a profound and lasting impact.\textsuperscript{139}

<table>
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<tr>
<th>Box 6D \textsuperscript{140}</th>
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<tr>
<td>The \textit{Mahila Samakhya} Programme commenced in 1988, with the aim of redressing traditional gender imbalances in educational access and achievement. In particular, the programme aimed to</td>
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<td>(a) enhance self-esteem and self-confidence of women;</td>
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<td>(b) building a positive image of women by recognising their contribution to the society, polity and the economy;</td>
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<tr>
<td>(c) developing ability to think critically;</td>
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<td>(d) fostering decision making and action through collective processes;</td>
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<tr>
<td>(e) enable women to make informed choices in areas like education, employment and health (especially reproductive health);</td>
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<tr>
<td>(f) ensuring equal participation in developmental processes;</td>
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<tr>
<td>(g) providing information, knowledge and skill for economic independence;</td>
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<tr>
<td>(h) Enhancing access to legal literacy and information relating to their rights and entitlements in society with a view to enhancing their participation on an equal footing in all areas.</td>
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The programme aimed to spur women to move away from a passive state where they accept their predicament and relate to the world around as recipients of welfare and charity to one where they become active agents in their own transformation. The principal strategy identified for achieving these ends were to organise women into sanghas (collectives) and then take cues from the sanghas themselves for programmatic action. The management involved close partnerships

\textsuperscript{139} A good example in this regard is Karnataka, where 25 per cent reservation was provided for women elected representatives from 1987 onwards. The \textit{Mahila Samakhya} programme played an active and effective role in motivating and supporting women aspirants to get elected. Its approach of supporting closely knit collectives of women through training and handholding measures, were effective in enabling the first wave of women elected representatives to attempt to break through the barriers of male domination in the Panchayats.

\textsuperscript{140} Extracted and abridged from the website of the Ministry of HRD, \texttt{http://mhrd.gov.in/mahila}
between the government and NGOs, by setting up autonomous registered societies for implementing the programme in the three targeted States of Uttar Pradesh, Karnataka and Gujarat. The programme has since expanded to over 50 districts in 10 States the others being Andhra Pradesh, Assam, Bihar, Jharkhand, Kerala, Madhya Pradesh and Uttarakhand. The activities of the Mahila Samakhya Programme have enabled and spurred a large number of women to stand for elections to PRIs and carry the fruits of their empowerment further through political representation.

6.2.3 Following the formation of the Ministry of Panchayati Raj in 2004, the modest budgets of the MoRD for training of elected representatives and officials of Panchayats were transferred to the new Ministry. The budget for the activities of the NIRD continued to be handled by the MoRD. It was clear from the beginning that these funds were wholly inadequate to provide any meaningful support to training efforts. It was no wonder that capacity building of Panchayat elected representatives and officials were a prime focus of the efforts on consensus building with States, pursued by the MoPR on a priority basis following its constitution.

6.2.4 The issue of capacity building was discussed in the 7th Round Table of Ministers in charge of Panchayati Raj, organised by the MoPR at Jaipur in December 2004. The resolutions relating to training and capacity development were wide ranging and ambitious (Box 6E).

**Box 6E**

**Capacity Building and Training**

1. Training and communication ought to reach all PRI functionaries and elected representatives, namely,
   
(i) Gram Panchayat Members, Chairpersons and Office-bearers,
   
(ii) Intermediate Panchayat Members, Chairpersons and Office-bearers,
   
(iii) District Panchayat Members, Chairpersons and Office-bearers,
   
(iv) All officials concerned at National, State, District, Intermediate and Village level; and
   
(v) Standing Committee members at all levels.

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141 Resolutions of the Round Table of State Ministers of Panchayati Raj, organised by the Ministry of Panchayati Raj from July to December 2004.
2. There should be special effort made towards sensitising the media, political parties, representatives in the legislatures, civil society organisations and citizens,

3. There must be special campaigns for mobilisation of Gram Sabha members.

4. There must be special training for women, SC/ST representatives as well as first time entrants into the panchayat system within three months of their entry.

5. Training for PESA areas should be designed so as to have regard to the cultural traditions and special needs of tribal people.

6. Training and communication should not be viewed as a single one-time intervention but should be a continuous, ongoing process leading to enhanced sense of self-esteem and confidence. Training should cover both the “before” and “after” election periods. Initial training and communication should reach all elected representatives within one year.

7. For those Panchayat members who need it, a functional literacy training course should be undertaken immediately after their elections.

8. The panchayats should be encouraged to have a sense of ownership of the training programmes and play a major role in designing content and mechanisms of training. To this end, there must be representation for Panchayat members in the governing boards of training institutions that cater to their needs.

9. Content of training should press on strategic and technical aspects and should be based on a systematic Training Needs Analysis arrived at through multi-stakeholder consultative workshops, which would precede the design of training modules and materials.

10. There should be a minimum core curriculum that is common across the States adapting to suit local contexts. Core curriculum should include:

   (i) Vision on purnaswaraj through Gram swaraj;

   (ii) Principles of secularism, equality and human rights emanating from the Constitution of India;
(iii) Gender equity and social justice;
(iv) Status of human development;
(v) Poverty alleviation;
(vi) Participatory planning, implementation and monitoring;
(vii) Right to information and transparency;
(viii) Social Audit; and
(ix) Rules and regulations covering Panchayati raj.

11. Overall perspective of training must reinforce issues of social equity, gender sensitivity and justice among all participants in the process of governance through Panchayati raj, including all levels of the bureaucracy.

12. Thematic curriculum should include:

   (i) Human Resource Management,
   (ii) Natural Resources Management,
   (iii) Disaster Management,
   (iv) Financial management, including own resource management and accounting,
   (v) Sectoral approaches into providing basic human needs

13. Training strategy should be inclusive, participative and interactive and a composite mix of various interventions:

   (i) face-to-face participatory training;
   (ii) exposure visits;
   (iii) peer training/learning;
   (iv) satellite training;
   (v) radio/cassettes/ films;
   (vi) Traditional means of communication;
   (vii) Newsletters, updates and digests of replies to Frequently Asked Questions;
   (viii) Resource centres and Help Desks for Panchayats.
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14. Training content and processes should be relevant to the ground reality of elected representatives. It should continue to develop and evolve based on feedback and impact assessment. Training should become a two-way process so that feedback can help in reforming the content and process of training, as also result in systemic changes in panchayat and government functioning.

15. States should move towards formation of training networks and collectives to share experiences, learn from each other, and access material from each other. States should also institutionalise collaboration with Community based organisations at the State, District, and Block level.

16. Training should inspire elected representatives to form federations or collectives and facilitate them to voice their demands for genuine devolution and development.

17. Trained members should be encouraged to become resource persons for further training of panchayat representatives. Peer to peer learning, both within and outside the State through regional or national tie-ups should be encouraged and supported.

18. Training should include exposure to best practices through visits to other Panchayats.

19. All open universities may tie up with IGNOU and build linkages with the SIRDs and other like institutions engaged in training and capacity building.

20. Training programmes shall be designed especially for the secretarial and technical staff working with Panchayats through institutions such as IGNOU. Such training programmes should lead to formal certification on achieving prescribed standards of learning.

21. Education in democracy and the constitutional role of panchayats as institutions of local self-government should be made part of school curricula.

22. It shall be the endeavour of the Central government to provide in as short a time as possible a panchayat capacity building fund through the Ministry of Panchayati Raj, which could include a certain percentage of central transfers specially earmarked for that purpose. Similarly, State
governments should also create a Panchayat Capacity Building Fund for periodic training.

23. There should be a national perspective plan on decentralised training and capacity building for all PRI functionaries with specific objectives timeframe and resources.

24. States can benefit by the use of pedagogy and training techniques with information accessible to all. The Ministry of Panchayati Raj could develop a repository of training programmes, including training resources and manuals developed by the Commonwealth. Development of master modules in training in issues of gender, poverty, mass communication etc. could also be developed.

25. Independent training impact assessment studies should be periodically undertaken to assess the outcomes of training and inform emerging needs for follow-up,

26. States shall work towards upgradation of training centres, such as SIRDs, and extension training centres at the district, block level and below.

27. With respect to the training needs of Panchayat members from the Union territories and States with Sixth Schedule areas, the Government of India would identify an SIRD or a group of institutions that could undertake the training.

6.3 The National Capability Building Framework

6.3.1 The Jaipur Round Table highlighted the need for the government to design a perspective plan on capacity building. The National Capacity Building Framework (NCBF) was prepared by the MoPR as a consequence of the conference to develop the capability of PR functionaries to perform their functions efficiently. Efforts in this regard commenced in 2006 and bore fruit in August 2006, when the NCBF was brought out by the Ministry following extensive discussions and consultations with State governments. The NCBF aims at comprehensively building, effective and sustainable capacity of all stakeholders of LGs to enable them to achieve the goal of developing LGs into independent institutions of local governance. The framework describes the preparatory activities, building up of training infrastructure, developing
a pool of Resource Persons, the range of handholding activities required to sustain a
capacity development effort, planning the logistic of implementation and monitoring
and evaluation of capacity building efforts. Recognising that attitudes of trainers to
trainees lay at the core of ensuring that quality training was imparted, the NCBF laid
down certain fundamental principles that should inform all training efforts (Box 6F).

**Box 6F: Fundamental Principles Contained in the NCBF**

The Framework is grounded on the following basic principles:

(a) **First**, implementation of the Framework is a continuous and sustained
process. Capability building cannot remain limited to a few erratic and non-
regular episodes of training. It is a multifaceted exercise aimed at promoting
effective functioning of Panchayats, of which training is but one facet,
which must be periodically repeated as a longer and continuous process
of transformation and development with the active participation of all the
stakeholders involved.

(b) **Second**, the focus of training under the Framework is not upon information
alone. It is a process of exploration, discovery and growth; a process in which
trainers and participants are involved in a common inter-learning situation,
where both are enriched.

(c) **Third**, training cannot provide ready-made answers to all problems. Trainers
do not need to fill every gap, answer every question, plan every event and
deal with every problem, but must provide space and time for trainees to
reflect on and analyse their situation and seek solutions to their problems.

(d) **Fourth**, mutual learning, assimilation and retention to meet diverse
requirements happens best in an environment which:

- uses several modes so as to sustain interest,
- is non-hierarchical and non-threatening, encouraging people to be
  active in an informal atmosphere,
- Where trainers are not lecturers, but facilitators, friends and counsellors, who can evoke and stimulate thinking and accept criticism from the trainees.

- Promotes and facilitates the individual's discovery of personal potential and capabilities,

- Recognises people's right to sometimes make mistakes,

- Accepts differences,

- Encourages openness, self and mutual respect,

- Encourages togetherness among learners,

- Brings trainees and trainers closer.

(e) **Fifth**, All participants in the Panchayati Raj system bring with them well-honed knowledge about grassroots reality experience and native wisdom, which must be respected and should constitute the base for their further learning. There are various sections that need specialized training, such as SCs, STs, and women. Members of SC/ST communities, women and marginalised groups should invariably be given special attention in all training efforts. No member can be, even inadvertently, scorned or maligned on account of his/her social and economic background.

(f) **Sixth**, participatory approaches reduce stress and enhance effectiveness. Therefore, the training programme should be designed to ensure participation of all members - not just a talkative and domineering few - through activities that are interesting and relevant, that provide scope for thinking and doing, involve creativity and arouse curiosity, and also provide mental exercise and the right degree of challenge.

(g) **Seventh**, The training team should comprise a group of like-minded individuals, selected for their commitment to secular values and principles.
The training team should be objective and non-judgmental in outlook, a group with whom the trainees can feel free to communicate without fear of ridicule. The training team should function as facilitators, friends and counselors, who can evoke and stimulate thinking and accept criticism from the trainees.

(h) **Eighth**, The processes and logistics of the framework must be convenient and relevant to the ground reality of elected representatives. It must enable Panchayat members, particularly women and representatives of disadvantaged groups, to understand within their own context how to increase their overall exposure, learning and comprehension through regular participation in these training programmes.

(i) **Ninth**, the programme must aim at maximum initial coverage within a limited period of time, so that all stakeholders can quickly settle down into playing their roles and commence their work.

(j) **Tenth**, training for PESA areas should be designed in keeping with the cultural traditions and special needs of tribal people.

(k) **Eleventh**, the framework has to constantly develop and evolve on the basis of regular impact assessment. Training must become a two-way process so that feedback is ploughed into reforming of content and process of training. In turn, this should yield systemic changes in panchayat and government functioning.

6.3.2 The foremost purpose of the NCBF was to lay down the minimum standards in terms of content and strategies for rolling out a training programme for elected representatives and panchayat officials. One of the non-negotiable standards adopted in the NCBF was that there ought to be universal coverage of all elected representatives and officials to training programmes of a high quality, within a brief time-frame. In order to reach out to large number of elected representatives in a short period of time, it was envisaged that training programmes would inevitably have to move to the distance learning mode. In this respect, contemporary efforts by State
in upscaling training using a combination of satellite based beaming of content and face to face discussions was adopted as a key strategy for enhancing outreach without compromising quality, as it optimally combined the advantages of distance learning with face to face human contact.\(^{142}\)

6.3.3 The NCBF envisaged that training programmes for elected representatives who were entrusted more responsibilities, such as Chairpersons, deputy Chairpersons and Heads of Standing Committees would be fast tracked. For that reason, it was envisaged that the programmes would be asymmetric; States were expected to make nearly twice the effort on training in the first year following the election of Panchayats, so as to ensure universal coverage, as compared to subsequent years, when refresher courses would be held. With respect to quality, certain basic minimum standards were set down, such as the number of elected representatives per classroom session, the various styles and pedagogies that could be used, the qualifications for resource persons and the standards and detailed methodology for orientation and training of resource persons. It was envisaged that while the Ministry and the State departments of Panchayati Raj would contribute towards the content creation and rolling out of generic programmes focused on Panchayat governance, sector-specific programmes would be funded by the respective ministries and departments. It was envisaged that the buckling together of generic and sector-specific training programmes would be undertaken by the respective State SIRDs, which would prepare a training calendar that would logically progress from generic to specific matters. Thus, the delivery of content to the participants was carefully thought out and envisaged to be sensitively sequenced to ensure that the learning experience was effective.

6.3.4 Based upon these standards, both HR requirements and financial estimations of the capital and revenue investments required to be made for full implementation of the NCBF were undertaken. On the HR front, it was estimated that no less than 31500 highly qualified and dedicated resource persons would be required at any given time for effectively running a country-wide training effort (Box 6G).

\(^{142}\) The efforts of Karnataka in satellite assisted training of Panchayat representatives were the benchmark that guided this aspect of the NCBP's approach.
**Box 6G: Estimating the Number of Resource Persons Required**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category of resource person</th>
<th>Number required</th>
<th>Basis for calculation of numbers required</th>
<th>Broad work chart, including Course concerned</th>
<th>Responsibility of undertaking training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Central level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Satellite training anchors and presenters</td>
<td>96 (100)</td>
<td>At least 4 per State</td>
<td>To anchor State satellite transmissions for Parts I &amp; II of the programme</td>
<td>Ministry of Panchayati Raj to provide basic orientation, through a programme operated at a designated SIRD that is already using the system</td>
</tr>
<tr>
<td>2</td>
<td>National Resource Persons</td>
<td>150</td>
<td>Given in Table below</td>
<td>To undertake TOTs for State level master trainers, for courses in Parts I &amp; II of the Framework</td>
<td>State to select persons, MoPR to provide basic orientation course through a programme operated at a designated SIRD</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>State level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>State level Master Resource Persons</td>
<td>1850</td>
<td>Given in Table below</td>
<td>To undertake TOTs for District level master trainers in Parts I &amp; II of the Framework</td>
<td>State to select and train in programme at SIRDs</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>District level Resource Persons</td>
<td>27500</td>
<td>Given in Table below, State Master Resource persons to undertake training at district level</td>
</tr>
<tr>
<td>3</td>
<td>State level Master Resource Persons for IT</td>
<td>100</td>
<td>At least 4 per State, To undertake TOTs for District level resource persons</td>
</tr>
<tr>
<td>4</td>
<td>District level Resource Persons</td>
<td>1800</td>
<td>At the rate of 3 per district, State to select and train in consultation with NIC.</td>
</tr>
</tbody>
</table>

Total 31250

Grand total 31500

The calculations in respect of the requirement of resource persons are detailed below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>No. of elected representatives to be trained</td>
<td>2200000</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>No. of persons per batch</td>
<td>20</td>
<td>It is envisaged that training batches will not be larger than 20 persons at a time, so as to ensure meaningful participation of all</td>
</tr>
<tr>
<td></td>
<td>No. of training batches (a/b)</td>
<td>110000</td>
<td>On the basis of 20 persons per batch, more than 110000 batches will require to be trained</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------</td>
<td>--------</td>
<td>-----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>d</td>
<td>No. of weeks in which each round of training is to be competed</td>
<td>20</td>
<td>It is envisaged that each round of training (whether foundation, sectoral or refresher) should not take more than 20 weeks to complete. In other words, in every State, each round of training will need to be completed in 20 weeks.</td>
</tr>
<tr>
<td>e</td>
<td>No. of training batches per week (c/d)</td>
<td>5500</td>
<td>If 20 weeks is taken as the basis for completion of training, then each week, 5500 batches will require to be trained.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>f</td>
<td>No. of field resource persons per batch</td>
<td>5</td>
<td>It is envisaged that for optimum results and interactivity, each batch will need to be assisted by at least 5 resource persons on site. It is envisaged that of these resource persons, at least 3 will be from full time trainers drawn from NGOs, ex-Panchayat or sitting Panchayat members, retired Government officials etc. At least two will be from line departments working at the district and the block levels.</td>
</tr>
<tr>
<td>g</td>
<td>Total number of field resource persons required (eXf)</td>
<td>27500</td>
<td>The total requirement of resource persons for Panchayat level training.</td>
</tr>
<tr>
<td>h</td>
<td>No. of field resource persons per State master trainer</td>
<td>15</td>
<td>It is envisaged that each State Master Trainer would handle 15 field resource persons</td>
</tr>
</tbody>
</table>
### Towards Holistic Panchayat Raj

<table>
<thead>
<tr>
<th></th>
<th>No. of state master trainers required (g/h)</th>
<th>1833</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>j</td>
<td>No. of national master trainers per state master trainer</td>
<td>15</td>
<td>It is envisaged that National Master Trainer would handle 15 State Master Trainers.</td>
</tr>
<tr>
<td>k</td>
<td>No. of national master trainers required (i/j)</td>
<td>122</td>
<td></td>
</tr>
</tbody>
</table>

#### 6.3.5 On the financial front, detailed costs were estimated on both the capital and revenue front. On the capital costs for creating the infrastructure backbone for capability building, two alternative estimations were made based on the differing assumptions for locating Satellite Connected Training Centres. If they were to be based in every GP, the costs were of a much higher order. On the other hand, if initially it was considered that satellite connected training centres would be established only at the Intermediate Panchayat levels, then costs were estimated to be lower as a result (Box 6H).

**Box 6H**

<table>
<thead>
<tr>
<th>Grand Total Costs of Capital Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Table 15 (a)</strong></td>
</tr>
<tr>
<td><strong>Item</strong></td>
</tr>
<tr>
<td>Satellite Training (Option 1)</td>
</tr>
<tr>
<td>Computer hardware</td>
</tr>
<tr>
<td>Intermediate Panchayat level Resource Centres</td>
</tr>
</tbody>
</table>
Towards Holistic Panchayat Raj

<table>
<thead>
<tr>
<th>Item</th>
<th>Total cost (₹ cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening of SIRDs</td>
<td>24</td>
</tr>
<tr>
<td>Strengthening of NIRD</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3834</strong></td>
</tr>
</tbody>
</table>

or

**Table 15 (b)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Total cost (₹ cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satellite Training (Option 2)</td>
<td>263</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>1200</td>
</tr>
<tr>
<td>Intermediate Panchayat level Resource Centres</td>
<td>600</td>
</tr>
<tr>
<td>Strengthening of SIRDs</td>
<td>24</td>
</tr>
<tr>
<td>Strengthening of NIRD</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2097</strong></td>
</tr>
</tbody>
</table>

6.3.6. Revenue expenditure was estimated to vary from year to year, depending upon the mix of programmes that were envisaged to be implemented each year. It was estimated that in the first year following an election to the Panchayats, the training would be more intense. The costs were estimated at ₹ 988.87 crore in the first year and ₹ 318.51 crore in subsequent years. However, these estimates were based upon the assumption that all States would have their Panchayat elections in the same year. In reality, each State was to use the matrix provided in the NCBF to calculate the asymmetric requirements of funds based upon that State’s panchayat election cycle. The NCBF noted the lack of adherence to common minimum standards in designing training programme by States and suggested measures to rectify the situation (Box 6I).
Box 6.1: Extracts from the NCBF

“Currently, there is no standardization of types of programmes or their duration, between States. Therefore, training proposals are received from States that only look at piecemeal training of Panchayat members. Consequently, the quality of training and the extent of retention of what is conveyed vary widely. This framework is designed to ensure that a broad minimum standards of capability building are achieved. Therefore, it is necessary that every State prepares a project report that looks at the implementation of every aspect of the framework. Technical assistance shall be provided by the Ministry of Panchayati Raj for the preparation of State specific Framework implementation project documents. State-specific projects will follow the same sequence of courses and activities. However, there may be variations on the number of days devoted to training on certain matters, based on the extent of devolution to Panchayats. Similarly, in States that do not have satellite training facilities at present, an interim cascade mechanism of training may be adopted, while working toward the eventual goal of establishing a distance training network. State-wise projects will also undertake a census of facilities already available for training, so that only the incremental requirement needs to be met. All these matters will be captured in a State-wise needs assessment, which will form an integral part of the State-specific Framework design.”

6.3.7 Armed with the NCBF, and the consensus of States to the approach contained in it, the MoPR began to make efforts to find the budgetary resources for training and capability building of elected representatives. One step in this direction was to expand the existing scheme of the Ministry of Panchayati Raj on Capacity Development to cover a wider range of activities that would encompass both the training requirements, as also the issue of more infrastructure and staff for the Panchayats. This was termed by the MoPR as the *Rashtriya Gram Swaraj Yojana*, but efforts to find the adequate funding for running the programme drew a blank in the Eleventh Plan. All that was achieved was the renaming of the small training allocation scheme inherited by the Ministry from the MoRD as the RGSY and some nominal increases in the allocations, which were far below the estimations made in the NCBF. In addition, another small scheme, the *Panchayat Mahila Evam Yuvak Sashaktikaran Abhiyaan* (PMEYSA) provided
a small source of funds for facilitating the networking of Panchayat representatives; one of the activities contained in the NCBF.

6.4 Capacity Building Efforts under the BRGF

6.4.1 The BRGF programme, implemented from 2008 onwards by the MoPR in 250 backward districts of the country, provided a launching pad for the implementation of the NCBF, albeit in a limited sense. The BRGF programme adopted the NCBF as the training guidelines under the programme. The programme provided an allocation for each State for capacity building of Panchayat representatives and officials in Backward Districts. Each State's annual entitlement was calculated on the basis of ₹ 1 crore for each backward district. The UNDP-CDLG project assisted seven States in the implementation of the framework. The project also initiated an annual cycle of PRI CB & T workshops. The consolidated summary and recommendations of the workshops are submitted to the government.

6.4.2 However, serious deficiencies in the implementation of the NCBF were noticed from the commencement of the BRGF programme. States that were relatively less backward and which had comparatively better facilities in place in terms of infrastructure and training personnel were able to absorb the enhanced allocations for training and conducted programmes of a good quality. On the other hand, States that had the greater need for implementation of the NCBF, by dint of the fact that more districts were covered under BRGF in these States, were unable to conduct programmes in accordance with the NCBF, mainly due to the reason that they did not have the infrastructure facilities and training personnel to undertake the implementation of the programme (Box 6J). On the financial front, the overall releases of allocations made over six years of the BRGF programme has only been 55 per cent of the entitlement. Perhaps the most telling aspect of the implementation of the training programme has been the fact that the poorest five performers, namely, Jharkhand, Bihar, Assam, Gujarat and Uttar Pradesh, together have 108 backward districts, which comprise 43 per cent of all BRGF (undivided) districts.

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144 While this was commonly understood as an allocation of ₹ 1 crore per district per year, this was not the case. Backward districts varied widely in the number of elected representatives and officials to be trained and therefore, scope existed for the State to spend more money in one district than in another. The true import of the BRGF was to provide a lump sum grant for training to the State, calculated at the rate of ₹ 1 crore for every district covered under the BRGF in that State.
Box 6J: Cumulative Progress Report on Release of Funds Under BRGF Capacity Building Component; 2007-08 to 2012-13.\(^{145}\)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>State</th>
<th>No. of (undi-divided) districts covered(^{a})</th>
<th>Amount Released ((\text{cr}))</th>
<th>Cumulative entitlement ((\text{cr}))</th>
<th>Percentage released</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2007-08</td>
<td>2008-09</td>
<td>2009-10</td>
</tr>
<tr>
<td>1</td>
<td>Nagaland</td>
<td>3</td>
<td>0.00</td>
<td>3.00</td>
<td>6.00</td>
</tr>
<tr>
<td>2</td>
<td>Karnataka</td>
<td>5</td>
<td>10.00</td>
<td>0.00</td>
<td>8.39</td>
</tr>
<tr>
<td>3</td>
<td>West Bengal</td>
<td>11</td>
<td>5.02</td>
<td>16.98</td>
<td>10.52</td>
</tr>
<tr>
<td>4</td>
<td>Himachal Pradesh</td>
<td>2</td>
<td>2.00</td>
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<tr>
<td><strong>Total Release Made</strong></td>
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<td>250</td>
<td>121.32</td>
<td>135.72</td>
<td>190.64</td>
</tr>
</tbody>
</table>

* This is the number of undivided districts originally covered under BRGF.

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The situation is clearly that as articulated below in a recent publication (Box 6K).

**Box 6K**

“Current approaches to capacity building and training are supply driven. Training of LGs is generally spasmodic, slow to implement, has poor coverage and the quality of assimilation is unmonitored. While detailed frameworks for training and capacity building have been formulated, these have not been implemented fully because of delays in procuring hardware, the lack of an adequate number of high-quality face-to-face trainers and the lack of content tailored for rapid up-scaling. This results in a glaring paradox; even as efforts are on to providing funds for implementing such strategies in full, the available funds for training lapse. Simply put, there is no capacity to create capacity.”

6.4.3 Release of funds however, does not give a true measure of the implementation of the capacity building programme actually undertaken by various States. Under the BRGF, each State prepared a perspective plan on training for Panchayat representatives, which was approved by the High Powered Committee headed by the Chief Secretary of the State. No two plans were alike, primarily because the Panchayat election cycle in each State was different. Unfortunately, item-wise expenditure details incurred by States under the BRGF training component are still not available in the public domain. It seems that monitoring formats designed by the Ministry for tracking the physical and financial progress of each State in juxtaposition with its agreed programme, were not used. Consequently, it might be possible that States might have deviated from the agreed programme, once the perspective plans were approved by the MoPR and funds


147 It may be recalled that the NCBF permitted States to run asymmetric training programmes, which provided for a greater effort on training in the first year immediately following the Panchayat elections. For example, Tamil Nadu was released ₹ 16.32 crore in 2008-09, which was more than its quota for that year at the rate of ₹ 1 crore per district. This was done because the State had held elections to the Panchayats in 2008-09 and had an immediate need for the enhanced levels of training envisaged in the first year following the elections.
released to the States\textsuperscript{148}. This would amount to a serious deficiency in the implementation of the NCBF.

6.4.3 In this connection, the Committee examined evaluation reports prepared or commissioned by the Ministry of Panchayati Raj, with a view to ascertaining whether they would throw light on the physical and financial progress of capacity development effort funded by the ministry, particularly from the aspect whether States were conforming to the implementation of the perspective plans that had been approved by the Ministry. Three reports are critical in this regard and are as follows:

6.4.4 The RGSY mid-term evaluation undertaken by the Ministry is a detailed study of financial and physical aspects of BRGF and RGSY, but the study is restricted to only six States - Assam, MP, Odisha, WB, Rajasthan and AP.

6.4.5 The status report on ‘PRI Capacity Building and Training (CB&T) in India; learning from experience sharing regional workshops’ is an excellent and comprehensive description of the status of capacity development efforts, collected through regional workshops organised by the MoPR across the country. Each of the regional workshops was chaired by the Additional Secretary of the MoPR. The study provides State and UT-specific details for the period from 2008 to 2011, but does not contain any financial details. One of the key aspects that were to be discussed in the regional workshops was the State-specific PRI CB&T strategy/approach, with focus on time-bound 100 per cent coverage-every year as per the NCBF, including the use of PPP/outsourcing of training, also indicating if the State has undertaken any capacity assessment (CA) to implement the NCBF.

6.4.6 The third effort in this direction is a study commissioned by the MoPR to review the implementation of the NCBF, A review of this study\textsuperscript{149} by the Centre for Good Governance, Hyderabad, shows that of the overall target of 828 respondents to be

\textsuperscript{148} The website of the Ministry of Panchayati Raj on BRGF does not provide State-wise progress reports under the capacity building component of BRGF. Only details of releases of funds are furnished. Curiously, the Review of the NCBF undertaken by the Centre for Good Governance, Hyderabad, on behalf of the MoPR also does not throw light on the actual physical and financial progress of implementation of the NCBF under the BRGF programme. Only sketchy details of the numbers of members and officials that underwent various components of the NCBF training have been provided, in terms of percentages covered. Here too, the progress is not compared with the accepted perspective plans of the State concerned, therefore, it is not possible to draw any conclusions regarding the extent of alignment of the States, actual activities on training, with the agreed strategy drawn up under the BRGF.

\textsuperscript{149} This study was supported by the Capacity Building for Local Government Programme (CDLG) of the UNDP, which was implemented in partnership with the MoPR.
interviewed, only 592 were completed. Of these, nearly 20 per cent was rejected, thus
the study analysis was done on the basis of 480 responses alone, which is only 60 per
cent of the target envisaged. In addition, while the study annexes the questionnaires
that were used to obtain information from field enquiries, the statistical analysis of
the data obtained through these questionnaires has not been provided in the body of
the report. The financial and physical performance of training programmes under the
BRGF was not analysed, except to give percentages of individuals who underwent the
various training programmes under the NCBF. Some of the statements made in the
report also reveal an inadequate understanding of the contents of the NCBF and its
import (Box 6L).

### Box 6L

<table>
<thead>
<tr>
<th>Point made in the CGG review</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The NCBF document gives an impression that capacity building exercise for ERs and support functionaries is an exclusive domain of the State supported training institutions like SIRDs. It does not foresee any role for academic institutions, research institutions and professional organisations.</td>
<td>The policy of the MoPR has been that the SIRDs are the State Nodal authorities to develop and lead the implementation of training strategies within a State. This stand has been taken in order that the Centre does not excessively centralise and deal with training proposals received from other agencies, such as NGOs and research and academic institutions. That philosophy has been followed in the NCBF also. However, this does not preclude a SIRD from involving other institutions in the development and deployment of its training plan.</td>
</tr>
</tbody>
</table>

150 See page 14 of the review.
151 Tables 3-6 in the Annexures to the report of the CGG.
<table>
<thead>
<tr>
<th>The NCBF does not recognize the fact that there may be wide-ranging differences among the socio-economic-educational profile of ERs in different States and recommends a common design and pattern of training uniformly for all States.</th>
<th>This is a misleading assertion. The NCBF discusses the wide ranging differences between the training needs at several places in the document\textsuperscript{\text{137}}. What is prescribed is a set of common minimum standards that needs to be put in place to ensure quality. These were extensively discussed with States and represent the consensus view of States.</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no clarity in NCBF with regard to roles of the State PR department and the State training institutes such as SIRD/PRTI with respect to responsibility, authority and accountability in programme management.</td>
<td>This is not the scope of the NCBF. These arrangements are best left to the States to determine, considering the widely varying relationships between SIRDs, PRTIs and the State PR and RD departments.</td>
</tr>
<tr>
<td>Though NCBF recommends engaging NGOs, the process to be followed is not mentioned.</td>
<td>This is best left to the States to determine; indeed, it was the consensus view of States that such prescriptions should not come from the Centre.</td>
</tr>
<tr>
<td>The phase 1 of course II (a) of NCBF, i.e. cross-cutting aspects of sectoral programmes, such as accounting, fund management, disclosure, social audit etc. are overlapping with contents of course I (b). Thus, there is lot of duplication of common curriculum.</td>
<td>Course I(b) is a basic functional course, which is to equip all Panchayat office-bearers and officials with basic ‘start-up’ skills\textsuperscript{\text{138}} of internal housekeeping, including understanding of accounts, social audit, right to information and panchayat revenues. It is meant to be a fast-track course focused on the Sarpanches, upa-Sarpanches and the Panchayat officials in the first instance. Course II(a) is the Sectorally focused training Programme, where in each sector, coverage of core functions of Panchayats aimed at improving capacities to deliver services and development programmes is covered. This is beamed towards all the elected members. Both the content and the clientele of the two courses are distinctly different. Therefore, this conclusion is not borne by the facts.</td>
</tr>
</tbody>
</table>
6.4.7 However, the study also revealed serious shortcomings in the implementation of the NCBF. One of the points related to coordination and harmonisation of different training programmes funded under different schemes. The report stated that

“SIRDs are being approached by various other government departments besides the MoRD to impart training on various aspects to elected members and officials. In the process, the realization of the importance of the NCBF as the foundation of capacity building of three-tier local governance system is missed out.” And that

“SIRDs are receiving requests and funds from the concerned line departments for the same training programme. For instance, training on NREGA is covered in NCBF and also separate funds are released to SIRD by MoRD to train ERs

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152 Please see para 1.3., Basic principles underlying the framework.
153 See para 2.2.2, NCBF.
154 Para 2.2.4 of the NCBF states as follows: “Responsibilities in designing the detailed curriculum for Part I The curriculum for the three courses that comprise Part 1 of the Framework will cover the design aspects of Panchayati Raj, from the nationally common aspects such as constitutional position, through State-wise variations in the locally relevant nuances of local implementation. It will therefore, meet certain broad standards, while also retaining a high degree of local flexibility. The extent of commonality and local variation would depend on the course concerned. In operational terms, this would translate into the following:

(a) A minimum core curriculum common across the states, designed at the national level
(b) State-level curriculum, which expands on the core, particularly concentrating on the policy and approach of the State concerned to Panchayati Raj (such as the extent of devolution of functions to Panchayats)
(c) A local (district) level design, that looks at the particular concerns of the district concerned.”

155 Second-term members and members of beacon Panchayats, Panchayat members elected for a second tenure, and those from Panchayats which have a track record of efficient functioning will be identified for this programme. The overall objective is to provide for Panchayat representatives to (a) share their experiences of good practices; and (b) network with each other with a view to developing a common pool of knowledge. Such training could also include field visits.
Towards Holistic Panchayat Raj

...and implementing agencies on NREGA. This is causing duplication of activity and funds."

The NCBF had anticipated this problem and clearly suggested measures to harmonise the generic training for running Panchayats as a system of government, and the sector-specific training, which focuses on specific responsibilities of the Panchayats (Para 6.4.1)\(^{156}\). Obviously, SIRDs had not undertaken the simple task of de-duplication, which they could well have done so as to optimise the use of training funds under different schemes.

Other findings of the study also revealed the lack of the ability of States and SIRDs to coordinate training efforts effectively. For instance, the study revealed that

"For functional literacy, the SIRDs have to rely heavily on state sponsored Adult Education Programmes. Thus, the demand-supply chain shifts from elected representative – in SIRD to the Education Department of SIRD. Because of this arrangement, the SIRDs have to synchronize their programmes and thus in the process miss the time lines specified in the NCBF."

The study also corroborated the impression that many of the Standards committed to the NCBF were not implemented in fact. Some of the key points made in the study in this regard are detailed in Box 6M.

\(^{156}\) Para 6.4.1 of the NCBF states as follows: “Need for Convergence of Training Efforts: The Central government spends around ₹ 75,000 crore on implementation of CSS’. Funds for training are sprinkled across several Ministries, each with a separate distinct design, stated objectives and target groups. Thus, while a particular ministry may sanction allocations for a training programme for staff or NGOs connected with implementation of the ministry’s schemes, Panchayat elected representatives who are vitally concerned with the implementation of the programme may be left out, or may be given an isolated brief exposure. Ministries might prepare a stand-alone training programme for a one-time training for all concerned -including Panchayat members, which results in duplicating logistics and even infrastructure for training. Moreover, such sectoral training of different ministries would have greater lasting value if they occur after a foundation course that prepares the ground and is followed by networking and other activities that consolidate what has been gained through training.
Box 6M: Shortcomings noted in the implementation of the NCBF

As suggested in the NCBF the ERs have to undergo four days training each for Courses I (a) and I (b). The SIRDs are combining both the courses owing to shortage of resource persons and lack of time of the participants.

The NCBF envisages that line department staff is the key resource at all levels. But the officials and line department staff who have undergone training as resource persons for CB&T are mostly not available for training due to the workload of their primary job responsibility. Though there are SIRD Newsletters, there are very few TV programmes and visits to Beacon Panchayats. NIRD is not involved in programme management, evaluation and monitoring outcome as envisaged in the framework.

SIRDs have not formed committees involving peer groups of ERs, resource persons, NGO representatives for curriculum, monitoring, evaluation and documentations, and finance and accounting for programme management as envisaged in the NCBF.

There is limited supervision, control and monitoring of trainings outsourced to Service Providing Agencies such as NGOs by SIRDs.

An outcome monitoring system is yet to be established.

The NCBF encourages Panchayats to play a major role in designing content and mechanisms of training. However, this is not being followed due to logistics problem in developing the course material.

Following this analysis, the Review made several recommendations regarding changes to be made in the NCBF. Some of these recommendations indicate a clear dilution of the standards set in the NCBF. For instance, Chapter III of the Review, suggests the following courses for training (Box 6N):
Box 6N

<table>
<thead>
<tr>
<th>Course</th>
<th>Name of course</th>
<th>Proposed Duration</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Orientation Course (Mandatory)</td>
<td>All the first time ERs and newly appointed PR officials</td>
<td>3 days face-to-face training</td>
</tr>
<tr>
<td>II</td>
<td>Thematic / Sectoral (Mandatory)</td>
<td>All the first time ERs and newly appointed PR officials and Members of DPCs</td>
<td>3 days face-to-face training</td>
</tr>
<tr>
<td>III</td>
<td>Additional Training (Mandatory)</td>
<td>Chairpersons, Standing Committee Members and Executive Officers of PRIs</td>
<td>1 to 3 days face-to-face training</td>
</tr>
<tr>
<td>IV</td>
<td>Refresher courses (Mandatory)</td>
<td>All the multi-timers in the first year of elections and for the first-timers from second year onwards</td>
<td>1 to 3 days face-to-face and distance mode of training</td>
</tr>
<tr>
<td>V</td>
<td>Special Focus (Optional)</td>
<td>Select ERs and Officials based on their indicated interest and preferences</td>
<td>3 to 7 days face-to-face training</td>
</tr>
<tr>
<td>VI</td>
<td>Training of Trainers (Optional)</td>
<td>Resource Persons (RPs) from the governmental training institutions or SPAs</td>
<td>3 days face-to-face training</td>
</tr>
</tbody>
</table>

While also suggesting an elaborate management structure for implementation of Capacity building efforts, the Review also felt that

“The framework envisages Panchayat member networks to take over a large part of the management of training programmes with a kind of self-training system in a long-term approach. This may not be viable or practical unless there is a permanent leadership structure with the right aptitude and attitude.”

6.4.8 Assessment of these reviews

After having examined these reviews, the Committee believe that they stop tantalisingly short of evaluating two key aspects in detail. First, none of the reports have examined in sufficient depth, the implementation of the capacity development
activities in juxtaposition to the perspective plans prepared by the State concerned. The CGG report comes close as it gives the percentage implementation, but it does not give the actual physical and financial details. The second aspect is that none of the reports have examined what the recipients of the data, the elected representatives and the officials, think about the utility and effectiveness of activities undertaken. The absence of feedback from the recipients significantly weakens the utility of these reports.

In addition, some of the recommendations contained in the CGG evaluation are overly conservative. The comment relating to the ‘impracticality’ and ‘unviability’ of Panchayat member networks taking over a large part of the management of training programmes, is one such example. On the one hand, the evaluation highlights the need to be demand driven. Yet, no suggestions are made on how exactly the demand driven approach is to be operationalized. Merely making a few schemes ‘optional’, does not mean that they become demand driven. The involvement, indeed, the taking over of the training system by the Panchayat representatives is a long-term stated objective—which forms part of the Jaipur declaration. To say that this might not be viable is to question the consensus of the States and the Centre. Viability comes with genuine intent to implement. By that yardstick, none of the existing supply driven training strategies are viable, given that they markedly depart from the stated objectives and standards laid down in the NCBF.

One of the key points made in the CGG study is that the financial allocations made in the NCBF are inadequate. It may be noted that the NCBF has not prescribed any financial caps for implementation of the various action items; it has merely stated the cap on Central government’s contribution toward implementation of various components of the programme. Training of the Panchayat representatives and officials is not entirely the responsibility of the Centre. Panchayati Raj is a State subject. Surely, States can top up and generously support training initiatives for its Panchayat representatives. Unfortunately, this is an area where the infusion of funds from the Centre has resulted in a substitution effect, where States have withdrawn releases from its own budgets for capacity building. Moreover, when the overall release of funds under the BRGF training component has been a mere 55 per cent of the entitlement over the last six years, the assertion that allocations for specific activities under the NCBF are inadequate, is hollow.

Yet, from the CGG review, it is clear that the initial efforts to impose standards and stick to them, in matters of training, have not been successful. States have been able to
obtain funds from the MoPR on the basis of mutually agreed perspective plans prepared in accordance with the NCBF, but have then deviated from these plans to implement those aspects with which they are comfortable. Some of the key inputs that are critical for ensuring a high quality of training, such as the training and deployment of highly committed master trainers, has not been achieved to the level of requisite quality. States have deviated from the standards set for the number of trainees per classroom session, often cramming three times the number as envisaged in the NCBF. There have been virtually no studies on outcomes of training, neither have training perception reports been prepared and feedback obtained from the recipients of training, on whether they found the sessions useful. However, unfortunately, the available reports and evaluations do not throw light on this critical aspect of evaluation.

6.4.9 Before we proceed to examine the strategies for the future, the committee considers the issues as to whether the government’s weak capacity to deliver quality training programmes has been, or could be met through NGOs. There are several stellar examples of NGOs and associations providing capacity building and training support for Panchayat representatives (Box 6O).

**Box 6O: NGO initiatives for Panchayati Raj, a Snapshot**

The Ahmedabad Study Action Group (ASAG) organizes pre-election phase training for women - in filling election forms, presenting issues and preparing election manifestos. ASAG is also a convener of the Western India Forum for Panchayati Raj (WIFPR), a network of organisations in Gujarat, Maharashtra, Goa and Rajasthan.

The Ahmedabad Working Group for Women’s Issues-Gujarat (WGWI-G) is a collective of several organisations working with poor women in the urban and rural areas of Gujarat and the key issue identified by the collective is women and political participation.

In Himachal Pradesh an NGO, SUTRA, organizes both pre and post-election training to women by taking into account the training needs of women in different roles as an elected representative, chief executive, conflict resolver, assistant to government, and a home maker.
In Uttarakhand, a Dehra Dun-based voluntary organization, Rural Litigation and Entitlement Kendra (RLEK), with the aid of its sister organisation, Panchayati Rule and Gender Awareness Training Institute has been operating with focus on training and empowering Elected Women Functionaries with emphasis on Scheduled Caste, Scheduled Tribe and other backward classes.

The Society for Participatory Research in Asia (PRIA) is a support organisation to voluntary agencies working on development. The Panchayat Raj Intervention unit of the Centre for Participation and Governance works towards strengthening initiatives of local self-governance.

However, some exceptions apart, NGOs have not provided an answer to this capacity deficit in PRIs for several reasons. First, there are not enough that work in the area of local governance, preferring instead to work in sectors, such as education, health, drinking water, watersheds etc., working with Panchayats only if unavoidable. In fact, many of them believe that they are too political and corrupt and work directly with the community through community based organizations. Second, those that indeed work with LGs depend on government or international organisation funding for their sustenance; indeed many of them are but extended arms of the government itself, delivering the same homilies over and over again. This limits their scope in pulling out all stops in exhorting LGs to assert themselves. Third, NGOs, while good at rights assertion and demanding change from the community's perspective, have fewer skills in actually managing and improving government processes within LGs. Very few of them have skills, for instance, of negotiating with policy makers on behalf of LGs.

6.5 The Current Situation

6.5.1 It is clear from the above analysis that capacity building has been narrowly understood and implemented badly. There is a lot of rhetoric that surrounds capacity building, but when it comes to the nuts and bolts of implementing an agreed set of standards, both the Centre and the States have been found wanting. There have been a few exceptions where outstanding innovation has been achieved, which are discussed subsequently in this chapter. However, these only serve to stress the point that in the larger context, supply driven approaches towards training have not succeeded.
Whatever might be agreed upon, there is not much quality delivery of training efforts. As the quality of training is not being monitored, one cannot conclude that the training standards that have been described in the NCBF have been met.

6.5.2 Reviews of the current strategy only suggest reforms at the margin, or re-articulate already enunciated principles as if they were something radically new. Reform recommendations also tend to be contradictory, on the one hand, they exhort the system to set standards and abide by them, while on the other, say that there has to be a great deal of local flexibility. In fact, the so called local flexibility has only led to the dilution of standards. Suggestions such as transferring the entire ownership of training systems to Panchayat elected representatives are considered as far-fetched, though this idea represents the consensus vision of States and the Centre. It is therefore, clear that while people are willing to nod vigorously and make suggestions for paradigm shifts in the training approach, it is difficult to dislodge them from their comfort zone of delivering training programmes in the conventional manner to attempt to try new and innovative ways by which the capacity building experience can be enhanced and made more effective.

6.5.3 The Ministry of Panchayati Raj (MoPR) proposes a major thrust in the Twelfth Plan for strengthening Panchayati Raj through the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), a holistic approach that spans both the areas of organisational capacity and individual capacity. The proposed programme aims to strengthen Panchayati Raj Institutions by undertaking activities, ranging from administrative and technical support for Panchayats, enhancing Panchayat infrastructure, improvement in the quality of panchayat processes such as accounting procedures and strengthening e-governance at the Panchayat level, to undertaking capacity building and training (CB&T) of PR elected representatives and functionaries and upgradation of CB&T institutional systems. On the demand side the programme also focuses on supporting gram sabhas, to be active, by strengthening accountability processes such as social audit.

6.5.4 The Committee believe that at this crucial juncture, there is a need to analyse past failures and successes and come out with recommendations that go beyond overstating the obvious, to those that can result in major course corrections. In this regard, the Committee studied successful examples where there has been more effective and meaningful implementation of existing strategies and closely examined innovative approaches that have yielded positive results.
6.5.5 The Committee examined a range of innovative measures that cover several aspects of training and capability building, in order to draw ideas that could beneficially impact future efforts. Some of these are described\textsuperscript{157} in boxes 6P to 6Ac below:

**Box 6P: Innovations in Chhattisgarh**

The SIRD in Chhattisgarh is seeking to use GIS in both a bottom-up community-driven planning and development process as well as a top-down regional planning approach. Even as the GIS is being developed on an open source software, a simple means has been adopted to overcome the impediment of restricted access to maps for planning. An innovative resource person in the SIRD, Mr. Neeraj Dewangan, builds a collage of ‘Google Earth’ or ‘Bing’ maps of Panchayats and prints it on flex plastic sheet. A good flex print of the best quality, of a size of 5 ½ feet X 7 feet costs just ₹ 500. Once such large impressive maps are available for each Panchayat at such low costs, the entire perspective of Panchayat representatives dramatically changes. A large sized printed Google map is a real and tangible thing; it can be touched and felt, unlike a picture on a screen. Panchayat members can actively use the map. They can identify landmarks on the map. They can label it, put pins on it. The map can even be laid horizontally and landmarks can be laid out to create a rough three-dimensional contour model. On each map, transparent layers can be overlaid with drawn over details.

The SIRD also promotes a radio programme, “Hamar Gramsabha”, which seeks to increase knowledge and support for rural citizens. *Hamar Gramsabha* is broadcast from all the five Radio stations of Chhattisgarh on every Sunday at 07:30 pm.

The SIRD has also launched a helpline to fulfill the changing information needs of the elected representatives and functionaries of the PRIs. People can dial the toll-free number to put forth their queries and receive expert guidance. Two professionals are stationed at the institute to respond to the queries during working hours.

\textsuperscript{157} State innovations are listed in alphabetical order.
Box 6Q: Enhancing the learning experience through blending technological and pedagogical innovation: the experience of Kutch NavNirman Abhiyan in Gujarat and Foundation of Ecological Security, Rajasthan:

In 2010, through a Swiss Development Corporation supported initiative, an innovative training programme was conducted in Kutch, Gujarat, for Panchayat representatives. The programme was also conducted in Pratapgarh and Udaipur districts of Rajasthan in 2011.

The programme, run in six modules over three months comprised three technology related sessions (abbreviated as TELPE – Technology Enhanced Learning Process Enabler) alternate with content sessions (named ‘Prajantra’ (democracy), ‘Aayojan ka Adhikar’ (the right to plan) and ‘Bhavishya’ (the future). All participants laptops and high speed wireless internet facilities during the programme. In the intervening periods between two course sessions, the laptops were lodged in a laptop library, from where the participants could borrow the machines for revising lessons and taking up inter-modular assignments. The designing and rolling out these programmes, brought together experts in Panchayati Raj and experienced learning technologists.\textsuperscript{158}

The initial vision was to design and implement a knowledge support system for Panchayat representatives and those who work with them. The programmes in Kutch and Rajasthan exposed participants not only to the core content related to grassroots democracy and Panchayati Raj, but also to internet based techniques that would enable them to network better, collaborate on tasks, surf the web for information and most important of all, create their own content by sharing their grassroots level experiences and skills. The aim of the programme was to equip participants to link with the world, and equally, for the world to link with them, without any intermediaries or trainers.

Following the programme where both Panchayat Raj related core content and familiarisation with technological tools were intermeshed, Panchayat members routinely use Skype for conference calls. They also record their experiences using videos and photos and discuss them through social media tools such as Facebook. The Panchayat associations in Kutch and Panchayats covered in the training programme

\textsuperscript{158} Ms. ParimalaInamdar, Principal Consultant of a consulting firm, the Aquarians Management Consultancy Pvt Ltd. was involved in developing the pedagogy and the roll out strategy. Ms. Sushmalyengar, from the Kutch Nav Nirman Abhiyan and T.R. Raghunandan, former Joint Secretary of the Ministry of Panchayati Raj, assisted in the design of the content of the programme.
in Udaipur and Pratapgarh have now developed their own blogs using ‘Wordpress’. They regularly update these websites with content that is vetted and cleared through an editorial board constituted by themselves. The programme reveals the enormous power of the internet, which, when linked with sensitively designed content that encourages Panchayat representatives to seek from and exchange information with each other, could dramatically change the way in which Panchayat representatives network between themselves and with resource persons, and provide knowledge support to each other in future.

Box 6R: The Satellite Training Facility in Karnataka

Karnataka was a pioneer in setting up a system that enabled satellite assisted distance learning programmes to be conducted, thereby enabling the State to undertake universal coverage of training of its elected representatives. The training and communication programme is a mix of satellite communication technology and participatory training methodologies. Satellite programme is largely film based - derived from the experience of elected panchayat members, discussing and thinking about what they bring out, and considering lessons for one’s own panchayats. The hub of the system is a studio at the Abdul Nazir Sab Institute of Rural Development (ANSSIRD) Mysore, which allows for one-way video and two-way audio linkage. Thought provoking programmes beamed over satellite are reinforced through local interaction in activity based learning, in 224 classrooms across the State managed by resource persons carefully selected from government, civil society and panchayats – merging the best that distance learning and face-to-face interaction has to offer. Resource person and participant ratio is maintained at a high level -3 resource persons for every training group of 25 to 30 participants. The two-way audio system allows for questions to be asked and clarifications to be given online from qualified panel lists. The result has been greater networking among Panchayats and has facilitated the groundswell of support required to push through major policy reform. It has also helped government to obtain quick feedback on major policy proposals concerning Panchayati Raj from those directly affected. Another feature of the satellite assisted programme is the development of detailed logistic plans for roll out, In this way, a four-day programme to cover all Panchayat representatives through takes less than a month to roll out to more than 90000 elected representatives.
Box 6S: Undertaking a training perception study; the example of Karnataka

The satellite assisted training programme undertaken in Karnataka is well known and documented. It has been often commended as a programme that sensitively combines the benefits of face to face training with the reach of satellite programmes, to network large numbers of individuals trained across the State. Yet, not satisfied with its record, the ANSSIRD undertook an assessment of the perception of Panchayat members to the training, through an extensive study. Following the conduct of the Panchayat elections in 2005 and the initial round of a two-day introductory training in March 2005, a 20-question status assessment exercise was administered to all the GP members during the next round of the three-day training. The questionnaire covered the actual state of affairs on key issues that were discussed in the first training programme. The questions were as follows:

- Is the General Body Meeting of your GP being conducted once every month?
- Are you receiving the notice of the meet seven days in advance?
- Do the lady members talk during the meeting?
- Do the members belonging to SC / ST groups participate in the discussions?
- Are the minutes recorded during the meeting itself?
- Prior to taking decisions in the General Body Meetings, are all members given a chance to express their opinions?
- Are the minutes of the General Body Meeting being put on the notice board of the GP?
- Have the decisions of the General Body Meeting begun to be implemented?
- Have standing committees been formed in your GP?
<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td>Have standing committee meetings been held?</td>
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<tr>
<td>Has the Ward Sabha been formed?</td>
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<tr>
<td>Is the ward sabha meeting being held in your ward?</td>
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<tr>
<td>Do all members of the ward participate in the meeting?</td>
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<tr>
<td>Do members of all wards come for the Grama Sabha meetings?</td>
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<tr>
<td>Is property tax being collected in your GP?</td>
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<tr>
<td>Do all members participate in tax collection?</td>
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<tr>
<td>Have the details of the works undertaken by your GP been put on display on the walls?</td>
</tr>
<tr>
<td>Is your GP secretary available to you at the GP office / in the GP area?</td>
</tr>
<tr>
<td>Does the GP secretary provide you information on rules / programmes / Circulars?</td>
</tr>
<tr>
<td>Does the designated JE for your GP visit your GP office?</td>
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The questionnaire enabled a wide range of opinions to be collected on a five-point scale. A compilation of the answers given by members of 1400 GPs across the State revealed wide variations in the effectiveness of the training imparted during orientation, based upon whether the training prompted panchayat representatives to change the situation through their interventions. Those members from more prosperous and literate districts reported a relatively higher number of them having proactively engineered changes (46 per cent in the district of Dakshina Kannada and Udipi) while those from the poorer and less literate districts, showed a low impact of training (only per cent reported proactively working on changes in the GPs. The results were also distinctly lower for SC,STs and for women. This led to the sobering conclusion that though the content was well received, a large number
of members, particularly those from poorer districts and deprived communities required much more than sensitive training programmes to actually undertake tasks that would change the functioning of the GP for the better. Results from the perception report were used to redesign training content and strategies.

Box 6T: Improving the organisational capacity of Gram Panchayats, the Arghyam experiment in Karnataka:

Arghyam is an NGO that primarily works in the area of water and sanitation. In 2010, Arghyam conducted a survey on the implementation of Water and Sanitation activities at the GP level. The survey discovered serious gaps and shortfalls in implementation of this primary responsibility by the GPs. When Arghyam set out to disseminate the results of this survey to the GPs, they found that while GPs were conscious of these shortfalls and desired to take action, they did not look like organisations which could address urgent issues such as water quality, let alone take over effective execution of multiple government programmes. This led to the initiation of a new initiative by Arghyam, which was to study the organizational structure of a selected group of four Panchayats, in order to understand the institutional shortcomings and suggest measures for improvement. The Gram Panchayat organizational Development (GPOD) project aimed to develop a step by step, replicable framework for developing a strong GP organisation and to initiate a process of real time change in two Gram Panchayats in Karnataka, while implementing the above framework through using and leveraging local capacities. The project worked closely with the Panchayats to develop their internal vision statement and then prepared detailed process maps for the key services to be delivered by the Panchayats.

Some of the interesting findings revealed through close interaction with the Panchayats, that quite contrary to the common stereotype, a GP member is involved in endless activities in the GP. Moreover, they hold themselves accountable and face lot of pressure due to citizen expectations. Another revelation was that often, members spend money out of their pockets to address problems. Reimbursements are often much delayed. In addition, it was also discovered that experienced and well-functioning GPs have evolved fairly nuanced solutions to local problems.
Following extensive discussion with the Panchayat representatives, the project evolved detailed organizational structures that clarified responsibilities of various members, including those of Standing Committees. Since there are more sectors than standing committees, the concept of ‘head’ for a particular sector, was conceived. Thus, for example the ‘Head’ in charge of education was tasked to liaise and facilitate the coordination between the Panchayat standing committee concerned and the School management committees. (which would be 10 or so in number in each Panchayat. This arrangement proved to be a success, as the ‘Heads’, performed much in the manner of Cabinet ministers, and took their sectoral responsibilities seriously. The key impacts and outcomes from the project were as follows:

- Ownership and confidence was seen to increase among members
- More members sought information on funds received and spent due to distributed leadership
- Tariff rates were revised after 22 years
- There were several instances of leveraging government funds such as ZP development funds
- Funds were allocated to specific programmes in the GP based on discussions and prioritization
- Processes were laid down for key services to be delivered in the GP such as provision of drinking water, street light maintenance etc.

Some of the key recommendations from the experiment are as follows:

- There is a need to recognize significance of a whole systems approach, when dealing with improving Panchayat organisational capacities.
- Targeted training is necessary to ensure that the GP is able to leverage training effort – portfolio-wise training/ create specialization in GPs
- Members of Panchayats ought to have a say in training
Towards Holistic Panchayat Raj

- Service MoUs are desirable between GPs and line departments, based on GP's perspective and annual plans. Such service MOUs should state out the mutual expectations and funds flow, the clear roles of both parties, the resources ear-marked by the line department for the performance of this function, both in terms of people and money, and the mutually agreed performance metrics.
- Parallel bodies such as SDMC, BVS etc. need to be accountable to the GP.

Box 6U: Local Government Associations in Kerala

All the five categories of Local Governments in Kerala have Associations. Mayor’s Council, Chamber of Municipal Chairpersons, Chamber of District Panchayat Presidents, Block Panchayat Association and Village Panchayat Association. Irrespective of their nomenclature, they are essentially associations of local governments and not of their elected heads.

They are elected from among their constituent local government represented by their elected heads. The elections are held immediately after the General Elections to the Local Governments. Elections to the Village Panchayat Associations are refereed by the Director of Panchayats. In the case of Village Panchayats there are District Associations also.

All the Associations have bye-laws to govern elections and also their functions. The bye-laws are approved at the beginning by the government. The expenses for the functions are met by contributions by member Local governments with their limits being set by government from time to time.

Since elections to Local Governments in Kerala are on party-lines, the Local Government Association formation ensures that all the major parties get represented even though the office-bearers are selected on the basis of ballots.

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159 Abridged from material provided by Mr. S.M. Vijayanand, Additional Secretary, Ministry of Rural Development, Government of India.
The main functions of the Local Government Associations are:

1. To serve as an advocacy body in respect of different issues facing Local Governments.

2. To bring up general issues as well as specific issues of importance to the attention of Government.

3. To provide policy suggestions to Government as major policy decisions are taken after getting opinions of the Local Government Associations.

4. Organise Panchayat Day celebrations in which all the Presidents of the three-tier Panchayats participate.

5. Organise thematic workshops.

Some of the interesting initiatives by the Local Government Associations include:

(i) Action research on selected areas pioneered by the Village Panchayat Association

(ii) Commissioning of an expert to prepare a memorandum for the Local Government Associations which was submitted to the Thirteenth Finance Commission.

Government assigns important status to the Local Government Associations. It holds frequent interactions with them to get feedback. Often General Body meetings are attended by senior officers, including Principal Secretary to clarify issues and clear doubts. To most of the committees at the State level which include representatives of Local Governments normally the President or Secretary of the Local Government Associations concerned is nominated ex-officio.
The Kerala State government, in collaboration with Doordarshan, employed a novel method to activate competition among the Panchayats and showcasing the best performing panchayats through a television social reality show called, “The Green Kerala Express”, aired on Doordarshan in 2010.

All Gram Panchayats, Municipalities and Municipal Corporations in the State were invited to provide a short video showcasing their sustainable development projects. More than 200 local governments responded with interesting stories of local development, covering aspects such as water and land management, sanitation, environment, health, energy, education, social welfare, the NREGS, women empowerment projects taken up under the Kudumbashree programme, agriculture and improving food security. Of these 152 were shortlisted and the production teams visited each of them to interact with the people which were captured in two short films, one on the cultural and historic profile of the village and the other on the developmental initiative. These local governments were then invited to the studio, where the films were screened and they interacted with a five-member jury. Based on the percentage of the marks awarded to the local governments which depended upon citizen votes collected through SMS, 15 LGs were eventually selected for the second round. The Jury visited each of the 15 LGs along with the video team and evaluated their performance on the ground. Based on a final jury interaction on-screen, the best three Panchayats and two Municipalities were selected with audience participation in the selection. The best three panchayats that were awarded prizes by the Chief Minister of the State in the final show in 2010 were:

(i) Elappully (Palakkad district): First Prize.
(ii) Akathethara (Palakkad district): Second Prize.
(iii) Adatt (Thrissur district): Third Prize.

These Panchayats had undertaken several innovative programmes such as improving agricultural production, effective implementation of anti-poverty programmes, setting up tourism facilities, senior citizens’ clubs, afforestation, and e-governance.

Several factors contributed to the success of the TV programme:

(a) Adoption of the popular social reality show. The production quality was slick, with plenty of glamour in the form of good anchors and popular stars from the Malayalam film industry also anchoring some shows.

(b) The daily shows starting on March 1, 2010, the show ran continuously, with daily 40 minute episodes, culminating in the grand show finale, on 27 July. The daily episodes ensured audience interest and involvement in the voting for selection of the best performers,

(c) The credibility of the Jury, which also comprised renowned literary, journalistic and academic figures respected in Kerala for their scholarship. The non-partisan nature of the Jury was an important factor, given Kerala’s strong party polarisation even at the LG level.

(d) The high stakes, the best three Panchayats received prizes of ₹ 1 crore, ₹ 50 lakh and ₹ 25 lakh, respectively. The remaining LGs participating in the final round received ₹ 10 lakh each.

The analysis of the winners, as also the well performing Panchayats that reached the second round, revealed that all winners focussed on promoting larger local development issues and not provision of local public services alone. This was made possible because of the availability of block grants for the Panchayats which provides scope for innovation. These winners also understood the intricate economic linkages between different kinds of complimentary activities to strengthen the developmental effort. Thus in Elapully, dairying was linked to paddy cultivation and marketing of agricultural products.
The winners were innovative, both in the way that they have run conventional programmes (deliberate slowing down of the NREGA to prevent artificial shortages of labour – Elapully) as also in starting new ones (Adatt’s tourism project). They were also versatile; while promoting local economic development, they did not neglect their core responsibilities of improving civic services, or providing social services (the senior citizens club in Akathethara). Quite often, the confidence and credibility built up through running core responsibilities well played a large part in successful implementation of development programmes.

Finally, the State government played an important promotional role in providing the right environment for the Panchayats to undertake such innovations. The provision of a block grant with only broad conditionalities on its use is an important contributor. Second, the decentralised planning methodology in the State, which promotes a cooperative rather than an adversarial relationship between the different tiers of LGs, has made the convergence easier. Third, linkages with the Kudumbashree programme played a great part in the success of the development initiatives taken up in these Panchayats. The Kudumbashree groups provided flexibility, acted as outreach agents of the Panchayats, and also as important links in the marketing system so essential to make economic development initiatives successful and sustainable.

**Box 6W: Kerala Institute of Local Administration (KILA) a training institution owned by the Panchayats**

Kerala Institute of Local Administration which was set up in 1990 is unique in that all the Village Panchayats contributed ₹ 10,000 each for setting it up. The General Council of KILA which sets its policies and approves the annual action plan and the budget has the Presidents of the Local Government Associations as its members.

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161 Abridged from material sent by Dr. P.P. Balan, Director of the Kerala Institute of Local Administration and Mr. S.M. Vijayanand, Additional Secretary, Ministry of Rural Development, Government of India.
Some of the special features in the functioning of KILA include:

(i) It is fully autonomous in setting its agenda except in relation to the creation of staff, where prior permission of Government is needed.

(ii) The Director and staff of KILA are involved in all the policy making meetings of the Department of Local Self-Government.

(iii) KILA has tie-up with sister institutions in Sri Lanka and Bangladesh and trains Peoples’ representatives from different countries in the sub-continent.

(iv) KILA is an accredited Centre for Ph.D under Cochin University of Science and Technology.

(v) KILA runs a Help Desk with a helpline which enables the Local Government leaders and officials to directly clarify doubts.

(vi) KILA conducts training for MLAs, State and District Level leaders of political parties and senior journalists to strengthen the Panchayati Raj fraternity.

Box 6X: The training perspective plan in Maharashtra

The Yeshwant Rao Chavan State Academy of Development Administration (YASHADA), Pune, has prepared a training framework that comprises five types of Modules, as follows:

1. Module for Panchayat Raj Institutions-Non officials.

2. Cadre-wise Training Modules which focus on the specific job being performed by the members of that Cadre. This also includes impact on specific schemes which they are implementing.

3. Scheme Specific Training Modules.

Abridged from material provided by Mr. Shahzad Husain, IAS, former Principal Secretary, Rural Development and Panchayati Raj, Maharashtra.
4. Office automations Module that focuses on Information Technology Tools and Account Keeping.

5. Social Sector Module, which focuses on gender and equity issues.

The training is expected to be delivered in a cascade mode. In this regard, the Perspective plan has specific, measurable, achievable, realistic and time-bound objectives.

A key feature of the approach, which stands out, is the focus on the orientation of key officials associated with the functions devolved to Panchayats for effectively serving and facilitating the Panchayats in the performance of devolved functions. On the one hand, these officials have detailed technical knowledge pertaining to the departments in which they serve and therefore, can play an important facilitatory role in advising Panchayat elected representatives and imparting to them their wisdom. On the other, these officials also would greatly benefit from imbibing lessons drawn from the grass root level experiences of elected representatives, who will bring to mutual interactions their significant local knowledge of ground level nuances. The Framework thus aims to equip these officials to function as technical advisors and trainers to Panchayats and orient them to respect, be more receptive and learn from ground level experience of elected Panchayat representatives.

Another salient feature of the Perspective Plan is the attention devoted to the selection, orientation and training of Resource persons. It is estimated that around 2100 master trainers will have to be trained. These master trainers are proposed to be selected from government departments and NGOs. In particular, they will be selected from amongst ZP officials. From each district, around 100 master trainers are proposed to be selected and put through a rigorous programme, at YASHADA.
The Mahila Rajsatta Andolan (MRA) is a campaign that aims to empower women and strengthen their participation in governance processes through Panchayati Raj Institutions (PRIs). It started in 2000 with support from the Resource and Support Centre for Development (RSCD), which is a network campaign that aims to liberate people from exploitative situations and deprivations.

Inspired by the towering figure of Savitri Bai Phule, who dedicated her life to the education and empowerment of deprived women and girls, the MRA began in 500 villages, through 5 regional networks in 25 districts of Maharashtra. MRA work towards building the political consciousness of women through awareness, campaigns, advocacy and trainings. MRA has been able to make an impact at the State level decision-making through its field and policy advocacy initiatives and different intervention strategies such as - advocacy, organising training programmes, providing support in times of crisis and documentation, and dissemination of Information for Elected Women Representatives (EWRs). The aim is to promote a value and issue based people-centric development model, through engaging with those who believe in constitutional values, promote issue based politics, and give priority to marginalized people.

Second, MRA undertakes policy advocacy on issues emerging from research and other field level activities, working with rural women, elected women representatives, policy makers, like minded CBOs and NGOs, researchers, academicians and the media.

Third, MRA works on strengthening key village-level Institutions with a focus on the PDS, health care, education and strengthening of credit societies. The strategy is to energise and activate the Gram Panchayat to take the lead in ensuring effective implementation, utilising government schemes and ensuring that they are implemented transparently. This is being done by distributing posters and booklets about schemes, compendia of latest government resolutions, good practices documentation, Gram Panchayat Darshans, ration audit, social audits and awareness building and training etc.

163 Abridged from information submitted by Mr. BhimRaskar, RSCD, Maharashtra.

164 Innovations in this regard include ‘HishobDakhaAbhiyaan’ (show your accounts’ campaign), Lokshahi Din (democracy day) and Yuvati Sunnvai (public hearing of problems of adolescent girls).
Fourth, MRA conducts a distance education programme named BOSS (Budget, Order, Services and Schemes) for EWRs in 25 districts of Maharashtra.

Fifth, MRA has been working on consolidating an association of elected women leaders and potential women leaders to strengthen governance and practice values, issue and people-based governance.

MRA experience has been that when one focuses on activating already existing structures and ensuring proper service delivery rather than on initiating parallel governance systems, people’s ownership is strengthened. Supporting EWRs addresses several issues through the Panchayats as women’s leadership is more inclusive, collaborative, consultative; more tolerant of different points of view; more people-oriented and uses more democratic and facilitative forms of decision-making. The experience has challenged many stereotypes of women elected representatives and also facilitates changes in the larger fabric of social structures.

Box 6Z: Capacity Development and Training Efforts in Punjab\textsuperscript{165}

Because of the very large number of Gram Panchayats in the State, Punjab has a very high ratio of elected Panchayat representatives to the total population. The SIRD, Mohali, Punjab is an apex institute of Training and Research in the State. Training of about 90,000 Elected Representatives every year is taken up through a cascade model, which employs about 200 qualified and experienced empanelled resource persons. These RPs undergo regular orientation and refresher training.

Training to PRIs Representatives is imparted at the block and district level under the supervision and control of SIRD. Reading material prepared by SIRD faculty in vernacular language ensures standardized and uniform model of training.

One of the interesting initiatives undertaken is to focus on social mobilization of the Gram Sabha in the capacity building programmes. Mock Gram Sabha meetings are held during a five-day long training on the Gram Sabha, in which Gram Sabha members are trained in the areas of Village Plan preparation and Social Audit.

\textsuperscript{165} Abridged from material contributed by Dr. RozyVeid, SIRD, Mohali, Punjab.
The SIRD publishes a monthly Magazine ‘Sade Pind’ which focuses on the strengthening of the Panchayati Raj System. About 50,000 copies of this magazine are circulated to all the Zila Parishads, Block Samities, Gram Panchayats and departments concerned.

Box 6Aa: Key Achievements in Capacity Building and Training of PRIs in Rajasthan

Capacity Building and Training of PRI representatives in Rajasthan has consistently followed a decentralized cascade model of PRI training campaigns. This systematic approach comprises five critical stages as follows:

First, a Training Needs Assessment (TNA) is invariably undertaken before embarking on any training campaign of PRIs in the State, in order to customize training relevant to the felt needs of PRI-elected and official functionaries, TNA is conducted through divisional brainstorming multi-stakeholder workshops conducted in all seven divisions in the State. This is a meticulously planned exercise in which discussions are held with ERs and officials of ZPs, block level ERs and officials, ERs and officials of select GPs as also with Gram Sabha Members of Select GPs. These brainstorming workshops are followed by an experience-sharing state level workshop at SIRD, to facilitate collection, collation and prioritization of emerging training needs in consultation with the TNA facilitator teams.

Second, Training Module and Materials are developed. For each training campaign, these are prepared afresh and comprise training module designs and training materials such as booklets, power point presentations and training films.

Third, Training of Trainers is undertaken. The training resource person pool comprises about 130 master trainers and divisional and district level trainers. Trainers are drawn from a diverse pool, including government departments and NGOs. Cascading training finally culminates in the organisation of block level training teams comprising 5 to 7 members per block, including officials, NGOs and ex-PRI representatives. It is ensured that at least two members in each team are women. This approach leads to a trained resource pool of 1400 to 1500 trainers in the State, equipped to deliver decentralized training to PRIs at assigned locations.

Abridged from material contributed by Dr. Anita, Professor, SIRD, Rajasthan & OIC (PRI Trg.&UN Projects)
Fourth, using these resources, training for PRI representatives is delivered in a campaign mode, in a time-bound period of 90 to 100 days. Elected representatives and officials are trained jointly for maximizing team-synergy. ZP chairpersons and vice-chairpersons and CEOs & ACEOs are trained at the SIRD, whereas Panchayat Samiti representatives and BDOs are trained at the divisional headquarters. At the block level, three types of trainings are held simultaneously in all blocks of the State; namely, for ERs and block level officials, Sarpanches and Gram Sevaks and for ward members of GPs in the block, at a cluster of 10 to 15 GPs per batch of ward members. Adherence to pre-planned common need-based training objectives, contents, methodologies and resorting to quality resource persons, along with common learning materials ensures that quality training is delivered in a fast track campaign mode across the State.

Finally, Training Impact Assessments (TIA) are conducted. The immediate impact of PRI training is gauged through reaction questionnaires through which participant feedback is obtained. The long-term training impact in terms of improved performance of functionaries is gauged through multi-stakeholder feedback workshops, as well as, field study with the help of NGO partners- after 6 to 8 months of completion of the last PRI training campaign. This on-going impact assessment of PRI training helps to institutionalize actual transfer of learning and moving from training objectives to outcomes.

Through this approach, followed since 2000 AD onwards- 10 mega training campaigns have been held for PRIs across the State, meeting with the expectation of NCBF to hold training for PRIs on an yearly basis. TNA has been done consistently preceding every basic and refresher training campaign. Need-based Training Modules and learning materials have been creatively published by SIRD, for each PRI Training Campaign. Fresh ToTs have been conducted before every training campaign, updating the pool of 1400-1500 trainers on the focus issues and methodologies of each campaign. Quality and outreach of training to PRIs has been ensured in terms of more than 80 to 90 per cent coverage (reaching from ZP to ward member level within 90 to 100 days each time). Institutionalized monitoring is done through a pool of State level observers deployed in each district for quality surveillance, at the time of GP level training- in each campaign. Apart from basic orientation campaigns held each time after fresh elections, within six months of elections (three rounds have been held since 2000), six refresher campaigns
have been held on issues of implementation of flagship programmes, RTI and Social Audit for accountable governance, Reserved Categories (SC, ST & Women), the role of PRIs in the 5 departments devolved in October 2010, the PESA Act, Rules & Powers of Gram Sabhas and on Gender Responsive Governance and Leadership Development among Women ERs. While all the training campaigns for PRIs have been joint endeavours- including both women and men ERs, two Refresher Campaigns have been held for Women ERs separately- in 2002 and in 2012-13. The recent one was with support of UN-Women and PMEYSA.

Innovative Training Materials have been developed and published with support of UN-Agencies, under UN-assisted projects of UNDP-CDLG, UN-Women, UNICEF & UNFPA- in the form of training booklets, training films and posters/ pamphlets. Rajasthan’s efforts for Capacity Building of PRIs have been cited in several compilations of good practices in training.143

Box 6Ab: The Gandhigram Rural University in Tamil Nadu; using radio to good effect to relay the message of Panchayati Raj

The Gandhi Gram Rural University has a Rajiv Gandhi Chair for Panchayati Raj studies. The University, in collaboration with the Hunger Project (THP) initiated a new programme — ‘Good governance through local governments’. The Hunger Project had already circulated Government Orders, guidelines, duties and responsibilities of elected representatives, District Planning Committees, etc. to the local bodies in 11 districts in Tamil Nadu. The Hunger Project has signed a Memorandum of Understanding with the AIR to broadcast a programme by the All India Radio with the aim to provide an information package to empower elected representatives and the general public on Panchayat Raj Acts. The Madurai AIR is the feeder station and the programme is being simultaneously relayed from Chennai, Tiruchi, Coimbatore and Tirunelveli stations and made available at

stations throughout Tamil Nadu. The programme covers a range of topics such as legal provisions of the Panchayat Act, local bodies in the world and in the country, position of local bodies in the State, experience sharing by panchayat leaders on struggles and success, and a question and answer session.

**Box 6Ac: The decentralised Training system in West Bengal**

West Bengal has developed a decentralized training system to ensure total coverage and tackle the increasing training needs of the Panchayats.

Permanent training centres for LG functionaries are being established in each district, training centre is linked to the State level training hub with satellite communication channel and there are dedicated faculty members. Each district has a small team of Resource Persons who have been well trained in training methodology and their services would be outsourced for trainings wherever needed.

One training hall has been established in each intermediate panchayat for organizing non-residential training for Panchayat Samiti/Gram Panchayat level functionaries. Each training hall of the Panchayat Samiti is connected with the State level teaching hub through satellite; two-way audio and one-way videos for providing training support from State level.

The State has started the process to set up a large room in each Grama Panchayat for orientation of common people who are engaged in various activities of panchayats including functions of the Gram Unnayan Samiti; Village Development Committee constituted in all constituencies of Gram Panchayat.

The Committee consider these innovations and good practices as merely illustrative of the enormous potential for innovation and dedication to quality that can be seen across government and NGO efforts to provide training. In fact, there may be equally effective, but less celebrated innovations that have not come to the notice of the Committee and hence have not been highlighted in this report. That leads to another priority that has not been sufficiently addressed; the need to have a systemic approach to the identification, documentation and dissemination of good practices in Panchayat governance. In that connection, the Committee wish to highlight an innovative approach that has been taken up in a neighbouring country, Bangladesh and which is
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spreading in India too, through the efforts of the Swiss Agency for Development and Cooperation. This is the Horizontal learning programme of the Water and Sanitation Project in Bangladesh, described more fully in Box 6Ad.

**Box 6Ad: The Horizontal Learning Programme in Bangladesh; a systematic approach to documenting, upscaling and mainstreaming local government good practices**

The HLP was initiated in November 2007 as a pilot by the Government of Bangladesh with support from WSP and in collaboration with a group of international development partners. It focused initially on the identification of good practices by the Union Parishads¹⁵³ (UPs) related to water and sanitation. The actual modality followed was for groups of UPs, to meet and discuss their experiences. Through a process of appreciative enquiry, the UPs were encouraged to discover their good practices and vote for the best amongst them. Such good practices shortlisted through a process of peer selection were documented through field visits to observe them, identify the mentor or leader who initiated the implementation of the good practice and to learn how they might be replicated in other communities. These good practices were then disseminated with support from the programme, with the innovators often functioning as roving ambassadors for the good practices they developed. For each good practice, a set of indicators was developed to verify its replication in other unions.

Replication was not funded by partners but UPs could do so by utilising their own resources. The programme fired a great interest and was continued from October 2008 to October 2011. Today the HLP is facilitated by the GoB with support from 27 DPs and focuses on a broader range of good practices of UPs related to good governance. The HLP has now expanded from 66 UPs in six upa-zilas (sub-districts) in November 2007 to 301 UPs in 31 upa zilas (in 24 districts) covering almost 8.2 million people (out of whom 2.6 million are hard-core poor).

Under the HLP, UPs propose good practices with their indicators, identify practices to learn and replicate, and allocate their own annual development budget for replication. As the process prioritizes the oversight of local government over

¹⁶⁸ Abridged from material provided by Mr. Santanu Lahiri, WSP, World Bank, Bangladesh.
¹⁶⁹ The grassroots level local government in Bangladesh, equivalent to India’ GPs.
local services, it has resulted in a considerable improvement in own source revenues for improving services. The HLP has demonstrated an ability to capture and replicate good practices (for example, in arsenic mitigation, 100 per cent sanitation, eco-friendly villages) that address the safety, reliability, affordability, and sustainability aspects of water supply and sanitation. In four years, the programme has resulted in the peer identification of more than 60 good practices by UPs, and these have been systematically upscaled through adoption by other UPs.

Given the HLP’s success of building local governance from the bottom up, Bangladesh is now scaling up the approach nation wide. In order to mainstream the process of horizontal learning into the formal training system of the government, the National Institute of Local Government, has established an Horizontal Learning Centre (HLC) to provide back-up support for peer-to-peer learning funded through the UPs’ own annual budget.

The scaling up of the HLP will seek to demonstrate a bottom-up approach that enables government programmes and policies to be reformed on the basis of replicated good practices at local levels. The aim is to ultimately develop Horizontal Learning into a systematic approach which enables the institutions of governance to be rebuilt and absorbed from the bottom-up.

The HLP is an exceptional program that seeks to drive policy reform on the basis of good practices identified and replicated by local government institutions. For instance, the lessons learned from the replication of the good practice of arsenic screening and switching enabled a national-level shift in perceptions. As a result, the existing Implementation Plan for Arsenic Mitigation (IPAM) has been modified. Similarly, the good practice of Union Development Coordination Committee Meetings (UDCCM) identified and replicated by UPs resulted in the issuing of a circular by the LGD.

Through the Swiss Agency for Development and Cooperation’s Local Government Network (Login) in South Asia, the learning of the HLP approach were shared with a group of NGOs in India. As a result, the Mahila Raj Satta Andolan and the Resource and Support Centre for Development have adopted the HLP strategy for women elected representatives to share their experiences, identify good practices and upscale them.
Under the SobatShikuAbhiyan (HLP in Marathi), from August 2012 onwards, more than 15 workshops have been held across the State of elected women representatives to identify and validate good practices (Box 6Ac).

**Box 6Ae: The good practices identified under the Sobat Shiku Abhiyan**

During these district workshops it was discovered that some good practices had already been replicated more than 50 times. These were termed as best practices. The ten most replicated best practices are

i. SavitriGatha – using the example of Savitribai Phule, the first woman teacher in Maharashtra who played a pivotal role in changing the face of women’s education

ii. Mahila Gram Sabha, organised one day before the formal gram sabha by the women of the village

iii. Yuvatisunvai; open hearing of the problems of adolescent girls

iv. Pre-assembly session workshop where current issues that ought to be placed in the legislative assembly when in session are discussed

v. Joint house ownership campaign to operationalize the government’s directive that all houses are to be in the joint ownership of husband and wife

vi. Flag hoisting by woman sarpanch, to combat prejudices in the raising of the flag on ceremonial occasions

vii. *Saksham me*, an inspiring series of news reports on the successes of women elected representatives published in the Loksatta newspaper

viii. *Sap shidi* – a governance game patterned on snakes and ladders, that makes it easy for women to understand simple dos and don’ts in government

ix. Gram Panchayat darshan; organised visits to the Gram Panchayat office for women, to rid them of the fear of visiting a government office
In addition, more than 30 good practices have been finally selected by the EWRs and detailed fact sheets have been prepared for these, for dissemination and upscaling. These are

i. SashanYantranaDarshan (Government institutional orientation visit)

ii. Self-help group federations

iii. Women’s health anti-anaemia campaign

iv. Foodgrain bank scheme

v. SwabhimaniYojana

vi. Grazing land conversion for employment for Dalits,

vii. BPL cards for single women

viii. Village information centre

ix. Seed banks

x. Independent ration shop for 23 families

xi. Smoke free village

xii. All women gram panchayat

xiii. Women’s employment

xiv. Ideal school and ideal village

xv. Women’s participation in Yatra (village fair) committee

xvi. Welcoming birth of a girl child

xvii. SakharSala (school for sugarcane cutters’ children)
6.6 Recommendations

6.6.1 Needless to say, the capacity building of Elected Representatives, officials and other stakeholders of LGs is a formidable task. Capacity Building is not merely training. CB interventions mean a combination of several activities like networking, handholding, creation of support systems and providing infrastructure facilities, staff and funds besides imparting quality training. Training itself cannot be considered as a single one-time intervention, but as a continuous ongoing process for empowering Local Government functionaries to perform their functions. The functionaries who are exposed to the challenges of local governance for the first time in their career need not have the knowledge and skills to perform their duties. So the prime purpose of CB is to impart the necessary knowledge of local governance. Then their skills to perform their duties effectively using the knowledge have to be developed. Yet, in many States and UTs CB efforts continue to be intermittent and discontinuous with one-off training programmes consisting of routine lectures by inadequately equipped Resource Persons (RPs). There is a dire need to improve CB interventions to suit the evolving state of LGs in India drawing lessons from the experience of the last six years in implementing the NCBF. As suggested in a recent publication,

‘The answer lies in changing the whole paradigm of local government capability, from a low-value, supply-driven one to an effective, adaptive and demand-driven knowledge support mode. Only then can we rapidly reach
out to large numbers of elected representatives, who need information and guidance, by using a carefully designed basket of technologies aimed at user-friendliness and easy recognition and retention... ‘Modules have to be prepared for LG representatives that encourage and enable them to learn just about everything they need on their own. Packaging such learning in the style that is most sensitive and responsive to their needs is what is sorely needed, not expensive, cascading lecture sessions.’

In the words of Arghyam,

“ERs add unique value especially in the context of a GP, where understanding citizen needs and rallying them around key decisions is essential for effective service delivery and good governance. In comparison to an outside government staff, an ER who is a local resident is better placed to assume functional responsibilities. There is a need to create enabling conditions for ERs to assume more responsibilities, tapping the potential of approximately 2.8 million ERs across the country.”

6.6.2 Following the analysis of the implementation of the NCBF, the Committee are of the view that while the NCBF needs to be updated, its core precepts, particularly the idea of setting baseline standards for training is still relevant. The Committee fail to see how a document that has been approved through consensus following discussions with States is not capable of being implemented. Dilution of the standards in the name of giving States greater flexibility in designing programmes should be approached with caution. It must be noted that States are getting away with doing what they are comfortable with doing, in the realm of training. Perspective plans that have been submitted by States to the centre to draw funds from the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan need to be adhered to – after all, these are the plans prepared by the States themselves. The tendency of States to divert moneys to purposes not committed to in its own perspective plans should be curbed. The Committee believe that independent evaluation of State implementation of their perspective plan on training will be necessary to ensure that standards committed to are not diluted later on. In the current financial year, 2013-14, MoPR, GoI has selected the three SIRDs of Rajasthan, Karnataka and Assam for acting as regional convenors, to hold consultative workshops for coming up with a revised NCBF-for 12th Plan.

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Period, for improving quality and outreach of PRI-CB&T. Rajasthan has been made regional convenor of 13 Northern and Central Indian States. The Committee believe that its views should be placed before these deliberations for due consideration at the discussions. In this connection, particular caution should be exercised to ensure the following:

a. The training needs, target groups, areas/subjects to be covered, institutional structure and availability of RPs vary from one State to another. Each State needs to evolve a Training Policy in conformity with the standards laid down in the NCBF. Each State must be given the freedom to evolve its own policy and strategies to achieve the objectives of NCBF. The State could network and coordinate the activities of all PR training institutions such as the State Institute of Rural Development (SIRD), Extension Training Centres (ETC) and PRTIs at district and regional level to implement the State training policy in a time-bound and effective manner. However, for ease of planning and securing funding from the Centre, it is suggested that one institution should be selected as the nodal agency in each State to lead and coordinate the combined training effort.

b. While States do have the flexibility for modifying the duration of training programmes and sessions, clubbing of programmes should be discouraged. Overloading content into short training programmes in order to show progress in training is a waste of time, money and effort. Similarly, it is necessary that training classes are not crowded. The Committee note with apprehension the tendency of States to conduct one-day lecture sessions for large groups of Panchayat representatives and claim that training has been done. One-day orientations in crowded classrooms serve no purpose and only enable a progress report on training to be tick marked, with no thought given to the quality of the learning experience.

c. The design of content as indicated in the NCBF need not be taken literally, if there are genuine problems in the roll out of training programmes. Without diluting the standards of the number of trainees per classroom and the availability of training personnel, one option could be to conduct the training of ERs and LG functionaries in three phases. Phase one could cover foundation course on Local Governance, the roles and responsibilities of various functionaries and if necessary functional literacy course. The second phase could cover participatory planning, CSS, SSS and other development schemes, local development and service delivery. The third phase could focus on improving skills in management,
leadership and computer that would enable them to perform their functions effectively to bring about good governance and improve service delivery.


d. A key issue that has been neglected in the implementation of the NCBF has been that of training and orientation of resource persons. When we consider the training needs of Panchayat representatives who come from diverse economic and social backgrounds, the attitude and commitment of the resource person becomes a critical factor in ensuring that the learning experience is meaningful. No matter what the expertise of the resource person might be, all is lost if he is unable to mix with the members, ensure full participation of the most reticent and ensure that nobody is mocked or ignored in a classroom. Resource persons will need to have enormous reserve of patience and fortitude and the ability to endure harsh environments in which learning has to take place. Besides calculating the number of resource persons required, the NCBF also prescribed a rigorous orientation programme for resource persons (Box 6Af). It is suggested that this rigour should not be diluted, lest the quality of the training programmes is detrimentally affected due to lack of committed resource persons, whatever their technical skill levels might be.  

Box 6Af: Selection of Resource Persons under the NCBF

Selection of Resource Persons

Effective implementation of the Framework is critically dependent on the quality of Resource Persons at each level. Care will need to be taken to specially identify people with the right mind-set, commitment and drive as resource persons. These could be drawn from Panchayat members themselves (or ex-members), NGOs, or could be government servants, both serving or retired. The process of selection has three phases as follows:

(a) a preliminary screening before selection for the orientation course,


\[171\] Unfortunately, the CGG review of the NCBF does not examine the issue of whether resource persons were selected and trained through the three step process envisaged in the NCBF.

\[172\] This rigorous process was inspired by the process followed under the IKP programme in Andhra Pradesh for the selection and training of resource persons for a successfully implemented anti-poverty programme.
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(b) a rigorous orientation course,
(c) a post-orientation evaluation

The details of each step are elaborated below:

Preliminary screening of candidates before selection for the orientation course

Criteria for preliminary identification and screening are as follows:

(d) Commitment to values of gender and caste equity and secularism and lack of prejudices based on caste, gender or religion,
(e) Experience in Panchayati Raj system may be desirable, but not compulsory,
(f) Ability to sympathetically communicate, particularly to draw out the withdrawn,
(g) Ability for multitasking, as Resource Persons will need to be equally at home in face to face trainings, satellite training, operating help-lines and providing online assistance at the field level for Panchayat representatives.

The Induction Course

The induction training programmes for selection of master trainers would be a rigorous and well-documented process, concentrating on sensitization of all Master Trainers to the special needs and concerns of Panchayati Raj. This will be a two month long course, aimed at testing various skills of participants particularly that of empathizing with the poor and ability to persevere in adverse conditions. It will include a village immersion stage. The induction course will also equip Master trainers with a thorough knowledge of the entire gamut of the management of training processes, including funding and logistics.

Final Screening

The induction course would be followed by a final screening that tests knowledge, commitment and mentoring skills.
6.6.3 Following these overarching recommendations, the Committee make the following specific recommendations with respect to supply-driven training efforts:

**Training Need Assessment**

- TNA has to be done every five years to update information and modify training to suit changing needs.
- While preparing budgets and plans for training programmes, provision may be made for TNA.
- GoI have to provide technical assistance to conduct TNA. The MoPR also can take up the responsibility of developing a toolkit for TNAs. National training institutes such as NIRD and IRMA may constitute a pool of accredited TNA experts whose services can be lent to the States on demand.
- While assessing training needs the diverse capability of functionaries in terms of their educational background and experience in serving local government or public institutions should be taken care of.
- The large number of women, Scheduled Caste and Scheduled Tribe elected representatives may require special training or handholding in order to familiarise them on office administration and organization structure, procedures, personnel handling key sectors, finances etc. Subsequently, they may join the regular training programmes so that they can complete training in a phased manner. This aspect has to be given special attention while preparing the TNA.
- The bureaucracy often stands in the way of decentralization of power. Even when the State government make earnest attempts to devolve more power to LGs there is strong resistance from the bureaucracy that defeats the purpose of devolution. Therefore, the middle and higher level officers of departments that deal with key devolved subjects should also be trained to change their mindset and cultivate a Panchayat-friendly attitude. In this respect, the training of IAS officers must devote sufficient time to building a deep and unbiased knowledge about the concept of decentralisation and local democracy.
Training Design

- Modules will need to be meticulously designed, each module must state out the training methodology and the results expected following the training in terms of what precisely will be the capability gained by the trainee. Such pre-designed training modules are to be provided to the RPs, so that there is a uniform adherence to quality.

- Each module will need to be prepared in a standard format showing the content, duration, methodology, the equipment required and the learning outcome expected.

- The Handbook on Design of Training published by the Department of Personnel and Training, Gol may be used as a guide to design training.

- States that have already designed training for induction of ERs and officials may be encouraged to design advanced trainings in good governance, leadership skills, management skills etc.

- Quality training designs and modules developed by National and State institutions may be translated to other languages for the benefit of the whole country.

- A cross-cutting aspect that is included in the training component of all CSSs, SSSs and other development schemes is social audit, which most often is not given due importance in training programmes. The State training policy should have mandatory provision for imparting training on social audit.

- Institutional issues related to the functioning of local government, rule of law, objectivity in governance and accountability of functionaries towards providing services to citizens are other important areas to be covered in training.

- Modules on gender, child development, development of Scheduled Caste and Scheduled Tribe, the disabled, the aged and on themes like sustainable development, good governance, environment, waste management and development planning must be included.
Training Methodology

- Many PR training institutions still follow the traditional style of long monotonous lectures by RPs who are not familiar with modern participatory training methods. Other training methods such as group discussions, role-play, brainstorming, experience sharing, case study, games and film based discussions could be adopted to make training more interesting and participatory.

- Many training institutions do not have the capacity to develop case studies to be used as training tools. GoI should provide assistance for developing case studies that may be used as training material across the country.

- Distance learning combined with face to face approaches is the only way by which a widespread learning experience can be created for the large numbers of elected representatives and officials. There are several examples of distance learning methodologies adopted in States, which can be of help in designing similar approaches in other States that have not adopted this mode of learning.

Resource Persons

- Different models of estimating and deploying resource persons can be adopted in different States. However, in doing so, the template provided in the NCBF needs to be adopted, to ensure that adequate numbers of resource persons are deployed in each training session. Providing a good learning experience for elected representatives is a stressful task and can drain the energies of resource persons. It is necessary that adequate numbers of individuals are held in reserve, to ensure that resource persons are fresh and not under stress while engaging with learners. The NCBF calculation methodology provides this latitude and needs to be followed.

173 KILA has already created teams of RPs called Extension Faculty, ranging from 20 to 30 persons in all 14 districts.
• Following the three step screening process suggested in the NCBF for the selection of RPs, there is a need for certification of the selected trainers. Reputed learning and development institutions may be assigned the task of selecting and certifying the trainers.

• A system may be devised for exchange of faculty among training institutes across the country so that good practices in training may have greater reach.

• The Faculty of SIRD, ETC and State PR Training Institutes needs strengthening. While appointing new faculty at least 50 per cent of them must be experts in different aspects of local governance.

• SIRDs should be converted into prestigious institutes and department officials may be incentivized to join them.

• Presently, while MoPR, GoI gives funds for PRI-CB&T, it does not support any faculty or staff positions in SIRDs, even though the major work of SIRDs is PRI Training and Capacity Building. Even the minimal support of three TSOs/National UN Volunteers provided under UNDP-CDLG Project in six States for about three years, has ended with the closure of the project. At least five additional posts of faculty may be created in the State level LG training institutes.

• Guest faculty from other institutions who can introduce best training practices of the academic and corporate world may also be inducted in the training system.

• The very concept of trainer and trainee has to be dispensed with because it arises from the notion that a trainer is an expert who knows everything and the trainee is an ignoramus who needs to be taught everything. A participatory training method is more conducive to adult learning as it takes into account the realistic situation in a class room where the trainer only facilitates the learning process in which the trainee participates. Therefore, the two training terms trainer and trainee needs to be substituted by facilitator and participant, respectively.
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Training Implementation

- With the increase in the number of trainings and the size of target groups, alternatives to the existing training structure have become a necessity for timely implementation of training. This is a huge challenge.

- A two-pronged approach is necessary to meet the challenge. One is to strengthen existing training institutes and the other is to establish permanent decentralized training centres. Until such permanent centres are established—training centres may be set up on an adhoc basis utilizing the infrastructure facilities and management support of public or private institutions and organizations at regional, district or LG level. Kerala, West Bengal, Rajasthan and a few other States have created models of decentralized training system which can be adapted by others.

- At present two methods of training are practised; face to face training and distance mode of training. Face to face training requires huge investment, longer time and decentralized infrastructure facilities. A few States have developed satellite based training centres by connecting the teaching end located at the State headquarters/SIRD with classrooms located at other centres. The States may develop their own distance mode of training utilizing the possibilities of modern ICT applications.

- There is a need to revamp CB&T institutions under the RGPSA. In order to strengthen the reach of SIRDs, a Joint Consultation of MoRD, MoPR, NIRD and SIRDs, may be held to arrive at a consensus for revamping of NIRD and SIRDs.

- Creating a decentralised institutional system for continuous CB&T of PRIs and providing handholding support, is a long felt need. District and block level PRI Training and Capacity Building Centres need to be established on the same pattern as DIETs for teachers’ training\textsuperscript{174}. An appropriate mechanism has to be put in place to ensure that the recruitment of faculty in these institutions, is merit and competency-based.

\textsuperscript{174} This need has been emphasized in the NCBF. The BRGF programme enables States to create block level resource centres, which were to perform the function of becoming centres for CB&T at the block level. In many States, infrastructure was created, but no faculty was positioned. Sadly, many of these resource centres are non-functional and amount to another building that is in the control of the BDO.
**Training Impact Assessment**

- Assessing the impact of training on the participants is an important component without which the training cycle remains incomplete. If assessment of impact is done using appropriate tools it will provide valuable inputs in modifying and improving the training structure to meet changing training needs.

- Most training institutions either totally ignore TIA or do it in a peremptory manner. The LG training institutions have to be encouraged to conduct impact assessment as a mandatory component of training programmes.

- The MoPR has to take the initiative to prepare a TIA Toolkit to assist training institutions to take up the responsibility. The Karnataka example of a learning perception report is a pointer in this regard.

**Training Repository**

- The MoPR has launched a web portal, namely, “Training Repository for Panchayati Raj”. This is an online resource centre to facilitate sharing and use of information and resources developed by various government and non-government agencies to help build capacities of LG functionaries.

- The repository can be made more useful by providing translations in Hindi and English of the training manuals, handbooks, modules and other materials developed by pioneering National and State training institutions.

6.6.4 **Crafting a truly demand driven paradigm for learning**

The experience with supply driven training delivered in the traditional manner has not been successful, except in very few instances. The shortcomings that hamper supply-driven efforts are that there is typically a shortage of good resource persons. Cascading training – where training is imparted to a few master trainers and they in turn train field trainers, is expensive to run, logistically complex to manage and ineffective too.
Satellite based training also does not yield consistent results; the studios take too long to build, equipment is often not durable, and appropriate content for distance learning is not developed. This would necessitate transforming the learning experience into a demand driven knowledge support system, which is sensitive and responsive to the learner’s needs. This will require transforming the content also to a demand driven mode. (Box 6Ag).

**Box 6Ag: A five-pronged approach to designing demand-driven content for LG representatives**

(a) **Exhortation:** Elected representatives need to know how to avoid being short-changed, particularly by the higher levels of government. For example, LG representatives’ will need to better understand of how funds that are to come to them are delayed and diverted and how they are often made scapegoats for the failures of officials. They will need advice how to negotiate with those who often keep them in the dark about guidelines and rulings that are in their favour.

(b) **Topical Advice:** Such topical advice would cover aspects such as how does one plan, how does one use the Right to Information Law, become more accountable and transparent and control corruption, how does one bring errant officials to heel and how does one handle the details of implementation.

(c) **Finding and outsourcing skills for LGs:** The third strategy is to link people with skills who are willing to help, with LGs who need their skills. Do they want an NGO to help them in participative planning? Do they want an engineer to design a foot bridge? A demand driven system will help them to find these competencies. A market place for skills an information and skill exchange platform, could be set up.

(d) **Promoting self-learning:** This means the developing and provision of modules for self-learning for LG elected representatives on just about everything they need, packaging such learning in the style that is most sensitive and responsive to their needs.

There could be a whole host of other services too; which would evolve as the idea progresses. The basic approach is to be flexible and adapt quickly to market demands. Galloping connectivity and cheaper mobile phones will create the infrastructure backbone for the success of this social networking approach to knowledge support. 

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175 Government of India has approved on 25-10-2011 the setting up of National Optical Fibre Network (NOFN) to provide connectivity to all the 2,50,000 Gram Panchayats(GPs) in the country. This would ensure broadband connectivity with adequate bandwidth. This is to be achieved utilizing the existing optical fibre and extending it to the Gram Panchayats.
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Other interventions that could be dovetailed into the demand-driven approach are as follows:

**Publications**

Newsletters, Frequently Asked Questions, and other publications not only help create awareness in the public but also help the trained LG functionaries to consolidate and sustain the knowledge and skill acquired through training.

**Helplines**

Help lines have become operational in many States. Trainings motivate LG functionaries to perform well, but without proper handholding they may flounder. Helplines can continuously guide them in their work. RPs should be given special training to run the helpline centres.

MoPR may extend financial and technical support to States to setup Helplines at district or sub-district levels.

**Documentation and Dissemination of Best Practices**

Some LGs have created replicable models of outstanding performance in local development and service delivery. The best practices of such beacon LGs may be documented for dissemination all over the country. The HLP approach in Bangladesh has shown impressive results in the regard. Piloting the HLP approach in India could be supported under the RGPSA.

**Exposure Visits**

Motivating LG functionaries may be effectively done by exposing them to good practices inside and outside their States. When the functionaries of non-performing Panchayats get occasion to see the good works done by others, it generates enthusiasm and the belief that what they see can be replicated. This may motivate them to act on similar lines.

The Committee believe that a demand-driven system of knowledge support cannot be designed and deployed effectively by traditional training institutions, which are steeped in the practice of delivering cascading training. The only way to do this is to nurture networks of Panchayat representatives. The overarching vision is to host a huge body of user generated content and put LG champions across the country in touch with each other. For example, a whole army of Panchayat
representatives could themselves document each other’s work. In this regard, innovative approaches such as the Green Kerala express and the horizontal learning programme need to be embraced and piloted in the first instance across other States.

Initially, NGOs might be better placed to drive the demand driven paradigm of knowledge support and exchange. However, there is a need to go beyond the NGO approach, to pilot capacity development by elected representative associations. This is an idea on which one must stay the course, not abandon it as not being feasible. Policy advocacy and building pressure on State and Central Governments for purposeful devolution of powers and 3 Fs can be effectively carried out by a network of Local Government Associations. There can be separate associations for the three tier Panchayats and Urban Local Bodies which can be federated at the district, State and National level. An example is that of Kerala where panchayats at each tier have their own associations and Urban Local Bodies have their associations too. They function as agencies to promote decentralization by representing in state and national level consultations, lobbying with committees and commissions at state and national level. The LG Association can play an important role in designing and implementing trainings for LG functionaries. However, it may be noted that state sponsored association formation might rob the association of its independence. On the other hand, having a multiplicity of associations and splinter groups is a real risk that might cloud the approach initially. Therefore, even as piloting the demand driven approach through Panchayat associations is started, in the first instance, Panchayat representatives need to be represented on the boards of SIRDs, so that they have a greater say in the design and deployment of training programmes.

In this direction, the Committee recommend that at least 1 per cent of funds under all development schemes implemented by panchayats be ear-marked for use for CB&T initiatives, to be taken by the panchayats themselves. These funds would spur the paradigm shift to a demand-driven approach. Panchayats and their associations could use these funds for organizing refresher training on locally felt needs, undertaking exposure visits within and outside the State for peer-learning, 176

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176 With rapidly rising connectivity, it is not beyond the realm of possibility that a directory of best practices emerges from the Panchayats themselves, hosted on the internet, with different knowledge products such as videos, photos, animations and presentations that can be downloaded by those who need these.

177 This recommendation may be considered in conjunction with the recommendation made by the Committee in Paragraph 1.88, to provide Panchayats with a service or implementation fee, to cover overhead costs.
undertaking action-research for preparing village baseline data on HDI- parameters, organizing extension lectures for updating their knowledge on topical concerns etc. Panchayats could themselves plan their capacity building interventions, if empowered with a CB&T corpus fund, by drawing on technical experts through hiring or outsourcing such assignments to professional experts.

6.6.5 Increasing awareness of Panchayati Raj amongst a larger universe of stakeholders

**Handholding and Support-Gram Sabha Campaign**

- Gram Sabha, the forum of direct democracy is the foundation on which the whole edifice of local governance is built. Every State will need to evolve strategies for massive campaigns to make the Gram Sabha vibrant. Physical presence of voters in the GS will not serve the purpose of participation. Gram Sabhas can develop into institutions of direct democracy only if there is informed participation of members who can participate in the decision making process. Therefore, it would be necessary to enable interested members of the Gram Sabha to gain greater knowledge on Panchayati raj. The focus of such awareness building efforts would be on the powers, functions and responsibilities of GS. In States, for example, Kerala where there are many micro level organizations, Institution Management committees, Working Groups and CBOs who have a critical role in the formulation and implementation of a local development plan, this awareness building will need to also crystallise into a formal system of training for such groups.

- Youth and children do not get any exposure to the new decentralized governance system during their education. For this reason, their participation in community and Panchayat activity is not appreciable. This critical gap can be filled only if they are sensitized on the importance of decentralized governance and the role of citizens. Including the third tier of government in the curriculum and special sensitization
programmes for youth and students could be devised to address the issue.\footnote{The Ministry of Youth Affairs and Sports has identified Rajiv Gandhi National Institute of Youth Development (RGNIYD), Srirerumbudur, Tamil Nadu that has Panchayati Raj Institutions and Youth Affairs (PRIYA) division which sensitize youth to the concept, power, functions, role and responsibilities of PRIs.}

- A Citizen Education Programme is essential to enable the citizens to play their role in local governance. Good governance for effective service delivery is possible only through watchful and constructive engagement of citizens. Their level of knowledge about Panchayats and their own responsibilities in improving the delivery of services need to be improved through citizen education programme.

- Media persons, political party leaders, MLAs and the judiciary have a key role in promoting decentralized governance. Therefore, suitable awareness creation interventions have to be devised for them.

**Media Support**

- Media support is a decisive factor in promoting local governance. Media persons play a crucial role in shaping the attitude of people to LGs. They can act as agents of policy advocacy and help build pressure on State Governments for meaningful devolution of more powers and functions to LGs. Conferences, workshops and trainings may be conducted from time to time to enlist their support to decentralized governance and to enable them to report LG related news with greater insight and clarity.

- Broadcasting programmes on T.V. and radio would widen the outreach of LG focused programmes and create awareness about the role of public in participatory governance.

- Community radio remains an unexplored possibility in promoting PR. Some institutes and organizations have made fruitful experimentations in this area. The Radio School on Panchayats aired by All India Radio, Kannur, Kerala has raised the awareness level of students about local governance. Such experiences may be replicated by others.
6.6.6 Supporting research in Panchayati Raj

- More than two decades after the establishment of constitutionally mandated Panchayats, their performance remains to be properly evaluated. The time has come to have an objective evaluation of the performance of PRIs that would give guidance to the way forward.

- Training Institutions and Organizations have to constitute a division to conduct research, action research, policy research and evaluation research to generate knowledge and information necessary for systemic corrections.

- Some of the specific measures suggested in this regard are as follows:

- Support has to be provided to universities to encourage more PhD scholars to work on issues of Panchayati Raj. The MoPR, for a start, could support at least 25 PhD scholars every year, through a special dispensation under the RGPSA.\textsuperscript{179}

- It is suggested that three national fellowships be provided in the NIRD, to strengthen its capability to undertake Panchayat related studies.

- Research on decentralisation by NGOs and independent think tanks could be supported, subject to the laying down of strict, objective criteria for assessing the effective research capacity of the NGO/think tanks concerned, through regular, independent assessment of the utility of the research undertaken.

- Financial support to link researchers with PR representatives to write up experiences as scholastic studies.

- For this purpose, the MoPR could introduce a ‘Young Interns Scheme’ under RGPSA, whereby young and competent professionals may be attracted (through suitable incentives), to assist and empower panchayats in multifarious ways. Promoting internship of management, engineering, medico, social-work, lawyers, economists, social scientists inducted from IIMs, IITs, Medical Colleges, Schools of Social Work, Law Schools, Scholars of Economics and Social Sciences etc. with panchayats

\textsuperscript{179} In this regard, IGNOU organizes a Certificate Programme in Panchayat Level Development and Administration.
Towards Holistic Panchayat Raj

will on the one hand give them a grounding in governance challenges of the country and on the other will enable Panchayats to benefit from the skills that these professionals bring with them.

- MoPR should encourage these interventions by providing financial and technical support. A Research Guidance Unit may be set up at national level to promote and guide the research initiatives both by organizations and individuals.

- The knowledge and reliable information created by such interventions may provide valuable inputs in developing the future roadmap for the LGs.

6.6.7 Building organisational strengths of Panchayats

Having dealt with the issue of training and capacity building of individual stakeholders in Panchayati Raj, the Committee now focus on the issue of building institutional capacities in terms of infrastructure, staff and organisational processes. The issue of provision of adequate staff has been covered in Chapter IV and does not bear repetition here. However, the Arghyam study shows that in the absence of a capable organisation and strong procedures, GPs are not able to effectively leverage investments made in them. Some of the key findings of the Arghyam study are as follows:

- Parallel sub-committees such as SDMC, VWSCs undermine the identity and ownership of the GP body to their functions

- Within the GP, there is no ownership for service delivery, as there is lack of single point accountability. At best, there is ownership for a ward, not for the GP as a whole

- Lack of resources, as the lone Secretary and/or PDO (only in Karnataka) may be stretched beyond his capacity to deliver the large magnitude of functions

- Institutional knowledge is not transferred from one term to another, as operational processes are not defined and documented

- Access of GPs to line departments, the technical agencies for service delivery, is cumbersome.
Administration process is opaque as access to information and therefore decisions are made by the government officials and couple of powerful ERs

There is no oversight mechanism for institutional governance within a GP

There are no measures of performance for delivery of different GP functions

The Committee wish to paraphrase and endorse the recommendations that follow from the Arghyam study. Implementation of these recommendations will go a long way in strengthening the capability of Panchayats as institutions. There is need for creating a strong enabling external environment for Panchayats to function as effective organisations. These include creating incentives for ERs to assume more responsibilities, formalising expectations between line departments and Panchayats through tools such as service contracts, recognising need for funds for administration and management in the GP and exploring the introduction of ‘agency fee’. The specific recommendations in this regard are as follows:

Efforts towards capability building of GPs need to focus on the GP organisation as a whole, and not on standalone components. Successful change occurs when all components of an organisation are aligned, i.e. the vision, skills, incentives, resources, action plan and results. Ignoring any one element will adversely affect the organisation strengthening process.

Panchayats needs appropriate organisation structure and role clarity among ERs, government officials and GP staff, to enable it to acquire the required skills to deliver its mandate and vision.

Distributed leadership through strengthening the standing committees and collegiate functioning should be grounded to bring in more elected representatives formally into the roles of decision making.

Elected representatives should be considered the preferred resource for enhancing the capability of the Panchayat, for the unique value additions they bring.
Towards Holistic Panchayat Raj

- Multiple oversight mechanisms, such as metrics for measuring service delivery ought to be used by GPs and line departments concerned. For this purpose, Standing Committees of Panchayats need to be strengthened.

- There is a need to create incentives for ERs to assume more responsibilities. Most members incur expenses on a day to day basis on telephone, hosting meetings, travel etc. They are also often forced to spend money from their pockets to address citizen complaints on issues such as fused bulbs, water pump repair etc. Moreover, if members have to perform their responsibilities effectively, they need to spend between 5-10 days a month on GP works. While well to-do members may be able to afford this investment of time, effort and opportunity cost, the poorer members will refrain from engaging in GP activities due to lack of monetary compensation. In a worse scenario, members could resort to corrupt practices to make up for time and money spent, a phenomenon often referred to as ‘need based corruption’. There is a need to provide compensation to members commensurate to work done, which may also contribute significantly to reducing ‘need based corruption’ at the GP level. The means and source of funds need to be explored further.

- There is a need to formalise the expectations between line departments and GP through tools such as service contracts, to ensure better implementation of entrusted schemes. A mechanism needs to be in place that enables Panchayats and line departments to clearly state mutual expectations as well as the people and financial resources each agency is to bring. This could be done in the form of a Service MoU, which upfront states the service delivery goal at the GP, as well as performance metrics to track status at periodic intervals. To achieve the goal, roles and responsibilities of GP and line department needs to be clearly stated, along with financial contribution and people resources expected from each of the two agencies.

- GPs need funds to create and maintain assets, compensate staff, for overhead expenses such as travel etc., if it is to be engaged in delivery of programs. We recommend ‘service fee’ or ‘implementation fee’,
which can be linked to services to be delivered by the GPs. One option which can be explored is to provide a service or implementation fee as a percentage of programme funds (1-3 per cent, as in case of Maharashtra’s allocations to ZPs for program-delivery). Such a fee can be linked to the Service MoU, to address issues of misuse of funds related to providing untied funds to the Panchayats.
CHAPTER VII

WOMEN IN PANCHAYAT RAJ INSTITUTIONS

THE CONTEXT AND BACKGROUND

7.1 The revival of Panchayat Raj through the 73rd Amendment was an exercise in democratic decentralisation in the face of uneven progress in organising and functioning of Panchayats in India. The move deepened democracy by bringing elected government structures of village to intermediate and district levels through the mandate in the Constitution, whereas the elected legislatures are only at the national and state levels in the Constitution. It has also added 2.38 million elected representatives to 2,46,690 Panchayats. These included 1.26 million women, who constituted 44.52 per cent of the total number of elected representatives.¹⁸⁰

7.2 The reservations for women were its most important and historic provisions. With these new reservations, women were the major group of first time entrants to the revived, grassroots level self-governing political institutions. As the Prime Minister said on 22 November, 2006 at the Conference of State Panchayats, “I think it would be fair to say that there are now more women in India in positions of elective authority than in the rest of the world put together”. He again reflected with pride in Indian women at the National Convention of Chairpersons of District and Intermediate Panchayats on 24th April 2008 when he said (in Hindi), “Our great success in this field has been the number of women representatives that outnumber the sum total of elected representatives all over the world. Political and Social Empowerment of Indian Women is the greatest success of Panchayati Raj. It is unique in the world history and in modern era”.

7.3 Rajiv Gandhi while speaking on 15th May 1989 to explain the rationale for the mandate in having Panchayats under the Constitution, also mentioned the rationale for “securing reservations for women so as to fully involve them in the management of Community Affairs”. They were to be the agents and actors for the responsive

¹⁸⁰ Devolution to Panchayats in India, IIPA 2011.
¹⁸¹ Speech of Rajiv Gandhi in Lok Sabha on 15th May, 1989.
administration he was looking for. He explained it in his speech and gave three major reasons for reservation of 30 per cent seats for women. “We propose the reservation in Panchayats at all levels of 30 per cent of the seats for women. There are three major reasons for which we believe this Constitutional innovation to be necessary. First, women constitute half the population and are involved in rather more than half the economic life of rural India...Second, the sound finance of the household has traditionally been the responsibility of the women. Financial discipline and fiscal responsibility are ingrained in the habits and outlook of the women of rural India...Third, it is the women of India, in their role as grandmothers and mothers, who have been the repository of the India’s ancient culture and traditions...it is that strength of moral character which women will bring to the Panchayats.” There was no proposal in this bill for reservation in chairperson’s positions or minimum one-third reservations which was finally included in the 73rd Amendment but it was a bold move for Indian women.

7.4 The reservations were thus given to women to bring their presence in the Panchayats to contribute to good financial management and honest, corruption-free services. It had an instrumentalist approach as is usual justification, for example, for women’s education leading to better educated children, better family welfare, etc. But, as women’s experience and performance have shown, these reservations for women, in fact, had greater potential to affect not only the character of rural governance but also the role and place of women in public life with ultimate impact on the household.

7.5 The 73rd Amendment was very clearly conceived in the quest for responsive administration with the workshops of District Magistrates organised at different places in the country, as a central initiative which Prime Minister Rajiv Gandhi not only addressed but to which he and his team of advisors devoted considerable time. His speech in Rajya Sabha in October 1989, when it was almost certain that the 64th and 65th Amendment Bills which later changed to 73rd and 74th Amendments for rural and urban local bodies, respectively would not go through with requisite majority, brought out this background very clearly when he said:

“There, in their hearths and homes, I experienced the cruelty of an unresponsive administration; I then looked at the administrators themselves; we discovered that a managerial solution would not do. What was needed was a systemic solution. These Bills constitute the most significant systemic transformation in the governance of the Indian polity since the Constitution entered into force - not only instruments for bringing democracy and
devolution for every chaupal and every chabutra, to every angan and every dalan. They are also a charter for ending bureaucratic oppression, technocratic tyranny, gross inefficiency, bribery, nepotism, corruption, and the million other malfeasances that affect the poor of our villages, towns and cities.”

7.6 While expressing his belief that representativeness plus responsibility is equal to responsiveness, Rajiv Gandhi also included the representation of all sections and particularly those who were politically marginalized so far in terms of their numbers, voice and participation in the political and decision making forums. But these sections differed from each other in the nature and extent of their marginalization. While the SC/ST already had reservations for them in the National and State legislatures, enshrined in the Constitution in 1950 itself, as also in public services, their numbers and even legal safeguards had not yet given them the desired extent of voice and power. For OBC, the new Amendment had no such mandate and only included an enabling clause for any State legislature that may like to introduce them. Women, on the other hand, had equality and non-discrimination guaranteed to them by the Constitution in all fields but no reservations. They were free to use the equal opportunity but the experience of more than three decades had shown that they had not been able to use these equal opportunities. The social, institutional and personal barriers were too strong.

7.7 The report of the committee on the Status of Women in India (CSWI) 1974 brought this out very clearly as also the gender gap in social, economic and political fields. Their representation in the national Parliament and State Assemblies did not even cross 10 per cent though they constituted half the population and also shouldered equal burden in the economic activities. This was also despite the fact that they had participated in the national freedom struggle in large numbers. But ‘it was easier to get arrested for supporting democracy than it is to get elected to the democratic institutions that Indian nationalists were fighting to obtain’.183

7.8 The nature of reservations for women and other associated features are also different from reservations for other population groups. The reservations for SC/ST introduced in 1950 were meant to be short-term measures for 10-years with the

182 Rajiv Gandhi on 64th and 65th Amendment bills in 1989.

183 Chowdhary, N, Barbara Nelson, J. Barbara, Kathryn A, Carver, Nancy J. Johnson and Paula LO, Loughlan 1997, Redefining Politics, Patterns of Women’s Political Engagement from a Global Perspective, in Barbare Nelson and Najma Chowdhary (eds.) Women and Politics Worldwide Delhi, OUP.
expectation that these will not be needed after 10-years. Hence, these had to be continued by a further 10-year period every time by a new Amendment to Article 334. The reservations for women have no such time period. Further, these also take note of the fact that woman is not one category. So, while the reservations now included in Panchayats have to be not only ‘not less than one-third’ in total number of seats/posts of chairpersons, these have also to be ‘not less than one-third’ in the reservations for SC and ST separately.

![High representation of women in Bihar](image)

Women’s representation was over 33% in all states surveyed

Source: Ministry of Panchayati Raj, 2006

7.9 The stipulation for reservations separately for SC/ST among women takes care of the oft repeated anxiety that women from only certain caste/class will enter Panchayats. It is particularly important with the new expected Constitution Amendment already in process to make women’s reservation 50 per cent and fifteen States\(^{184}\) have already enhanced the same to 50 per cent. It is pertinent to mention that actual representation of women in Panchayats is slightly over their reservation percentages because some women members are elected from unreserved seats. The graph below shows the actual representation of women in Panchayats as compiled during 2006.

\(^{184}\) 15 States: Andhra Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tripura, Uttarakhand and West Bengal. (Source: MoPR).
It is also interesting that the optional reservations for OBCs in the Constitution Amendment were included by majority of the States in their new/amended Panchayat laws in 1993/1994. However, the “not less than one-third” reservation for women remained as it is for two decades. It is only at the beginning of the 21st century that saw initiatives in the States for enhancing them to 50 per cent which would now be as per their population share as is already done for SC/ST. The reservations for women have, of course, to be by rotation in the seats and the offices of the chairpersons’ position, “may be” in the former and “shall be” in the latter.

**Evolution of Reservations for Women**

7.10 Before the Constitutional Amendment, the State Panchayat laws only included a token of one or two co-opted/nominated women in a Panchayat, if no women were otherwise elected. This was also recommended by the Balvant Ray Mehta study team of the CoPP (Committee on Plan Project) 1957, which gave a framework for three-tier Panchayats in the context of promoting public participation in Community Development programme. These women had to be those who were interested in working among women and children. The Asoka Mehta Committee in 1978 reiterated inclusion of only this number of women except changing the mode of this entry to women contestants in the Panchayat election who lost but received the highest number of votes. However, the political parties and ruling party groups interested in controlling Panchayats ensured that in the Panchayat elections, whenever and wherever held, women did not contest even if some of them expressed interest, so that they could bring their women candidates later through co-option or nomination after getting only male candidates elected. Thus, co-option or nomination was not only based on a view of women as weaker and incapable of contesting elections, it also became an instrument of patronage for the dominant political or social groups.

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185 After recommending that this block level body – Panchayat Samiti – should be constituted by indirect elections from the village Panchayat, the committee recommended that “Those elected representatives will co-opt two women who are interested to work among women and children”. (para 2.15, P.10) Report of the Team for the study of Community Projects and National Extension Service Vol.I, CoPP Nov. 1957. (Commonly referred to as Balvant Ray Mehta Committee).

186 Composition of Zilla Parishads: “5. Who get the highest number of votes in Zilla Parishad elections: 2; in the event of no women coming forward for election, two women may be co-opted”. (P.48) Composition of Mandal Panchayats: “3. Women who get the highest number of votes in Mandal Panchayat election: 2; in the event of no women coming forward for election, two women may be co-opted”. (P.49) Report of the Committee on Panchayati Raj Institutions, August 1978 (generally referred to as Asoka Mehta Committee) GoI, Ministry of Agriculture and Irrigation – Department of Rural Development. Para IV.9, Pp. 48-49.

7.11 The 64th Amendment Bill of 1988 reflected the discourse on gender as evolved in the upsurge of women’s movement after the International Women’s Year 1975, the UN Decade For Women 1976-1985, the National Perspective Plan for Women 1988-2000, where representation of women in policy and decision making forums became a much demanded strategy. But it is important to note that the initially proposed ‘as nearly as may be 30 per cent’ reservation in the 64th Amendment Bill and the finally included ‘not less than one-third’ in the 73rd Amendment constituted a critical mass\textsuperscript{188} of women in the newly revived local government structures to have a voice and a potential to make a change in the character of these institutions.

**Nature, Form and Features of Reservations for Women**

7.12 When discussing women’s entry and performance in Panchayats one needs to note an important feature added by the Amendment. The Amendment reduced the age of entry to Panchayats to 21 years from the earlier norm of 25 years and more, thus paving the way for entry of younger men and women in these bodies. The profile of women, who were in Panchayats in the 1980s e.g. in Maharashtra and Karnataka even in the small numbers, was of women after the age of 40 years when the burden of family responsibilities was comparatively reduced and they could move outside the house with greater freedom\textsuperscript{189}.

7.13 With the elections after the 73rd Amendment, a large number of younger, not so educated or economically well-off women across social groups made their first time entry in the Panchayats and, therefore, in the political sphere. The Pradhans represented a profile of relatively more educated and economically better-off group. Women from the weaker section of SC often displayed more assertion and social leadership in taking up issues as Panchayat leaders than men from their class. It was also noted that “the performance of women representatives who belonged to a younger age category (21-35 years) was better than those who were above

\textsuperscript{188} Critical mass is a certain level of political representation with which women are able to achieve solidarity of purpose to represent women’s interests or even to impact decision making in a male dominated body. It is a shift from token numbers to a considerable minority of all members. 30 per cent is identified as the relevant point at which “a large minority can make a difference even if still a minority” Drude Dahlerup. The story of the Theory of Critical Mass (2006).

A trend was also seen of political parties and local leaders not promoting or repeating more articulate women, like Sathins of WDP programme in Rajasthan, in the Panchayat elections. With rotation of reservations and women, by and large, contesting reserved seats, they continue to be predominantly first generation entrants to Panchayats even today.

A study of the women elected in the first Panchayat elections in three States of Madhya Pradesh, Rajasthan, Uttar Pradesh (with a sample of 1200) had noted that women elected to the Panchayats seem to have made full use of the lowering of age for contesting elections to Panchayats. Five per cent of the elected women in the sample in this study were less than 25 years of age (among tribal women, this was almost double at 9.5 per cent). Overall, a sizeable majority of women were in the younger and reproductive age group of below 45 years. Among them also, an overwhelmingly large majority of tribal women were in this age group compared to those among the general, backward castes as well as the SC.

This trend continues even later and across states. MoPR’s Comprehensive Study of 2008 in 15 States noted that almost half of the representatives (45 per cent) were between 36 and 50 years, while around two-fifths were in the younger (21-35) age group. Only 17 per cent of elected representatives were above 50 years of age. Compared to the Pradhans, the Ward Members were younger, as at the aggregate level, a higher proportion of them (40 per cent) belonged to the 21-25 age group than that of the Pradhans (33 per cent).

In comparison to male representative (31 per cent), a higher proportion of female representatives (41 per cent) were from the 21-35 age group and relatively less from the higher age groups. Female representatives tended to be younger than their male counterparts. Female Pradhans were, relatively speaking, younger (mean age 40.3 years) than their male counterparts (mean age 44.7 years). A similar difference is observed between female Ward Members (mean 39.8 years) and male Ward Members (mean age 41.9 years), though the age gap between these two groups is smaller, as shown in the Table below.

190 Ministry of Panchayati Raj (MoPR) 2008: A Study of Elected Women Representatives in PRIs; Gol, Ministry of Panchayati Raj, New Delhi, P.160.
Table 7.1: Age Profile of Pradhans

<table>
<thead>
<tr>
<th></th>
<th>Pradhan – Male</th>
<th>Pradhan - Female</th>
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<tbody>
<tr>
<td></td>
<td>Mean Age</td>
<td>Median Age</td>
</tr>
<tr>
<td>All India</td>
<td>44.7</td>
<td>43.0</td>
</tr>
</tbody>
</table>

*Standard Deviation

7.17 The new elected representatives are younger, and among them elected women representatives are younger than their male colleagues. The Ward members are younger than the Pradhans. Further, the younger group is more among the EWRs from the SC/ST. This trend is not in one election but continues in subsequent elections and across States. The Committee see a powerful human resource of the young leadership of women for driving inclusive rural governance and outreach and access to development programmes with desired focus on gender and social justice. The MoPR study, as noted earlier, has shown that the performance of younger EWRs was found to be better than their older colleagues.193

7.18 Among representatives interviewed in the study of three northern States mentioned earlier, 97 per cent of women and 85 per cent of men had never been in Panchayats earlier. Most of the women also stated that, but for the reservations, they would not or could not have contested these elections. This continued to be the position even in 2009 and women categorically stated that if there were no reservations for them, they would not have contested the elections194. The MoPR survey showed that this continues to be a trend across States and over time. It noted that the time gap between getting associated with local politics and contesting Panchayat election for the first time was very small. In the case of women, prior association with any form of politics was low, and for most women the act of contesting the first election signaled their entry into active politics. Whatever prior association they had, that was of a limited nature. The provision of reservations had played a determining role. The majority of the elected representatives had contested only one election and hence the proportion of first timers in politics was also high (86 per cent)195.

7.19 The EWRs thus continue to be predominantly first timers in successive elections and while their entry is due to reservations which help them to cross the social and

in institutional barriers, the rotation of reservations obviously does not permit them to contest again thus affecting development of emerging leadership and their contribution to effective, accountable rural governance. In Committee’s view, this also indicates the urgency of revisiting the mechanical implementation of rotation of reservations every five years and earlier instead of institutionalizing a minimum two tenures for contestants on reserved positions. It also underscores the need to tailor the CB initiatives appropriately.

**Response to Women’s Entry in Panchayats**

7.20 Immediately after the Amendment and with the first Panchayat elections, women’s mandated entry in the new Panchayats led to number of studies, analysis and comments. This development of women’s entry in the political institutions could not be ignored but was addressed with disbelief and skepticism about any major impact. The role of the family members was constantly an issue for trying to work on their behalf. The myths about women’s passivity and disinterest in politics, the doubt that only well to do, politically connected women will enter these bodies and that they would be only ‘namesake’ members and proxies for their male kin hogged headlines in media and even in quick micro studies in different parts of the country. But then women’s entry and their socio-economic profile questioned these stereotypes.

7.21 There has been a lot of speculation, and some anecdotal evidence, particularly immediately after the first Panchayat election in 1990s on how well the policy of reservations for women had worked. Thus, it was asserted that women in reserved constituencies would be proxies of powerful interests in the village. Poorly educated elderly women from impoverished, easily manipulated, families would be picked up by elites to run or the women from the same wealthy, powerful families as the existing political elite would be picked up to serve the interest of the elite.

7.22 Those who expected positive potential observed that effective, educated women would choose to run for elections and would serve to represent the interests and preferences of women. Women as newcomers to the political process would be more enthusiastic and less corrupt and, therefore, more effective than
entrenched male politicians. They would, therefore, generally improve the quality of governance.\textsuperscript{196}

7.23 A number of studies looked at women's impact and attention to social issues particularly girls' education while also recognizing the challenges and factors affecting their participation. Women indicated the type of impact on the family, e.g., in practices about children's education, age of marriage, dowry and also other matters. The shift in positive action for children's education was reported by a significant number of women representatives followed by a shift in the age of marriage. Tribal and Dalit women saw more attitudinal shifts than other women\textsuperscript{197}. But quite a few studies had an overload of expectations from these women ignoring their multiple constraints of having to cope with the patriarchal resistance and also the limitations of the enabling environment with inadequate devolution and resources. Others questioned the ability of these new entrants to make a change.

7.24 Some of these early exploratory studies tended to be really impressionistic, did not even concede any scope for a learning phase for this long politically marginalized and under-represented group and these early observations caused substantial damage to any efforts at objective assessment of women's new experience in this public sphere. "It became almost fashionable to speak of women's proxyism and non-participation in Panchayats without having to substantiate such observations by any data\textsuperscript{198}. It was, thus, said that the female Pradhan could be dismissed as being only a proxy for her husband, sons or powerful relations\textsuperscript{199}. However, on the whole, the studies noted their new identity and recognition and did bring out the potential of this new power. Thus, studies in Orissa\textsuperscript{200} and Tamil Nadu (Athrey and Rajesshwari: 1996) observed high levels of EWRs participation in meetings. A study in MP, Rajasthan and UP recorded EWRs' perception of their enhanced status in the family, among neighbours and in government offices. Among social groups, highest percentage of tribal women (70 per cent) reported such enhancement. They noted a new recognition of their identity and respect.


7.25 The historic entry of a large number of women in the political institutions, that too of younger, relatively less educated and less economically well-off women from all social groups, which was made possible only by the Constitutional mandate, was seen with anxiety, disbelief and doubts. In spite of that the response on the ground in their recognition, status and family support moved in the right direction in beginning the process of empowering the women to play their due role in the public domain. The process also opened up potential to work on enhancing the reach of the initiatives for education of girls, preventing child marriages and dowry and coming out of poverty and malnutrition, with the interventions of the EWRs, many of whom were victims of related failures.

7.26 It has been seen across the country that the mandated representation by the Amendment had led to a dramatic increase in women’s access to these institutions. But this only created the politics of presence. It did not enable their participation which is affected by various social and institutional exclusionary practices and, in fact, as Neerja Jayal says, assessment of women’s participation in the new PRIs has to negotiate two contrary tendencies – the obviously enabling character of the Constitutional provision facilitating participation through inclusion and a plenitude of constraints that inhibit participation through exclusionary practices, both social and institutional. Through a survey of various studies in India, she points out the constraints, both of institutional design as well as of social inequalities of gender and caste that inhibit a fuller and more effective participation by women. There is, however, evidence to suggest that the quotas have enabled women to address their practical gender needs and interests, even if the articulation and realization of strategic interests is moving at a somewhat slower pace.

7.27 Seclusion behind veil, the physical organization of Panchayat space, no quota in committees, evidence of tokenism or surrogate or proxy representation by husbands and male kin, inadequate delegation of powers, laws like two child norm, no confidence motions, requirement of quota without mandatory presence of women have been cited in various studies which are common constraints faced by women. Where the structures of caste and patriarchy are more deeply entrenched, the impact of women on the representative institutions encounters greater obstacles.

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7.28 The patriarchal resistance was also reflected in the myths and new conditionalities of exclusion in Panchayat bodies like the law of Two Child Norm of eligibility to contest Panchayat election or to continue there if she had more than two children. This Norm introduced in the States of Andhra Pradesh, Himachal Pradesh, Haryana, Madhya Pradesh (including Chhattisgarh at that time), Odisha, and Rajasthan was seen as directly affecting the new young entrants of reproductive age group who also had to cope with the demands of widespread son preference. Andhra Pradesh, Odisha and Rajasthan continue this instrumentality of exclusion but others have since amended their law and removed this condition.²⁰²

7.29 The institutional as well as social barriers have to be removed to enable women in PRIs to be the leaders and change agents for their families and society. The Committee believe that they are the most suitable partners for the inclusive, equitable and gender-just governance that should be the goal for the Indian States. Women have shown the capacity to gradually overcome the social barriers with an enabling policy environment. The State has to proactively remove the institutional barriers, ensure that laws like two child norm are not enacted and where they still continue, are repealed. This is where a national consensus and policy is essential.

**IMPACT IN DELIVERY OF PUBLIC GOODS AND SERVICES: PARTICIPATION, CHOICE AND Ethics**

7.30 In the years after 2000 there has been an increasing interest in exploring the impact of women’s entry in Panchayats in the context of the role and responsibilities of Panchayats for rural governance and in delivery of public goods and services. The observations in these studies, examining impact and performance of women, have to be seen against the ground realities and other factors which do not seem to be noted in some of the studies. The studies generally assume that the powers, authority indicated in the laws are available to the elected representatives and the conditionalities of the guidelines and instructions attached with the programmes with which funds come to them give them full choice, authority and autonomy. It is well known that devolution to, and autonomy of, the Panchayat representatives are highly problematic. Further, the factor of class and caste of the female Pradhans have not been adequately addressed. The studies have referred to the randomized nature of their samples. Large number

of studies focus on short-term effects during the immediate reservation period, which may be different from longer term changes in behaviour.

7.31 Some of the studies have sought to see the difference in Panchayats with and without reservation of Pradhan’s post only. The studies have presented a mixed and inconclusive picture. A number of studies have spoken of women’s participation in political processes and decision making with significant impacts. Thus Chattopadhyay and Duflo\textsuperscript{203} using a data set of 105 Gram Panchayats in West Bengal compared the public goods provided in those reserved for women and in others and show that women invest more in infrastructure directly relevant for rural women’s needs (water, fuel, roads), and men more in education. Further, women are more likely to participate in the policy making process if the leader is a women. Chattopadhyay and Duflo\textsuperscript{204} looking at Panchayats in the states of West Bengal and Rajasthan (Birbhum and Udaipur district respectively) found that reservation and consequent adequate representation assists in adequate delivery of local public goods to disadvantaged groups. Women tend to invest more in goods preferred by women. So, in West Bengal they tended to invest more in water and road projects, and less in non-formal education; in Rajasthan they invested more in water and less in roads. This underscores the power of elected women Panchayat leaders and that they make a difference on the ground. An empirical analysis by Duflo and Topalova\textsuperscript{205} examined whether the performance of women leaders are perceived differently than that of men, noted that women’s reservation leads to more and better drinking water facilities in the village, although the quality effect is not significant. There was no significant effect of women’s reservation for other public goods. Villagers are less likely to pay bribes in Gram Panchayats with office of chairperson reserved for women. Yet residents of these villages are less satisfied with the public goods, including goods that are beyond the jurisdictions of the Panchayats. This “less satisfaction” can be seen to reflect the patriarchal mindset not accepting women’s leadership role or quality.


7.32 Bardhan et al.\textsuperscript{206} examined the effect of women’s reservation on the targeting of various local programmes and noted improvement in the targeting of subsidized loans to disadvantaged groups. Their later examination\textsuperscript{207} of the impact of political reservations for women and SC/ST in local government in villages in West Bengal on targeting of private and local public goods to land less SC/ST and female headed households using data of household survey noted that these effects are highly context-specific. Joint SC/ST women reservations, resulted in larger per capita benefits disbursed, though even these were not accompanied by improvements in intra-village targeting to vulnerable groups.

7.33 In contrast to the findings of significant positive impacts from women’s leadership in Panchayats, other studies suggest that these effects may be ambiguous or negative. Thus, Besley, Pande and Rao\textsuperscript{208} focusing on the political economy of political selection, observed that Panchayats led by women are no worse or better in their performance than those with male leaders, and women politicians do not make decisions in line with the needs of women. Importantly, however, political experience enhances the performance of women leaders more than it does for men, and women in villages which are less dominated by upper castes, and in states that have relatively mature Panchayat systems, perform better.

7.34 Ban et al.\textsuperscript{209} also using data relating to Presidents of Village Panchayats, find that female leaders perform no differently than male leaders and are no more likely to make decisions that favour women’s concerns and also indicate that institutional factors matter much more for women than for men – women perform better than men in situations where they have more political experience, live in villages less dominated by upper castes, and in States where the Panchayat system is more mature.


\textsuperscript{207} Bardhan Pranab, Dilip Mookherjee and Monica L. Parra Torrado (July 2008): Impact of Political Reservations in West Bengal Local Governments on Public Service Provision (mimeo).


7.35 Rabe et al.\textsuperscript{210} sought to qualify and quantify the role of political reservations for women as a determinant of rural service provision and local governance and also identify social, economic and institutional factors that constrain their effective provision beyond the effect of these reservations. Using a sample of 80 GPs and 966 households in 12 districts of Karnataka in 2006, they find weak support for these gender effects. They find that these outcomes (of local governance and service delivery) are predominantly determined by social, economic and institutional factors that are unrelated to women’s reservation requirements like literacy, household’s institutional and political linkage, its location in GP, degree of community involvement in service provision, and fiscal devolution of activities. Women’s reservations per se are insufficient means for making rural service provision and local governance more inclusive and gender equitable.

7.36 A recent study by Beaman\textsuperscript{211} using data from 11 States, GP meeting data collected from five states, obtaining data on public goods provision from a nationwide survey and conducting a survey of 165 Gram Panchayats in Birbhum district of West Bengal confirms earlier findings that female Pradhans elected to reserved seats deliver more on drinking water infrastructure, sanitation, and roads than their non-reserved counterparts. However, reservations have a much broader impact across sectors than previously thought. Continuing to push drinking water investments, women elected in the second term under a reserved seat also invest more in “male issues” such as school repair, health centre repair, and irrigation facilities. Further, while women elected in reserved GPs do differ from their male counterparts in their experience as leaders, they are able to increase female participation in the political process and make different policy decisions.

7.37 A study in Bihar shows an interesting case where majority of EWRs are into infrastructure development and providing irrigation facilities or constructing \textit{pucca} roads. It was found that as majority of EWRs are first timers and they have only male role models to follow, they have to take to masculine ways and when they do that so they cease representing women’s interests.\textsuperscript{212}


\textsuperscript{212} A case study on “Impact of Reservations in Panchayats for Women and its impact on Household Welfare: A case study of Bihar “ as part of the IDRC-NCAER research program on decentralisation and rural development, by Nupur Tiwari. \url{http://www//ruralgov-ncaer.org}
7.38 Another issue studied for women’s impact on rural governance is of ethics and corruption. There has been a general belief that women will work honestly. This was clearly stated in Rajiv Gandhi’s reply about the rationale of women’s reservation. It was also reflected in the policy practice when Madhu Dandavate, the then Railway Minister in late seventies, placed female workers on Railway Reservation and ticketing counter which had been criticized for corrupt practices. A study of Karnataka by Neema Kudwa reveals that reservation for women here has shown mixed results. It made women more visible, decreased levels of corruption and increased self-efficiency of women representatives.

7.39 Another study by Vijayalakshmi examining the relationship between corruption and gender in the context of local government in India concludes that “the evidence we examined indicates that gender is not a significant factor in explaining levels of corruption”. Outcome of reduction of corruption with women’s participation in decision making is determined by various factors. Gender cannot be isolated from the political and institutional conditions that either constrain or facilitate good governance. Political inclusion of women is not a sufficient condition for it.

7.40 The MoPR Comprehensive All India Survey, covering 23 States, 114 districts, 228 blocks, 1368 GPs, 1368 Pradhans, 5350 Ward members, 20,154 Community members sought to assess the quality of participation of EWRs in PRIs against the polarized earlier studies - tokenism and surrogates vs. celebration of only success stories. It looked at, among others, the developmental outcomes of women Panchayat leaders and whether their leadership has had any impact on the implementation and performance of development activities besides mapping their socio-economic profile, political career, quality of participants and empowerment. The report brought out that “the elected representatives initiative for public health such as awareness generation campaigns, drives for the prevention of disease, counseling/providing medical aid for family planning were mentioned by 41-51 per cent of community members, while around 58-66 per cent reported efforts of their elected representatives for providing better education in terms of increased enrolment and reduced drop outs from school.


Towards Holistic Panchayat Raj

7.41 An NCAER study has tried to complement the existing studies with evidence on the extent to which reservation induced effects persist over time. Outcome variables explored in this study include effectiveness of public goods provision, women's ability to hold elected Panchayat and other officials to account, specific indicators of women's empowerment such as participation in Gram Sabha meetings, labour market participation and autonomy in terms of reproductive choice and independence in the management of financial resources. The study shows that the reservations for women results in a significant reduction of the incidence of problems with delivery for a wide range of public goods. The quality of service provision does not necessarily improve but the policy has led to an increase in the extent and nature of political participation, ability to hold leaders to account and possibly as a result individuals' willingness to contribute to public goods. These effects persist over time and, especially for women, tend to materialize with a lag that could point towards learning. “This suggests that, although political reservations may impose both short term benefits and short term costs, they can yield overall social benefits, with political participation being a key channel through which these benefits materialize”.216

**SHGs and Women in Panchayats**

7.42 The mobilization of women into their own collectives and their entry and participation in Panchayats has worked to complement each other. The Self Help Group Movement is a vital supplement to the political empowerment of women through local governments as it economically empowers women, both as individuals and as groups. The combination of economic empowerment through the Self Help Groups and political and social empowerment through the institutions of local self-government is changing the face of rural India217. In consequence, social equations are changing within the family and in society at large.

7.43 The Kudumbashree network in Kerala provides a successful example. The large network of women's self-help groups, including the neighbourhood groups, commonly known as the Kudumbashree Mission launched in 1998 aimed at eliminating poverty

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217 Address of Mr. Mani Shankar Aiyar, Minister for Panchayati Raj in Mexico, 2008 – Decentralization, Local Power and Women’s Empowerment. (International Conference on Decentralization, local power and women's rights: Global trends in participation, representation and access to public services Mexico City, 18-21 November 2008.)
within ten years, i.e., by 2008. This involved three-tiered structures composed of
eighbourhood groups (NHGs), federated into area development societies (ADS) at
the Ward level, in turn federated into a community development society (CDS) at the
Village Panchayat level, which were composed exclusively of women from families
identified as underprivileged through a non-income based index.

7.44 This expanding interface of politics and development provided women an entry
point into public life through a number of channels – notably, through the women’s
quota in local government and the building of a statewide network of women’s
neighbourhood groups (NHGs), which was granted an integral role in the development
activities of the local governments. Suddenly, women seem to be everywhere at the
local level – not just in development, but even in politics. All political parties approached
women who had gained familiarity with the workings of local governance through
Kudumbashree activities to fight local elections, and a massive jump in the number
of Kudumbashree women candidates representing various parties in the elections to
local bodies is now evident from 2,240 in 2005 to 11,264 in 2010218.

7.45 With the increase in reservation to 50 per cent in local bodies, women became a
category of political citizens and before deciding to field women candidates, political
parties had to consider their experience in Kudumbashree. Kudumbashree achieved
unprecedented results in such a favourable administrative, political and financial
environment219.

THE WAY FORWARD

7.46 Patriarchal structures and hierarchical gender relations in a society curtail
women’s agency and decision making within the household. The political institutions
also operate within these hierarchical gender structures and reproduce similar
asymmetrical gender relations in public interactions. In fact the talk of elected women’s
proxyism in Panchayats and what is called defacto politics of someone else performing
EWRs’ functions is also manifestation of this resistance and gender rigidity. Quite often
it is a perception of proxyism but causes equal damage to the effectiveness of elected
women.


219 B.L. Biju, K.G. Abhilash Kumar – Class Feminism. The Kudumbashree Agitation in Kerala, EPW March 2,
7.47 Women’s struggle is not over when they enter the political institutions, because they enter a male domain. The political structures are the products of male dominated or exclusively male political processes like most of the institutions of governance and hence their institutional masculinity continues to be their invisible characteristic\textsuperscript{220}. The main challenge of mainstreaming gender in rural local governance is, therefore, to address the continuing patriarchal resistance in various forums reducing the potential of the contribution of women in Panchayats to engender governance by eradicating discriminations, neglect and apathy affecting even equitable utilization of resources, e.g., in CSSs.

7.48 It is expected that elected women in Panchayats will not only perform their role like other elected representatives but will also make significant contribution to models of gendered governance with equity, social justice and efficient delivery of public goods and services. They are expected to enhance levels of attention to gender concerns and meet women’s practical as well as strategic needs. At the same time they are also to ensure efficiency and equity for all sections of the local populations.

7.49 The Committee believe that women’s mobilization in Panchayats due to reservations and elections and in their local collectives of SHGs/neighbourhood groups is a strong tool for women to work together. The linkage of women in Panchayats and women in their SHGs and other groups can be a powerful instrument and need to be supported as a policy not only at the national level but also at the state and sub-state levels. Already there are successful examples of women who started their entry in the public sphere in the SHGs/Kudumbashree group and then moved to the Panchayats.

7.50 In the Committee’s view, the sectoral programmes like SSA, ICDS, Health, Food Security, Water and Sanitation are especially suitable for using women’s understanding and approach about the identified needs of the target groups of the programmes. In the Panchayats, the committees looking after these programmes should not only have women members but they should be the leaders of these committees and other institutional mechanisms should be in place to look after the interests of women. The schemes in these sectors need to be re-visited to make them more gender sensitive and element of women’s component plan of quantified flow of funds for target groups need to be included in the planning at state and district levels. This stipulation need to be built in the relevant CSS guidelines.

7.51 Rotation of reservation for women has been almost universally accepted now as a barrier to emergence of women’s leadership in the Panchayat\textsuperscript{221}. The Committee is strongly of the view and recommend that these have to be re-visited urgently so that reservations are rotated not before 10-15 years i.e 2 to 3 tenures. If any women’s reserved seat becomes vacant for any reason, it should be filled by woman only even temporarily. Participation of women in Gram Sabha is another factor to be addressed and stipulation of a minimum percentage of women’s attendance in these meeting will be significant and is being attempted in some of the States. The Madhya Pradesh High Court decision against this provision which made that State to remove this requirement needs to be appropriately taken up to higher level in judiciary.

7.52 Women need to meet separately to deliberate on problems they are facing to place before the Gram Sabha for addressing those issues\textsuperscript{222}. Those should be placed before the Gram Sabha in the form of a resolution of the Mahila Sabha\textsuperscript{223}. In order that such Mahila Sabhas are organised before the meeting of the Gram Sabha, there should be appropriate provision in all State Panchayat laws for holding such Mahila Sabha for ensuring that women are able to effectively bring their voices to the Gram Sabha and the Village Panchayat and all important programmes in the social sectors connected with women’s need to be considered in these meetings besides issues of women’s safety, security and violence against them. Through these meetings they can present their collective voice on important service needs, which would include not only social services but also the security environment for women and girls, and the accountability of service providers.

7.53 There must be special training for women Panchayat office bearers and ordinary members. Apart from training at SIRDs or other institutions, as much training as possible should be provided in their work places since many of the women members face difficulty in attending training in faraway places and stay away from home. The special Gram Sabha for the women may also have components for orienting them on issues concerning their development and the role of Panchayats and Government at higher tiers.


7.54 Annual Plan to be prepared by each Panchayat should have a women component of the plan to address the issues faced by women. This should be worked out by the Standing Committee of women in the Panchayat concerned and there should be an earmarked percentage of the budget for that purpose.

7.55 There is need to organize regular surveys of the status of EWRs and their performance and contribution in different parts of the country and to address emerging issues indicating positive trends as well as any persisting barriers. The MOPR need to start an annual publication of women's status in Panchayats reports to review the position and introduction of needed additional interventions. The RGPSA Scheme must support initiatives which innovate on effective capacity enhancement of Panchayat women at local level, developing and strengthening their federations/alliances/networks at sub-district, district and state levels and women and Panchayat status report preparation and publication.
CHAPTER VIII

PANCHAYAT RAJ INSTITUTIONS AND DISADVANTAGED SOCIAL SEGMENTS

Introduction

8.1 Scheduled Tribes, Scheduled Castes and Minorities are usually referred to as ‘disadvantaged sections’ in India. In the case of minorities, Muslims, Neo-Buddhists and Dalit Christians could be regarded as the more vulnerable sub-sections within the minorities. The socio-economic development of these communities has been much slower than of other sections of society, in great measure due to the prevailing power structures as well as social practices. Additionally, the lack of responsiveness of the government in protecting the interests of these groups and in implementing existing special law mechanisms that are meant to deliver basic services, as well as honouring their say in development programmes, has compounded the problem. On the demand side, these communities feel excluded, alienated and often helpless to assert their rights. The Committee have examined issues relating to these communities and the possible role of PRIs in leveraging answers to their problems in the sections that follow.

This Chapter also deals with the plight of Other Backward Classes and People with Disabilities and how PRIs could help.

Scheduled Tribes

8.2 The Constitution of India, Article 366 (25) defines Scheduled Tribes as

“such tribes or tribal communities or part of or groups within such tribes or tribal communities as are deemed under Article 342 to be the Scheduled Tribes (STs) for the purposes of this Constitution”.

As per the Indian Census 2011, Scheduled Tribes constitute about 8.2 per cent of Indian population. They live in almost all districts of the country. However, certain parts of the country where the tribals were in a majority at the time the Constitution was
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promulgated were designated as Scheduled Areas through Article 244 (1) read with Schedule V. Regrettably, demographic changes have taken place in several Schedule V areas but these continue to be principally tribal habitats. Certain tribal areas of the States of Assam and Tripura, and the tribal majority States of Meghalaya and Mizoram are designated as “Tribal Areas” within the meaning of Article 244(2) read with the Sixth Schedule.

8.3 The Constitution of India guarantees equality before the law (Article 14) and authorizes the State to make special provisions for the advancement of Scheduled Castes and Scheduled Tribes, as also socially and educationally backward classes [Article 15 (4)]. It further empowers the State to make provision for reservations in appointments to posts in favour of SCs/STs/OBCs [Article 16 (4)]. The Constitution declares “untouchability” as abolished and its practice in any form as forbidden. Further, the State is required to promote with special care the educational and economic interests of the weaker sections, in particular SCs/STs, and to protect them from social injustices and all forms of exploitation (Article 46). Reservation of seats in the Lok Sabha and State Assemblies (Articles 330 and 332) and in services (Article 335) is another measure of affirmative action. Article 338A establishes a National Commission for Scheduled Tribes. At the same time, under Article 339 (1) the President was to appoint a Commission after ten years of the entry into force of the Constitution to “report on the administration of the Scheduled Areas and the welfare of the Scheduled Tribes in the states”; further, Article 339(2) provides that:

“The executive power of the Union shall extend to the giving of directions to a State as to the drawing up and execution of schemes specified in the direction to be essential for the welfare of the Scheduled Tribes in the State”

8.4 These measures of affirmative action are to be read in the context of the Fundamental Rights specified in Part III of the Constitution, the Directive Principles of State Policy specified in Part IV, and the Fundamental Duties specified in Part IVA.

8.5 In respect of the Scheduled Tribes/Scheduled Areas/Tribal Areas, Article 275(1) provides for

“schemes of development...for the purpose of promoting the welfare of the Scheduled Tribes...or raising the level of the administration of the Scheduled Areas”. 
Further, special provisions with respect to the administration of Scheduled Areas and Tribal Areas are provided for in Part X to be read with the Fifth Schedule which defines Scheduled Areas. The Fifth Schedule provides for the establishment of Tribes Advisory Councils and for the application of the law to Scheduled Areas “subject to such exceptions and modifications” as “the Governor may by public notification direct”. It also requires the Governor to report “annually, or whenever so required by the President” on “the administration of the Scheduled Areas in that State”. It also importantly provides for “the executive power of the Union (to) extend to the giving of directions to the State as to the administration of the Scheduled Areas”.

The Sixth Schedule, related to Article 244(2), was introduced in 1972 with regard to the administration of the Tribal Areas in certain States of the North East.

8.6 Reservation of seats for Scheduled Castes and Scheduled Tribes was provided for in the Panchayats through Article 243D in Part IX of the Constitution. This Article provides that the seats to be filled by direct elections in any Panchayat should be in proportion to the population of SC/ST “in that Panchayat area”. It also provides for such seats to be “allotted by rotation” to different constituencies in a Panchayat”. Article 243D (1) provides for reservations for SC/ST “in every Panchayat and the number of seats so reserved shall bear, as nearly as possible, the same proportion to the total number of seats 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”.

Article 243 D also provides that “not less than one-third of the total number of seats reserved (for SC/ST) shall be reserved for women belonging to the Scheduled Castes or, as the case may be, the Scheduled Tribes”.

Moreover, “one-third of the total number of offices of the Chairpersons in the Panchayats at each level shall be reserved for women” to be “allotted by rotation to different constituencies in a Panchayat”.
Parallel provisions were made for the Municipalities in Part IXA.

8.7 Most importantly from the point of view of the Scheduled Tribes, Article 243M (4) (b) provided that:

“Parliament may by law extend provisions of this Part to the Scheduled Areas and the Tribal Areas … subject to such exceptions and modifications as may be specified in such law…”

In consequence of this critically important provision, Parliament passed The Provisions of The Panchayats (Extension to Scheduled Areas) Act in 1996, usually known by the acronym PESA. This Act, provided for in the Constitution, constitutes the core of the special rights conferred exclusively on Scheduled Tribes living in the Fifth Schedule Areas in respect to PRIs

8.8 The Twelfth Plan sums up with great clarity the issues confronting inclusive growth for the Tribals. These include:

- **High levels of Poverty**: On the Headcount Ratio (HCR), tribal poverty in 2009-10 stood at 47.37 per cent compared to the all-India figure of 33.8 per cent. Encouragingly, however, the annual rate of decline in poverty has accelerated from 0.34 per cent in the decade 1993-94 to 2.98 per cent in the period 2004-05 to 2009-10. But the gap between ST and other BPL categories has widened to 18.5 per cent from 14.5 per cent in the decade between 1993-94 and 2004-05, showing lower rates of inclusion for STs than other categories of the poor;225

- **Literacy rates** for tribal populations are also far below the national average. As against an all-India rate in 2001 of 65.38 per cent, ST literacy rates (including northeastern tribals who have a richly deserved reputation for high literacy and education) were a low 47.10 per cent, while female literacy rates at 34.76 per cent were nearly 19.4 per cent below the all-India rate of 54.16 per cent.226 “There are districts in India,” says the Twelfth Plan “where the female literacy among adivasis is less

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224 This short piece of legislation is of such critical importance to PRIs in PESA areas that it is reproduced *in extenso* in Annexe 8.1 for ready reference.

225 Twelfth Five Year Plan, Table 24.1 Incidence of Poverty across Social Groups, p 221.

226 Ibid Table 24.4, p 229; Table 24.5 p 229.
than 10 per cent”\textsuperscript{227}. Indeed, there was a widening of the gap from 18.15 to 18.28 per cent in overall literacy rates between the general and the tribal population over the 30-year period 1971-2001\textsuperscript{228}

- \textit{Mortality rates} for ST are also significantly higher, whether measured for child mortality (83 per 1000 live births against the all-India figure of 62) or infant mortality (46, more than double the national average of 22);\textsuperscript{229}

- In regard to \textit{undernutrition}, the ST score for underweight children at 26 per cent is more than double the national average of 14 per cent while ST children with anaemia are higher at 79 per cent compared to the all-India average of 72 per cent.\textsuperscript{230}

8.9 Compounding these parameters of deprivation is the terrible suffering inflicted on tribals, especially in Central India, by displacement to accommodate “development projects”, particularly dams and mining, that might benefit the national economy but whose costs are principally paid by tribal populations. The number of displaced/affected persons has been estimated at least 60 million in the years from Independence till 2004, and might by now have touched 65 million. Thus, while tribals constitute just over 8 per cent of the nation’s population, the Twelfth Plan says\textsuperscript{231}, “at least 55 per cent of all displaced people are tribals and in States like Gujarat the proportion is 76 per cent”, resulting in “pauperisation, often leading them to a state of shelterless and assetless destitution”. It adds:

“Experiences of displacement and rehabilitation in India have revealed a long history of lack of rehabilitation or ill-planned, badly executed, inadequate and inappropriate rehabilitation.”

This, in turn, has led to the ‘speckled band’ of extremist-affected areas “stretching across the heart of Central India (that) includes the epicentre of the banned party’s base in the Dandakaranya region”. “Today,” says the Twelfth Plan\textsuperscript{232}:

\begin{flushright}
\textsuperscript{227} ibid p 229.
\textsuperscript{228} ibid.
\textsuperscript{229} ibid Table 24.6,p 230.
\textsuperscript{230} ibid.
\textsuperscript{231} ibid para 24.85, p 237.
\textsuperscript{232} ibid para 24.86, p 237.
\end{flushright}
“project affected people are no longer in a mood to suffer silently. Consequently, there has been growing protest and militancy leading to tensions, conflict and violence.”

Tellingly, the Twelfth Plan concludes that:

“much of the rank and file (of Maoist militants) comes from local villages and has built on the grievances emanating from the non-implementation of PESA”

The Prime Minister has noted that:

“There has been a systemic failure in giving the tribals a stake in the modern economic processes that inexorably intrude into their living spaces. The alienation built over decades is now taking a dangerous turn in some parts of our country... While violence cannot be tolerated, tribals must be the primary beneficiaries of the development process. We have to win the battle for their hearts and their minds.” 233

The Hon’ble Minister of Rural Development has attributed the insurgency in central India to “the four Ds: Tribal Displacement, Deprivation, Discontent and Tribal Disconnect”.234

8.9A These observations reinforce the penetrating perceptions and observations of the Bandyopadhaya Committee on Development Challenges in Extremist-Affected Areas, commissioned by the Planning Commission, that reported five years ago in 2008235:

• “The development paradigm pursued since Independence has aggravated the prevailing discontent among marginalised sections of society. This is because the development paradigm as conceived by the policy makers has always been imposed on these communities... and, therefore, it has remained insensitive to their needs and concerns, causing irreparable damage to these sections”236.

233 http://pmindia.nic.in/speech-details.php?nodeid=813
235 planningcommission.nic.in/reports/publications/rep_dce.pdf
236 Development Challenges in Extremist Affected Areas, planningcommission.nic.in/reports/publications/rep_dce.pdf, para 1.18.1, p 29.
• “The benefits of this paradigm of development have been disproportionately cornered by the dominant sections at the expense of the poor, who have borne most of the costs”\textsuperscript{237};

• “Development which is insensitive to the needs of these communities has invariably caused displacement and reduced them to a sub-human existence. In the case of tribals in particular, it has ended up destroying their social, organisational, cultural identity and resource base”\textsuperscript{238}.

Poignantly, a young woman journalist who has travelled extensively in the tribal areas of central India has described the meaning of ‘displacement’:

“Displacement...is a very inadequate word that conveys nothing of its true meaning. Displacement is not about moving...(it) is about losing a river. Losing access to clean, safe drinking water...losing land that is watered richly...losing the grass that your herds grazed on. Losing your cattle. Losing the milk that came from your cattle...losing honey and herbs...losing the right to protest when somebody in a uniform shows up to set fire to your home. What else is left to lose?”\textsuperscript{239}

8.10 While, however, the Twelfth Plan recognizes the importance of “social empowerment” and “economic empowerment”\textsuperscript{240} for ‘Social Inclusion’ (the title of Chapter 24, Volume III), curiously it does not talk of “political empowerment.” This is disturbing since it relegates to the background the “political empowerment” that the ST, including ST women, have secured through reservations of seats and posts in PRIs through the provisions of Part IX of the Constitution. Such “political empowerment” would be greatly augmented by translating into practice the mandatory provisions of the related legislation, PESA – The Provisions of The Panchayats (Extension to Scheduled Areas) Act, 1996. Indeed, without operationalising PESA, all increases in budget outlays and tribal-oriented schemes will give but marginal results, the crux of the matter lying in politically and administratively empowering tribal Panchayats to take effective charge of neighbourhood issues of tribal welfare and tribal development, particularly those relating to the sectors identified as the PRIs domain in the Eleventh Schedule of the Constitution.

\textsuperscript{237} ibid.
\textsuperscript{238} ibid.
\textsuperscript{239} Annie Zaidi, Known Turf, Tranquebar, 2010 p 69.
\textsuperscript{240} Twelfth Five Year Plan, para 24.5, p 222.
For, as the Prime Minister has said:

“Those whose lives are dependent on the forests should be made essential partners in the processes of natural resource planning, conservation and protection. It is in this context, I would like to emphasise the importance of implementing in letter and spirit the Panchayts Extension to Scheduled Areas known as the PESA Act”

8.11 The Twelfth Plan deplores the worrisome and possibly illegal lacunae in the implementation of PESA provisions 17 years after it entered into force but appears to consider PESA a matter exclusively for State action. The Constitution, however, lays upon the Union government, through various Articles related to Schedule V, the primary responsibility for overseeing and even issuing “directions” for administration in Fifth Schedule areas. The lacunae in carrying out the obligations of the Central government in this regard need to be fulfilled with all deliberate speed.

8.12 From the point of view of governance for the tribals living in Schedule V Areas, if PESA is the most important piece of legislation in their favour, the single most significant Article in the Constitution for them, through which the implementation of PESA can be assured, is Article 244(1) which relates to the Fifth Schedule.

8.13 In keeping with Jawaharlal Nehru’s renowned Panchsheel for Tribal Communities, the Fifth Schedule contains special “Provisions as to the Administration and Control of Scheduled Areas and Scheduled Tribes”. Paragraph 3 of Part A of the Fifth Schedule provides that:

“the executive power of the Union shall extend to the giving of directions to the State as to the administration of the said areas”


242 These five principles are:

i The tribal people should develop along the line of their own genius and we should avoid imposing anything on them, but rather try to encourage in every way their own traditional arts and culture.

ii Tribal Rights on land and forest should be respected.

iii We should try to train and build up a team of their own people to do administration and development.

iv We should not over-administer these areas or over-whelm them with multiplicity of schemes; we should work through and not in rivalry to their own social and cultural institutions.

v We should judge the results not by statistics or the amount of money spent but by the quality of human character that is evolved.

The same paragraph also provides that:

“the Governor of each State having Scheduled Areas therein shall annually, or whenever so required by the President, make a report to the President regarding the administration of the Scheduled Areas in that State”

Moreover, paragraph 5 of the Fifth Schedule provides that, subject to the President’s assent,

“the Governor may make recommendations for the peace and good government of any area in a State which is for the time being a Scheduled Area”.

8.14 The Prime Minister, in a justly renowned address to a Conference of Chief Ministers on Naxalism had stated:

“It would not be an exaggeration to say that the problem of Naxalism is the single biggest internal security challenge ever faced by our country…and has now spread to over 160 districts all over the country”

He added:

“We must, however, recognize that Naxalism is not merely a law and order issue. In many areas, the phenomenon of Naxalism is directly related to under-development”

He went on to list the factors contributing to tribal “under-development”:

“Exploitation, artificially depressed wages, iniquitous socio-political circumstances, inadequate employment opportunities, lack of access to resources, under-developed agriculture, geographical isolation, lack of land reforms – all contribute significantly to the growth of the Naxalite movement”

243 http://pmindia.nic.in/speech-details.php?nodeid=302
244 As per information furnished to the Committee by Additional Secretary, Ministry of Home Affairs, assistance is being provided under the Ministry’s Security Related Expenditure Scheme to 106 LWE affected districts in 9 States. The Ministry are also intensively monitoring 26 districts as “severely affected”, using the occurrence of incidents as “a criterion”.

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He, therefore, focussed attention on “what we term good governance” and suggested the promotion of

“local participation in governance...through effective implementation of the design of the Panchayati Raj vision of the late Shri Rajiv Gandhi”

In his concluding peroration, the Prime Minister called on “you, Chief Ministers,” to “function as a cohesive team and work on a war-footing” and

“pay the highest attention to the challenge of Naxalism, the challenge of combining development and security”

Seven years later, the situation is, if anything, even more challenging. Yet, the Chief Ministers concerned appear not to have heeded the Prime Minister, as evidenced in the Twelfth Plan review of developments in Fifth Schedule Areas.

8.15 Therefore, the Committee strongly recommend that in view of the Twelfth Plan assessment that “PESA has been very poorly implemented across the nine States”245, the Union Government take recourse to the Fifth Schedule to ensure the implementation of PESA “in letter and in spirit”, as the Prime Minister has desired, by either invoking paragraph 3 of the Fifth Schedule or having the necessary directions issued under paragraph 5 by the Governor.

8.16 Box 8A below is reproduced, from a 2012 Report of The Environment Law and Development Foundation commissioned by the Ministry of Panchayati Raj, a matrix that succinctly sums up the PESA provisions:

8.17 On every one of these parameters, the Twelfth Plan assessment of PESA246 implementation mirrors the assessment of this Committee:

- **Land alienation**: “A clear and categorical provision should be made in the Panchayati Raj Act or the Revenue law (of the State) *through a notification under Para 5(1) of the Fifth Schedule* to empower the Gram Sabha to restore the unlawfully alienated land to its lawful owner” (emphasis added)

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245 Twelfth Five Year Plan, para 24.70, p 235.
246 ibid para 24.72-24.78 p 235.
Box-8A

1) Mandatory Powers of Gram Sabha
   a. Management of community resources
   b. Approve all plans/projects
   c. Identification of beneficiaries
   d. Issue certificate of utilization of funds

3) Discretionary Powers to Gram Sabha or the Panchayat at appropriate level
   e. Prior mandatory recommendation for acquisition of land and rehabilitation and reconstruction in scheduled areas.
   f. Prior mandatory recommendation for grant of prospective license or lease for mining minor minerals.
   g. Prior mandatory recommendation for grant of concession for exploitation of minor minerals by auction

4) Mandatory Powers to Panchayat at appropriate level
   h. Planning and management of minor water bodies.

5) Powers to Gram Sabha and Panchayat at appropriate level
   i. Ownership of minor forest produce
   j. Control over money lending
   k. Manage and regulate village markets
   l. Control over manufacture, sale and consumption of intoxicants, and
   m. Prevent land alienation and restore alienated lands
   n. Control over institutions and functionaries in all social sectors
   o. To control local plans and resources for such plans including tribal sub plans


The Madhya Pradesh Panchayat Raj Avam Gram Swaraj Adhiniyam-1993
By the Madhya Pradesh Reorganization Act, 2000
Chapter 14-A (Sections 129 A-F), Chhattisgarh Panchayat Raj Adhiniyam, 1993.
• **Community Resources**: these should cover “natural resources, including land, water and forest within the area of the village”, as provided for in the Madhya Pradesh Panchayat Raj Act

• **Mines and Minerals**: “transferring all quarries with annual lease value up to Rs. 10 lakh to the Gram Sabha and Panchayats at different levels. This dispensation should cover all minor minerals”. Also, “the practice of outright purchase of mineral bearing land by mining companies should be stopped as the Mining Act envisages only a lease in these cases”

• **Intoxicants**: “fully empowering the Gram Sabha in all aspects mentioned in section 4(m)(i) of PESA.” Also, “views of women members of the Gram Sabha should be decisive, irrespective of the strength of their presence in the relevant meeting”

• **Non-Timber Forest Produce**: All tribal collectors of NTFP are “i) disorganised ii) very poor iii) retain very little of the final value of their product iv) are at the bottom of value chains but v) can climb up the value chain and retain more value with appropriate interventions”. Therefore, setting up “an NDDB-type institution (with deep pockets)” may be considered.

• **Traditional Non-Timber Forest Produce**: promoting a “social entrepreneurship mode”

• **Effective Administrative Mechanism**: “a permanent empowered body in each Fifth Schedule area to oversee and monitor compliance with PESA and FRA (Forest Rights Act)”. In the Committee’s view, this would best be done by conferring appropriate statutory authority on the District and Block Panchayats, with the Collector as Member-Secretary, but not by setting up an overseeing authority outside the PRI system.

8.18 The Committee endorse every one of these points, yet regret that the Twelfth Plan recognises these issues but stops short of biting the bullet – that PESA must be enforced through Fifth Schedule provisions in view of the failure of all PESA states to fully operationalise PESA despite the passage of nearly two decades since Parliament fulfilled its Constitutional obligation as set out in 243M (4)(b):
“Parliament may, by law, extend the provisions of this Part to the Scheduled Areas referred to in clause (1)…”

**Habitation as Gram Sabha**

8.19 It is often not adequately appreciated that the Gram Sabha-centric PESA system cannot function unless the Gram Sabha is located in a habitation, the natural living unit of the community, and not constituted as a mere adjunct to the Village Panchayat. It is only thus that the Gram Sabha, comprising all adult members of the habitation, can play the pre-eminent role in all consultative stages and in final decision-making, as provided for in PESA. The Gram Sabha is recognised in PESA as being *competent* to act on a range of powers, including:

- 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
- the ownership of minor forest produce
- the power to enforce prohibition, or to regulate or restrict the sale and consumption of any intoxicant
- the power to exercise control over money lending to the Scheduled Tribes
- the power to exercise control over institutions and functionaries in all social sectors
- the power to control local plans, and resources for such plans including tribal sub-plans
- the power of prior recommendation in granting prospecting license or mining leases for minor minerals as well as for grant of concessions for the exploitation of minor minerals by auction
- the right to be consulted on matters of land acquisition
- the power to issue utilisation certificates for government works undertaken in their village
8.20 PESA constructs tribal self-governance around certain key features. The first feature, through Sec.4 (b), affirms that the basic unit of self-governance is an organic self-governing community rather than an administrative unit like a Gram Panchayat with one or more revenue village, each of which may consist of several habitations. This constitutes a departure from the previous practice as well as provisions in the Constitution in regard to non-PESA areas. PESA also recognises a habitation to be a natural unit of the community, whose adult members constitute the Gram Sabha. In Sec 4 (d) and 4 (m) (ii), the community is declared competent to safeguard and preserve their culture and tradition, exercise command over natural resources, enjoy ownership of minor forest produce and adjudicate their disputes. As enshrined in Sec. 4 (m) (vi), the village assembly is empowered, in respect of all social sectors, to control institutions within its jurisdiction e.g. schools, health centres etc, with the functionaries under its control. Sec. 4 (i), (j), (k) & (l) state that communities have the right to be consulted on acquisition of or access to land and land-based resources. It also affirms that the tribal community has the capability and competence to adjudicate on and act in its wisdom to put an end to all exploitative relations including land alienation, money-lending, market relations and alcohol. It establishes the supremacy of the Gram Sabha, whose power cannot be usurped by any other body.

8.21 On the basis of this summing up of the principal problems confronting Panchayat Raj in Scheduled Areas, the Committee offer the Detailed Recommendations that follow.

**Detailed Recommendations**

**Reconstitution of Gram Sabhas**

8.22 It was agreed in at the Raipur Roundtable conference of Panchayat Ministers in 2004 that the Gram Sabha in PESA areas should be reconstituted on a habitation basis and appropriate powers must be devolved to these Gram Sabhas so that they have

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247 It should be noted that the provisions in the PESA act are relatively weak as compared to the Sixth Schedule provision in terms of land acquisition. The 1894 Land Acquisition Act can be deployed with impunity in the Fifth Schedule areas by the State. See the recent affidavit filed in the case No 180 (writ petition civil) of 2011 in the Supreme Court on the use of the 1894 Act with impunity. It may, however, also be noted that it is expected that Parliament will shortly be repealing the 1894 Act and replacing it with a 2013 Act relating to Land Acquisition, Compensation and Rehabilitation and Resettlement. The initial draft Bill was considered in detail by Parliament's Standing Committee on Rural Development. This Committee endorse the recommendations of the Standing Committee regarding amendments to the Revised Bill, especially in its application to Schedule V and Schedule VI areas.
the final say in decisions related to Jal-Jangal-Jameen (Water, Forest and Land) in their geographical jurisdictions.248

8.23 However, in most PESA States, villages have not been reconstituted to conform with the provisions of Section 4.1.b. The existing ‘villages’ are administrative units that are too unwieldy for a dynamically functional and vibrant Gram Sabhas as required under PESA. As noted by the National Advisory Council249, the general Panchayat Raj structure has been adopted even in Schedule V areas, whereby the Gram Sabha of the Gram Panchayat, usually spread over a number of revenue villages with a number of habitations, is being misconstrued to be the Gram Sabha under PESA. As the successful operationalising of PESA hinges on adopting the operational definition of Gram Sabha and village, it is necessary that the identification of the ‘village’ and delineation of its geographical limits in conformity with PESA is done to enable it to function as envisaged under law. The neglect of this effectively precludes the functioning of a ‘face-to-face’ community as envisaged in PESA and eliminates the likelihood of a functioning Gram Sabha, which could shoulder the responsibilities of a unit of self-governance.

8.24 Therefore, Gram Sabhas in the PESA areas should be immediately reconstituted on the basis of tribal habitations. State governments can adopt the detailed procedure laid down by the National Advisory Council in a recent note to the government, suggesting amendments to PESA.250 It may happen that in some locations the size of the Gram Sabha may be too small. That is not an issue as long as the reconstituted village reflects tribal homogeneity and conforms to the territorial-cum-habitation boundaries of traditional tribal sabhas. In terms of the administrative management of such Gram Sabhas (Gram Sabha meetings, agenda setting and decision making), best practices of Ward sabhas (or Palli sabhas) from different experiences could be the basis for promoting good practices.

8.25 To ensure that this urgent and long-postponed over task is no longer delayed, the government should act on the NAC’s recommendation251 to issue the following directions under Paragraph 3 of the Fifth Schedule:

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249 nac.nic.in/pdf/recommendations_12nov.pdf
250 nac.nic.in/pdf/pesa_31dec.pdf
251 ibid.
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i. State governments shall prepare and notify the list of hamlets (settlements) in every Panchayat for notification as “Gram Sabhas” for the purposes of the Panchayats (Extension to the Scheduled Areas) Act 1996 within one year from the date of issue of this direction. Such Gram Sabha shall ordinarily comprise the assembly of the residents of one or more hamlets, comprising a community and managing its affairs in accordance with traditions and customs within its territorial boundaries. This unit will ordinarily be below the revenue village and is not the same as Gram Sabhas at the Panchayat level.

ii. State governments shall devolve necessary powers and resources (both human and financial) to Gram Sabhas to enable them to undertake their roles and responsibilities in an effective manner through amendments in law, rules and procedures in areas covered under PESA in addition to undertaking capacity building and training.

Empowering Gram Sabhas

8.26 The success of PESA hinges on the effective functioning of the Gram Sabha, which is currently hampered by a combination of neglect and powers being deliberately withheld by higher levels of administration. As the process of reconstituting and/or notifying of the villages is carried out according to the process prescribed above, the Gram Sabha must also be allowed to get functional. A proper information flow mechanism should be created for the Gram Sabha to function effectively. Towards this end, responsibility and accountability must be fixed at all levels of the administration through Activity Mapping. A 5 per cent administrative fund from the developmental budget deposited in the Village Panchayat account may be earmarked for the Gram Sabha as an untied fund. This budget may be utilised by the Gram Sabha to initiate developmental initiatives as the Gram Sabha deems fit in addition to the regular planned expenditures.

8.27 The term ‘community resources’ which is used in section 4 (a) and (d) of PESA has not generally been defined. Section 129c (iii) of the Madhya Pradesh Panchayat Raj Act does, however, provide a definition that could be recommended to other States: ‘natural resources including land, water and forest within the area of the village’. States may be advised to adopt the definition set out by the Government of Madhya
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Pradesh. A mandatory social audit should be held (as specified under National Rural Employment Guarantee Act (NREGA) to assess the implementation of schemes, as well as compliance by the administration with issues falling within the purview of the Gram Sabha as per PESA. The Gram Sabha’s utilisation certificate may be made contingent upon the report of the social audit.

8.28 There have been several reported instances of ‘manipulating’ of the Gram Sabha meetings by vested interests and powerful groups interested in grabbing natural resources. Such practices must be discouraged and severely dealt with. “Adequate checks and balances must be instituted within the PRI structure and bureaucracy to ensure such manipulation of Gram Sabhas meetings does not take place.” As an additional safeguard, Scheduled Area Gram Sabhas should be videographed in consultation and in agreement with the Gram Panchayat members concerned.

8.29 In addition, to further safeguard the Gram Sabha’s autonomy:

I. Any attempt to dictate the agenda of Gram Sabha from above should be deemed to be an act of misconduct on the part of the officials concerned. The Gram Sabha could, however, be formally requested to consider including the suggested items in its agenda at its discretion. Any violation of the prescribed procedure under the law, or rules made thereunder should be a penal offence.

II. Deployment of police in connection with a Gram Sabha meeting should be legally barred. In case a Gram Sabha is apprehensive of any trouble, the help of police may be requisitioned by the Gram Sabha through a formal majority resolution. In case police is deployed without due requisition by the Gram Sabha, the proceedings of the Gram Sabha of relevant meeting should be deemed as null and void. Departmental action should be taken against the concerned officer for the unauthorised deployment of force.

III. Any wilful neglect in respect of the proceedings of Gram Sabha, especially mandatory consultation, should be a penal offence.

252 Alternatively NAC has recommended a definition: “Community resources” include natural resources such as land, surface and ground water, forests, minerals, habitat and others, located within the territorial jurisdiction or the territorial domain of the community as determined by the Gram Sabha, including intellectual, socio-cultural and religious heritage of communities.” ibid, See 1(2)(c) of Recommendations on Panchayats (Extension to the Scheduled Areas) Act, 1996.
IV. Serious acts of transgression of the rights of the Gram Sabha may be referred to State or National Commission for Scheduled Tribes.

V. A special mention should be made in the Annual Confidential Reports (ACRs) of all government employees working in the Scheduled Areas about commendable measures they have taken or serious lapses on their part, if any, with regard to Gram Sabhas in PESA and Forest Rights Act (FRA) areas.

**PESA Rules and conformity legislation**

8.30 The Ministry of Panchayati Raj\(^{253}\) in its proposed amendment to PESA provisions argued that:

“the major causes of extremism in areas witnessing the Maoist movement are indifference to the needs of the people in governance, distress caused by land alienation and displacement (loss of land, livelihood, collective identity, culture) and lack of control over local resources. People-centric governance and people-centric planning & implementation in these areas are essential for containing Left Wing Extremism, and can be brought about through the implementation of PESA in letter and spirit”

8.31 The Sixth Report of the Administrative Reforms Commission\(^{254}\) revealed that while all States in the Fifth Schedule Area have enacted conformity legislation vis-à-vis PESA, their provisions have been diluted by giving the power of the Gram Sabha to other bodies. Article 243 N of the Constitution of India says:

“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....”

The Constitutional directive is very clear. But it is well known that old laws and


Acts, which grossly undermine the authority of PESA, are still in force. Subject matter laws and rules in respect of money lending, forest, mining and excise have not been amended. The State laws vis-à-vis PESA and subject matter laws by both the Central and concerned State governments in compliance with PESA need to be expeditiously carried out in a time-bound manner. In case of defaulting States, the Government of India would need to issue specific directions under paragraph 3 of Part A of the Fifth Schedule, to establish a forum at the Central level to look at violations and enforce correctives. The importance of the Annual Reports of the Governors under the Fifth Schedule of the Constitution needs reiteration in this respect – to use its powers to ask the State government to issue rules, where none exist, or to point out where laws are not in conformity with PESA provisions. The Committee express their concern that of nine PESA States, only three (Andhra Pradesh, Himachal Pradesh and Rajasthan) have notified PESA rules. It is the bounden duty of the Union government under the Fifth Schedule to ensure that PESA rules are notified in other States.

8.32 Further, instead of defining and creating a structure patterned on Schedule VI (Sec.4(o)) above the Gram Sabha, the PESA compliance legislation instead have adopted the general Panchayat structure of the State subordinating the Scheduled Area Gram Sabha to this structure. As recommended by NAC, the Ministry of Tribal Affairs along with the Ministry of Panchayat Raj may jointly constitute a Special Task Force of persons with the expertise on tribal matters to study the functioning of the Fifth and Sixth Schedules and laws related to the tribal people and recommend appropriate administrative arrangement for Vth Schedule Areas within one year.

8.33 Since most States have not yet framed PESA Rules and, therefore, not implemented PESA, the Central government should convene a meeting of States concerned and discuss all available rules, including model rules framed by the MoPR for time-bound framing and implementation of PESA rules by all the States. The Central government must specify a particular date by which this Act, which has been passed by the Indian Parliament, has State-specific rules and ensures that those rules are implemented in letter and spirit. The national commitment to implement PESA should not suffer in the name of ever-evolving elusive consensus among States. The Nation has lost more than 16 years waiting for the evolution of such State-specific rules. The tribal people cannot and should not have to wait further and indefinitely. The year 2013 must see elaborate State-specific PESA rules implemented in letter and spirit. This would also be most helpful in mitigating the ongoing conflict in Naxal areas, which are also synonymous with tribal areas in several parts of the country – an issue this Chapter looks at in more detail in a subsequent sub-section.
**PESA and Other Orders**

8.34 The sixth ARC report pointed out that the guidelines of many Centrally Sponsored Schemes are also not compatible with PESA. Further, the Centre’s policies on wastelands, water resources and extraction of minerals, the National Policy on Resettlement and Rehabilitation of Project Affected Persons, 2003, the National Water Policy, 2002, National Minerals Policy, 2003, National Forest Policy, 1988, Wildlife Conservation Strategy 2002 and National Draft Environment Policy, 2004 would also require detailed examination from the viewpoint of ensuring compliance to the provisions of PESA.

8.35 PESA supersedes all these Acts and orders. It must be the responsibility of the governments and departments concerned to amend the respective Acts and orders so that they conform to PESA rules and regulations. For all practical purposes, these Acts, orders and schemes, except those modified, should be treated as legally coopted under the PESA rules. States should, strengthen their administrative machinery in a time bound manner in the Fifth Schedule Areas by addressing issues related to

i. special administrative arrangements,

ii. provision of hardship pay,

iii. other incentives, and

iv. preferential treatment in accommodation and education.

8.36 In addition, the government should select such police, revenue and forest officials who have the training and zeal to work in tribal areas, and understand as well as empathize with the population they serve. A National Plan of Action for comprehensive development to serve as a Roadmap for the Welfare of the Tribals should be prepared and implemented. There should be convergence of regulatory and development programmes in the tribal areas. For this purpose, a decadal development plan should be prepared and implemented in a mission mode with appropriate mechanism for resolution of conflicts and adjustments. The authorities involved in determining the inclusion and exclusion of tribes in the list of Scheduled Tribes should adopt a mechanism of consultation with the major States and those with tribal populations, on the basis of which a comprehensive methodology with clearly defined parameters is arrived at.255

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8.37 Under the Fifth Schedule, Part A (3), special powers have been assigned to the Governors of the States concerned for the execution of PESA; they have to send an annual report to the President regarding the administration of the Schedule areas. The report has to be analysed by the Union government, and if necessary, the Union government has the powers to issue directions to the States. In fact, the scope of the power given to the Union government under this provision is comparable to its power under Article 256. But, to the best of the Committee’s knowledge and belief, there have been no occasions when the Union government have issued any ‘directions’ to the State governments under the Fifth Schedule. The Union government should use its powers to direct State governments, to implement or monitor provisions on PESA currently being honoured only in the breach.

The Forest Rights Act and PESA

8.38 The Forest Rights Act 2006, when it came into being, was regarded as crucial, indeed, critical to the rights of millions of tribals and other forest dwellers in different parts of our country as it provides for the restitution of deprived forest rights across India, including both individual rights to cultivated land in forest land and community rights over common property resources. The notification of rules for the implementation of the Forest Rights Act, 2006 on the 1st Jan 2008 was supposed to pave the way to undo the ‘historic injustice’ done to the tribal and other forest dwellers. Subsequently, detailed guidelines issued by the MoEF in August 2009 laid down the practicalities of ensuring the Gram Sabha’s participation and consent to projects where forest land is proposed to be diverted for non-forest uses.

8.39 The Forest Rights Act, 2006 like PESA is regarded as one of the most progressive Acts. Both came into being in an interval of 10 years (PESA in 1996 and FRA in 2006). In fact, the FRA was seen to be more inclusive as it extends to non-PESA areas also, and so has the potential to address the issues of tribal and other disadvantaged sections of people living in non-PESA areas. Unfortunately, it seems that rather than giving strength to the PESA, the FRA has developed the same problem of systemic apathy that PESA has been facing. Various reports and comments on the state of implementation of the FRA, including the Council for Social Development summary report on the

implementation of the Forest Rights Act,\textsuperscript{257} present a discouraging picture of the state of affairs in relation to both PRIs and the Forest Rights entitlements.\textsuperscript{258}

8.40 Besides many other issues, very fundamentally, it has been found that all States have not reconstituted their Gram Sabhas in accordance with the provisions of FRA thereby making the FRA dysfunctional and ineffective. Gram Sabhas have often been bypassed by the officials of the Forest and Revenue Departments. The parallel bodies, such as the Department-controlled Joint Forest Management (JFM) committees, have been empowered in violation of the law. Such violations include the constitution of Forest Rights Committees and deliberate efforts to use Joint Forest Management to divide villages and substitute Forest Department-controlled JFM committees for community bodies. All non-land rights in the Act – most of which are community rights – have largely been ignored in implementation. A few of the villages in Maharashtra and Odisha such as Mendhalekha (Gadchiroli) and Jamguda (Kalahandi) have secured through struggle control of ownership and management of their minor-forest produce – a transfer of power and control from the Forest Department and State authorities to the Gram Sabha - which needs to take place far more widely. See Table 8.1 below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>State</th>
<th>Status of Minor Forest Produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>Under Section 242(I) (1) (b) of the Andhra Pradesh Panchayati Raj Act, 1994 the Gram Panchayat or the Gram Sabha, has powers as may be prescribed in respect of ownership of Minor Forest Produce(MFP). But the subject law on MFP is not in compliance with PESA.</td>
</tr>
<tr>
<td>2</td>
<td>Chhattisgarh</td>
<td>The Federation of the MFP has been set up in the States under Co-operative act of the State. Collection charges for tendu leaves, dividend and bonus are distributed to the share holders, i.e., the tribals who collect leaves. Outsiders do not have any right to collect MFP in the Scheduled Areas. Subject laws on MFP are not in compliance with PESA, 1996.</td>
</tr>
</tbody>
</table>

\textsuperscript{257} www.forestrightsact.com/component/k2/item/download/51

\textsuperscript{258} http://www.forestrightsact.com/component/k2/item/15

\textsuperscript{259} Response by Shri C.P Joshi, Minister of Rural Development and Panchayati Raj in the Lok Sabha, April 2010 http://www.pib.nic.in/newsite/erelease.aspx?relid=60950
Towards Holistic Panchayat Raj

Table 8.1: Contd.

<table>
<thead>
<tr>
<th>S. No</th>
<th>State</th>
<th>Status of Minor Forest Produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Gujarat</td>
<td>Under Section 108 (5) (a) of the Gujarat Panchayat Act, 1993 ownership of MFP is vested with Village Panchayat except MFP found in the areas of National Parks or Sanctuaries.</td>
</tr>
<tr>
<td>4</td>
<td>Himachal Pradesh</td>
<td>Section 97-I (1) (a) of the Himachal Pradesh Panchayati Raj Act, 1994 vests the ownership of MFP with the Gram Panchayat or as the case may be, the Gram Sabha which shall exercise such functions in such manner and to such extent as may be prescribed in respect of the ownership of MFP. Subject laws on MFP are not in compliance with PESA, 1996.</td>
</tr>
<tr>
<td>5</td>
<td>Jharkhand</td>
<td>Under Section 10 of the Jharkhand Panchayati Raj Act, 2001 the Gram Sabhas have been authorized to decide on the issue of MFP. Subject laws on MFP are not in compliance with PESA, 1996. Regarding inclusion of the provision in the State Forest Regulation, the State Forest Department has reported that the issue of transferring ownership to the Gram Sabha regarding MFP is under process.</td>
</tr>
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<td>6</td>
<td>Madhya Pradesh</td>
<td>There is a MFP federation that gives back the money collected by the sale of MFP to the individuals concerned. Subject laws on Minor Forest Produce are not in compliance with PESA.</td>
</tr>
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<td>7</td>
<td>Maharashtra</td>
<td>54B (g) of the Bombay Village Panchayat Act, 1958 provides that every Panchayat in the Scheduled Areas shall be competent to regulate exploitation, management and trade of MFP vested in it, subject to the provisions of the Maharashtra Transfer of Ownership of Minor Forest Produce in the Scheduled Areas, and the Maharashtra Minor Forest Produce (regulation of Trade) (Amendment) Act, 1997. Subject law on MFP is not in compliance with PESA.</td>
</tr>
<tr>
<td>8</td>
<td>Odisha</td>
<td>Section 44(2) (b) of the Orissa Gram Panchayat Act, 1964 provides that ownership of the MFPs in the Scheduled Areas is vested in the Gram Panchayats. The Orissa Gram Panchayat Minor Forest Produce (Administration) Rules, 2002 prescribe the manner in which regulation and control of trade in MFP is to be done by Gram Panchayats in Scheduled Areas. There are 69 items included in list of MFP.</td>
</tr>
<tr>
<td>9</td>
<td>Rajasthan</td>
<td>Section 8E of the Rajasthan Panchayati Raj Act, 1994 entrusts the power of management of MFP to the Gram Sabha subject to such conditions and up to such extent and in such manner as may be specified by the State Government from time to time.</td>
</tr>
</tbody>
</table>
8.41 In accordance with section 13 of FRA, PESA provisions are to be implemented across States when it comes to jurisdictions and decisions of the Gram Sabhas. Whether it is in PESA or non-PESA areas, the Gram Sabha must be made powerful enough to democratically conduct its processes and take decisions. Decisions of such Gram Sabhas must be made binding on one and all. PESA and the FRA have already acknowledged this on paper, but are not being implemented. Government and departments concerned must be, immediately, made accountable to ensure restructuring of Gram Sabhas, holding genuine meetings of the Gram Sabhas without external interference and undertaking implementation of Gram Sabha decisions as stipulated in PESA and FRA.

The role of Panchayats in countering left-wing extremism

8.42 Of the 82 left-wing extremist-affected districts identified for the implementation of the Integrated Action Plan, 32 are PESA districts, according to official estimates. The Twelfth Plan points out that, drawing on a four-decade-old movement of militant left politics, the CPI (Maoist) was formed in September 2004, by merging the Communist Party of India (Marxist Leninist) and the Maoist Communist Centre. Its spread, says the Plan, currently extends across significant parts of Bihar, Jharkhand, Odisha, Chhattisgarh and Andhra Pradesh, leading to the term, ‘The Red Corridor’. It further says that “some analysts have argued that the analogy of ‘The Speckled Band’ more aptly describes the Maoists’ area of influence, given that they have control over some areas of selected forested pockets in the districts stretching across the heart of central India.” It goes on to say that “while the senior leadership of the party is mostly drawn from non-tribal communities, much of the rank and file including women cadre, comes from local villages, and has built on their grievances emanating from the implementation of harsh laws like the Land Acquisition Act, 1894, the non-implementation of progressive laws like PESA and FRA, and the practices of an unaccountable and oppressive bureaucracy.”

8.43 Government analyses underline the roots of the development deficit in the left-wing extremism- affected districts:

260 In 2006, the Prime Minister had talked of 160 districts being affected by Left-Wing Extremism. Annual reports of the Ministry of Home Affairs have also indicated that if partially and peripherally affected district are taken into account, the number of such districts might well exceed 100 and might even approach 200.

261 Twelfth Five Year Plan, para 24.93 p 238.

262 Ajay Dandekar and Chitrangada Choudhury, PESA, Left-wing Extremism and Governance: Concerns and Challenges in India’s Tribal Districts, IRMA, 2010.
i. More than 3/4th of the people living in these districts have a low standard of living index\textsuperscript{263}.

ii. Female literacy for most districts is below the national average.

iii. Less than 1/4th of the population lives in pucca housing.

8.44 Government assessments of the nature and extent of the spread of Naxalism, as well as Government's response to this menace in terms of the two-pronged approach of security measures combined with development initiatives, are set out in two sets of answers to Questions in the Rajya Sabha dated 22 August 2012 and 25 April 2012. (See Box 8B and 8C) Levels of State-wise Left-Wing Extremist Violence are set out in Box 8D.

Attention is also invited to the oral evidence of Smt. Sudha Pillai who, as Secretary, and subsequently Member-Seacretary, Planning Commission, was in charge of IAP in its formative years, and the evidence of Secretary, Panchayat Raj in some of the affected States, including Chhatisgarh, Jharkhand and Odisha, all of whom have accepted that IAP is not PESA-compliant but argue that IAP is necessarily being devised by the three-person officials' committee in consultation with leaders of the local community in affected areas\textsuperscript{264}. The Planning Commission Member has assured the Committee that efforts are underway to involve PRIs and Gram Sabhas more fundamentally in IAP\textsuperscript{265}.

8.45 It has alternatively been argued that if there was full-scope Part IX/PESA-compliant planning and implementation of all Centrally Sponsored and State-specific schemes covered by the Eleventh Schedule of the Constitution in tribal areas of peripheral or light violence, it would send a strong message to tribals in the more seriously affected areas that were they to withdraw active and passive support to Naxals, the way would be cleared for them to be empowered for really participative development in the mode determined by Panchayats and Gram/Palli Sabhas in her own habitats, backed by genuine authority, funds and fuctionaries sanctioned by Activity Maps to assist the elected panchayats and their respective (re-organised) Gram Sabhas. Besides its limited coverage and restricted budget, IAP sends the contrary message that the alternative to Naxal-type governace is still more bureaucratically conceived and yet more bureaucratically run non-PESA compliant

\textsuperscript{262} The low standard of living index is a composite index worked out as a part of the District Level Household Survey Phase-III.
\textsuperscript{264} See Oral evidence.
\textsuperscript{265} Oral evidence of Shri Mihir Shah on 25 February 2013.
Towards Holistic Panchayat Raj
devolution programmes at variance with the Constitutional promise made to tribals, particularly in Fifth Schedule areas. This would give tribals a real choice between participative development, on the one hand, and death at the hands of the Maoists or security forces, on the other. 266

8.46 The Committee are firmly of the view that while security measures might be paramount in the most affected areas, in the less extremist-affected and least extremist-affected tribal areas, development and welfare spending grounded in the Part IX/PESA model of participative development would deliver spectacular results both for the well-being of the areas where the Indian state’s writ still runs, as well as constitute a powerful demonstration effect for the most affected areas, which are now seeing little more than intense security action.

8.47 The Committee, therefore, urge that the development dimension of Government’s anti-Maoist measures is not meaningful to people unless it is rooted in their effective participation. When development is conceived principally as large projects which disrupt the lives and livelihood of tribals, but give them little or no share in the benefits of such development, far from reassuring the tribals that the State is on their side, the State is perceived as collaborating with those alien elements whose actions are harming the local people, their traditional ways and the environment they have done so much to preserve for millennia.

8.48 The IAP is designed to cover 82 LWE districts and assigned grants of ₹ 25 crore and ₹ 30 crore per district respectively in 2010-11 and 2011-12 to be used for social infrastructure and development projects.267 But the powers over funds, planning and decision-making under IAP are concentrated in a triumvirate of district-level executives – the Collector, the Superintendent of Police and the District Forest Officer. This flies in the face of norms of decentralised planning, which have been laid down and advocated in other social sector schemes, while also impinging on the powers given to Gram Sabhas and Panchayats under Acts like PESA and FRA. This amounts to rolling back the legitimate powers of the Gram Sabha, sanctioned by the Constitution and PESA. This process of diminishing the powers and the role of the Panchayats/ Gram Sabha has been further accentuated by a series of executive circulars put out by the Ministry of Environment and Forests, which do away with the need for Gram Sabha clearances in the diversion of forest land for non-forest uses.

267 http://pcserver.nic.in/iapmis/
<table>
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<tr>
<th>Question No. 153</th>
<th>Answered on 22.08.2012</th>
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**IAP for LWE districts**

| 153 | SHRI MANI SHANKAR AIYAR |

**Will the Minister of HOME AFFAIRS be pleased to state :-**

(a) whether the Integrated Action Plan (IAP) for Left Wing Extremism (LWE) affected districts is being implemented by a committee comprising three Government officials;

(b) whether this is proposed to be modified by placing IAP funds at the disposal of Panchayats and Municipalities in these districts;

(c) whether Districts Planning Committees set up under Article 243ZD are being brought into the processes of planning for the allocation of these funds;

(d) the steps to ensure conformity with the provisions of the Panchayat (Extension to Scheduled Areas) Act, 1996 (PESA) in deployment of IAP funds; and

(e) the Ministry's assessment of the impact of IAP in capping, reversing and eliminating LWE?

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<th><strong>QUESTION</strong></th>
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<tr>
<td><strong>MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS — (SHRI JITENDRA SINGH)</strong></td>
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<td>(a) to (e): A Statement is laid on the Table of the House.</td>
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**STATEMENT IN REPLY TO PARTS (a) TO (e) OF RAJYA SABHA STARRED QUESTION NUMBER 153 FOR 22.08.2012.**

(a) & (b): The Planning Commission is implementing the Integrated Action Plan (IAP) for 82 Selected Tribal and Backward Districts, inter alia, including 71 Left Wing Extremism (LWE) affected districts for accelerated development of these districts. Initially, the implementation of the IAP was started in 60 selected Tribal and Backward Districts with a block grant of Rs. 25 crore and Rs. 30 crore per district during 2010-11 and 2011-12 respectively for which the funds were placed at the disposal of the Committee headed by the District Collector and consisting of the Superintendent of Police of the district and the District Forest Officer. The coverage of the Scheme was later extended to 82 districts based on the requests received from the State Governments. It has been decided to continue the implementation of the IAP in its present form in the financial year 2012-13 with a block grant Rs. 30 crore per district.

(c) & (d): The performance of the Scheme is reviewed regularly. Reviews have shown that the Scheme in its current format is performing extremely well. The State Governments are also highly appreciative of the Scheme and want more districts covered under its ambit.

(e): The IAP has been under implementation since November 2010. Left Wing Extremism is a complex problem which needs to be addressed at different levels. It needs intervention through a combination of security, development, governance and political measures. The IAP is a scheme primarily to address the governance deficit in LWE affected areas and enhance the credibility of the district administration in the eyes of the local communities. This is necessary since the district administration is the last tier in the country’s governance structure and the government’s credibility is reflected in the performance of the district administration. Under this Scheme, a total number of 80,633 projects relating to public infrastructure and services have been taken up and 61,447 projects have been completed till now. This Scheme is functioning as an effective instrument in arresting the growth of LWE. However, while it is too early to evaluate its impact, the Scheme has been widely appreciated.
Will the Minister of HOME AFFAIRS be pleased to state :-

(a) the year-wise names of States and districts which are deemed by the Ministry to be partially or wholly affected with Left Wing Extremism (LWE) during the last three years;

(b) the prognosis for diminishing and eventually ending the LWE threat;

(c) whether any cause-effect link has been established between IAP and its impact on LWE;

(d) whether Government proposes to issue directions to the nine States concerned under paragraph three of the Fifth Schedule for the implementation of Articles 243G, W, and ZD, read with the Eleventh Schedule, as also Panchayats (Extension to Scheduled Areas) Act (PESA) as a means of tackling LWE; and

(e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI JITENDRA SINGH)

(a): The States of Chhattisgarh, Jharkhand, Bihar and Odisha are considered badly affected by Left Wing Extremism. The States of West Bengal and Maharashtra are considered partially affected. The States of Andhra Pradesh, Madhya Pradesh and Uttar Pradesh
Towards Holistic Panchayat Raj

Box-8C

are considered slightly affected States. There is substantial improvement in the situation in Andhra Pradesh and West Bengal, whereas LWE violence has remained low-key in Uttar Pradesh and Madhya Pradesh. The details of left wing extremism violence-affected districts for the last three years (2009-2011) are Annexed. It is further clarified around 26 districts in India account for nearly 80% of the total LWE violence. The total number of ‘violence affected’ districts has to be viewed in this overall context.

(b) The prognosis for reducing and eventually ending the LWE problem has to be seen in the short-term, medium-term and long-term time frames. The policy of the Government of India is that a two-pronged strategy of development and security measures are required to address the situation. In addition, emphasis is also laid on ensuring entitlement of Adivasis under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 and improvement in governance in LWE affected areas.

In other words, in addition to security measures, there is a realization that development deficit and governance deficit in these areas needs to be addressed. Hence there is an emphasis on schemes like the Integrated Action Plan and close monitoring of implementation of flagship schemes in LWE affected districts. There is a degree of consensus on this two-pronged approach in all the LWE affected states although the actual level of implementation may vary from State to State.

Through a calibrated security and development oriented approach, the effort in the short-term is to prevent expansion of LWE problem to new areas. In the medium-term, the effort will be to consolidate the efforts of security forces in badly affected districts and clear, hold and develop such areas. This will require more induction of Central/State forces, which has been planned in phases. This effort, sustained over a period of time is expected to deliver the required results. However, as is evident, the CPI (Maoist) are systematically targeting development infrastructure like roads and mobile towers, in addition to school buildings which is their primary target. District Collectors with a pro-active development agenda are targeted and kidnapped. In the short and medium terms, this challenge has to be met and overcome in worst affected areas.

In the long-term, the inherent nature of CPI (Maoist) ideology which puts a premium on violence, killing, destruction of infrastructure, indiscriminate use of landmines targeting even civilians, sabotage of passenger trains and kidnapping of civilian non-combatants and such other atrocities will create a dynamic for its own demise even in the worst affected districts. This important factor, in addition to a sustained development and security oriented approach is expected to yield desired results.
Towards Holistic Panchayat Raj

(c) The cause-effect link between IAP and LWE problem may not lend itself to measurement in arithmetical terms at this stage. The IAP is primarily a statement of intent on the part of the Central Government to address development deficit in LWE affected districts. The IAP primarily focuses on creation of public infrastructure and services which are immediately perceptible. This effort has to be complemented through implementation of other development and flagship schemes for durable impact. The implementation of the IAP by all accounts is excellent because of the close monitoring by the Planning Commission. The IAP is also a tool to bridge the trust deficit between the government and local communities in these areas. That, this purpose has been achieved in some measure, even in the worst affected areas can be seen by the action of the CPI (Maoist) in targeting the District Collectors - there was an effort to kill the Collector of Bijapur, Chhattisgarh in a landmine explosion recently and a young and pro-active Collector of Sukma in Chhattisgarh has been kidnapped by them. In spite of such setbacks, the government is determined to sustain these development efforts.

(d) & (e): There is no such proposal. As Panchayats are a State subject, the efforts of the Ministry of Panchayati Raj have been in the direction of advocacy and incentivizing the State to devolve powers to Panchayats as per Constitutional Provisions. The guidelines on implementation of PESA have been issued to all the nine V-Schedule States. The Ministry of Panchayati Raj has also issued advisories to the States to include a prominent section on implementation of PESA in the Annual Governor’s Report as mandated in Schedule-V and strengthen administrative machinery in PESA areas.

Further, a committee of select Members of Parliament and Experts was constituted on 13-9-1995 to examine issues relating to extension of the Provisions of Part IX A of the Constitution to the Scheduled Areas. The Committee Report containing proposals on powers, functions and procedures for Gram Sabhas, Nagar Panchayats, Municipalities and Autonomous Districts Councils in Urban Scheduled Areas, the “Provisions of Municipalities (Extension to Scheduled Areas) Bill, 2001” was introduced in the Rajya Sabha on 30.7.2001. The Bill was subsequently referred to the Standing Committee on Urban and Rural Development which gave its recommendations to the Parliament in November, 2003. As some of the recommendations pertained to Ministries of Tribal Affairs, Panchayati Raj, Home Affairs, Environment and Forests, etc., the report was circulated to these Ministries and comments obtained. A meeting was held under the chairmanship of the then Secretary(UD) on 11th June, 2010 wherein representatives of the Central Ministries of Home Affairs, Tribals Affairs, Law & Justice, Parliamentary Affairs, Panchayati Raj, Rural Development and Environment and Forests as well as representatives of the 9 States with Scheduled Areas were present. During this meeting the recommendations of the Standing Committee was circulated to the States with a request to provide their comments. Further consultations are underway with the States in this matter.
**R.S.U.S.Q.NO. 2262 FOR 25.4.2012**

**Page 1 of 1 of Annexure**

### LWE VIOLENCE AFFECTED DISTRICTS FOR THE LAST THREE YEARS (2009-2011)

<table>
<thead>
<tr>
<th>States</th>
<th>2009</th>
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Box-8D

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### Box-8D

**R.S.U.S.Q.NO. 2262 FOR 25.4.2012**  
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8.49 A CAG report on Odisha, looking at social sector schemes until March 2012, made the following observations on the IAP, suggesting how taking decision-making away from local communities can lead to poor planning and wasteful expenditure:

“1.6.2. Implementation of Integrated Action Plan (IAP) in the State

Performance Audit of Integrated Action Plan (IAP) revealed that the projects were selected in consultation with line departments and local MPs and MLAs without taking any input from Gram Panchayat (GP) level institutions such as Gram Sabhas/ Palli Sabhas. Critical gaps were not properly assessed. 249 projects with an estimated cost of ₹ 35.18 crore were cancelled as they were finalised without proper examination of their feasibility and ground reality. Instructions of Planning Commission for inclusion of livelihood projects was not carried out by all test checked districts excepting Koraput though Rs. 440 crore was received by eight districts and 8040 projects were planned during 2010-12. Eight District Level Committees undertook 602 inadmissible projects with estimated cost of ₹ 20.90 crore under IAP, of which an amount of ₹ 13.86 crore was spent as of March 2012. Out of the total 8040 projects sanctioned in the test checked districts, 2256 projects (28 per cent) were not completed by March 2012. The incomplete works included 592 projects which were sanctioned during 2010-11 and not completed even after lapse of one year. Sixty six projects having road and minor irrigation works with an estimated value of ₹ 8.21 crore were executed in non-Left Wing Extremism (LWE) affected GPs under four blocks of Nuapada district which were subsequently stopped, leading to unfruitful expenditure of ₹ 2.61 crore, and 28 projects were abandoned after incurring expenditure of Rs. 1.47 crore. Though periodic monitoring of the programme was being made by Planning Commission and the State Government, physical inspection of the works by the State level officers remained inadequate”.

8.50 The Committee are concerned that there appears to be an unfolding move to reduce and perhaps even eliminate the involvement and clearance of the Gram Sabha in the decision-making process relating to development projects on forest land, as is laid down under PESA and FRA. In August 2009, the MoEF had issued a detailed set of requirements for project proponents who wanted to divert forest land for non-

forest uses: these included providing the Gram Sabhas in the affected areas details of the proposed project and its implications, and securing their clearance, with at least 50 per cent quorum, to the proposed diversion or destruction of forests, and to any compensatory and ameliorative measures. The importance of upholding these powers of the Gram Sabha was recently reiterated by the Minister for Tribal Affairs to the Minister for Environment and Forests in a letter dated 7 December 2012:

“Some argue that this (Gram Sabha clearances) will delay developmental projects...In fact it is ignoring and violating the rights of forest dwellers that will lead to delays, litigation and conflict, aside from injustice...forest dwellers should be part of the planning and decision-making process and there is no reason to believe that they will arbitrarily oppose initiatives in the public interest.”

8.51 However, in a series of circulars put out by the MoEF, the ground has been progressively laid for the Gram Sabha to be bypassed and the Forest Rights Act to be diluted in the 82 IAP districts as well as other FRA areas. The Gram Sabha is now excluded from being involved in and giving its clearance to any linear projects which require the diversion of forest land. In addition, the MoEF has awarded general approval of diversion of up to 5 ha of forest land for ‘critical public utilities’ from schools to police stations as well as all categories of roads, and quarrying of materials used in construction of public roads.

8.52 This Committee strongly recommend that the development and governance deficit that currently exists in LWE districts should be bridged through programmes that foster the inclusion and participation of the Panchayat bodies, and not through top-down planning as in the current IAP design, and other executive circulars that impinge on Gram Sabha powers. Such programmes, which cannot be held accountable to community wishes, remain distant from local needs and priorities, and can potentially add to the sense of alienation.

8.53 The Committee further believe that the guidelines laid down by the MoEF in August 2009 for Gram Sabha involvement and clearance to projects on forest land should be reinstated and rigorously upheld by all project proponents wanting to divert

270 http://www.moef.nic.in/assets/Diversionper cent20ofper cent20forestper cent20land05022013.pdf
272 http://www.moef.nic.in/assets/Guidelines-LWE-05012013.pdf
forest land for other purposes. By taking away these powers granted under the Forest Rights Act, there is a danger of foisting projects from above without any avenues for local bodies to express legitimate grievances that they might have, or suggestions for improved planning. As argued by the Minister for Tribal Affairs in December 2012, the Committee share his view that Gram Sabha involvement should be seen not as a roadblock to development, but as a necessary and indispensable input in a democratic decision-making process.

**Tribal Communities in Schedule VI and other Non-PESA Areas**

8.54 The 73rd Constitution Amendment Act and the extension of PESA do not apply to Schedule VI areas and certain other areas specified in Article 243M, which have separate forms of local governance. The Ministry of Panchayati Raj had commissioned a Report in 2008 to deal with District Planning in Sixth Schedule and other excluded areas[^273], but the recommendations have not been operationalised. Experiences of decentralised governance under autonomous district/ hill council have been mixed so far. As recommended by the National Advisory Council[^274], the government might consider constituting a special task force to review the functioning of local governance and the administrative machinery in Schedule VI areas. Related recommendations of the Administrative Reform Commission Report (February 2008) could also be helpful in such review. While there is a view that it should be explored whether the provisions of the 73rd Amendment Act and/or PESA could be adapted and implemented in Schedule VI areas, the Committee would recommend extreme caution bearing in mind local sensitivities in these areas.

8.55 More than 50 per cent of India’s tribals live outside presently identified Schedule V or Schedule VI areas. The Bhuria Committee rightly observed that the present-day administrative boundaries of the Scheduled Areas were determined during colonial times based on colonial compulsions. Various committees have recommended that habitations that have been left out be included and the anomaly rectified, but little has been done on the ground in this direction. Further, recommendations to make the Tribal Sub-Plan areas coterminous with Fifth Schedule Areas have not been implemented, entirely due to political and administrative apathy and neglect, thereby excluding large numbers of tribal habitations. This situation prevails even after the Fifth Schedule to the Constitution (Amendment)

[^274]: http://nac.nic.in/pdf/pesa_31dec.pdf
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Act, 1976 (101 of 1976), which required States to include tribal habitations, hitherto not notified. Not all tribal habitations even in the nine States where Scheduled areas have been notified, have been covered by the Scheduled Areas notifications. Further, no tribal habitations in the States of Kerala, Tamil Nadu, Karnataka, West Bengal, Jammu & Kashmir and Uttar Pradesh have been included under the V Schedule as Scheduled Areas.

8.56 The National Advisory Council recommendation is that States with tribal populations should list out all villages whose Scheduled Tribe population is over 50 per cent as per the 2011 census and prepare proposals for their inclusion in Scheduled areas to the President. A Special Task Force may be constituted by the Government of India to facilitate and expedite the process of notification by the President of all proposals received from States for inclusion in Scheduled Areas.

8.57 It has also been found that various State governments have converted Panchayats in PESA areas into municipal areas so that PESA provisions do not apply in acquiring land and managing other natural resources. The High Courts of Chhattisgarh and Madhya Pradesh have already passed orders in relation to elections to newly converted municipal areas. All this requires serious thinking in terms of extending PESA provisions to urban areas. The NAC have noted:

“The Second Bhuria Committee Report concerning the Extension of the Provisions of the 74th Amendment to Urban Local Bodies in the Scheduled Areas was tabled in Parliament on 19 July, 1995 making a number of observations and recommendations. The Provisions of the Municipalities (Extension to Scheduled Areas) Bill 2001 based on the aforesaid Report as well as the comments from the central ministries and the concerned State governments having Scheduled Areas, was introduced in the Rajya Sabha on 30th July 2001 and was referred to the Standing Committee on Urban and Rural Development on 6 August 2001. The Standing Committee submitted its report and recommendations in November 2003 as its Fifteenth Report. However the Union Government is yet to introduce a suitable law for the administration of Municipal Areas in Scheduled Areas.”

275 http://nac.nic.in/pdf/pesa_31dec.pdf
The Committee recommend that the Union government introduce legislation in Parliament to introduce PESA type provisions for Urban Local Bodies in Scheduled Areas on the lines of PESA under 73rd Amendment Act:

Scheduled Tribe Commissions and PRIs

8.58 The National Commission for Scheduled Tribes (NCST) has been set up under Article 338A after the bifurcation of the erstwhile National Commission for Scheduled Castes and Scheduled Tribes (89th Amendment to the Indian Constitution, 2004) to oversee the implementation of various safeguards provided to Scheduled Tribes under the Constitution. The Constitution of India under Article 338A has mandated the NCST to investigate, monitor and evaluate tribal safeguards under any law of land, to act as custodian of tribal rights, to support development planning for tribal welfare and to present to the President of India an annual report on the state of tribal affairs.

8.59 On the lines of NCST, most States have provision in their legislation for the constitution of State Commissions for Scheduled Tribes (SCSTs). These SCSTs have more or less the same mandate in State contexts. But as the experiences and studies (including the one by PRIA) suggest, these Commissions have so far been not very effective in discharging their duties and playing the role of a guardian and watchdog of tribal interests. A major reason, for the ineffectiveness of these commissions has been the absence of linkages with the Panchayats.

8.60 The NCST and SCSTs could act as effective custodian of tribal rights and tribal welfare only when there are institutional linkages and partnership between Commissions and institutions of Panchayats. Accordingly appropriate amendments must be made in the mandate of these Commissions to evolve their complementary partnerships with Panchayats. These commissions could play catalytic roles in promoting fruitful engagements of Panchayats with the State to ensure safeguarding the rights and responsibilities of Panchayats in all States of the country. Panchayats, on the other hand, could provide local institutional support to these Commissions by providing them with ground-level updates on the state of tribal affairs and also helping them reach out to the remotest tribal families and individuals, and convey their concerns to State- and Central-level agencies.
Grievance Redressal in PESA and FRA Areas

8.61 The Constitution entrusts the Governor with the task of ensuring ‘peace and good governance’ in Schedule V areas, with absolute powers over the State government towards this end.276 Governors were also required to submit an annual report to the President, which was meant to be an independent assessment of administration in Schedule V areas. However, the practice of submitting independent annual reports has not been much practiced, it being more often than not the case that government departments, not the Governor’s secretariat, drafts these annual reports. Also, Governors have not been exercising their over-riding powers to enforce PESA, based on participatory empowered people’s involvement. In consequence, ‘peace’ and ‘governance’ have deteriorated in many PESA villages.

8.62 A Planning Commission-appointed committee277 commented on this failure:

“It is a pity that no Governor has ever cared to keep a watch over the legislative activity of the state or the centre with reference to the responsibility implicit in the powers vested by Paragraph 5(1) of the Fifth Schedule”

8.63 The Governor’s annual reports are currently being drafted as per a circular issued in the 1980s. The Committee recommend that it is time these rules were re-examined, and a more stringent system put in place, to enable the annual reports by the Governor to truly reflect the condition of the communities in Schedule V areas. The Governor’s office should also be equipped to enlist people who can contribute to the independent character of this report, instead of relying only on government departments and reproducing official claims.

8.64. On the ground, civil society organisations have reported to the Committee that opinion on the ground is widespread that functionaries of the State and other powerful interests currently are unaccountable for their non-implementation or violation of PESA, and so there should be a punitive mechanism. (This is also a blind spot in the model rules circulated by the Ministry of Panchayati Raj to the PESA state governments. In the light of the PESA experience of the past 16 years, it is unlikely that these rules, unless accompanied by well thought-out punitive measures or redressal mechanisms,

276 This section draws on the report ‘PESA, Left-Wing Extremism and Governance: Concerns and Challenges in India’s Tribal Districts’: Ajay Dandekar and Chitrangada Choudhury, IRMA (2010).

277 Development Challenges in Extremist Affected Areas- Report of an Expert Group (2008), Planning Commission, Govt. of India.
will have their intended effect of empowering the community.) Appeals to institutions like the Governor or Commission for Scheduled Tribes and the National Human Rights Commission go unacknowledged, or are caught up in interminable procedures and delays, with no meaningful responses by the government authorities. In the disturbed areas, there is need to respond to this situation and set up a mechanism on the lines of a redressal commission to do a National Inquest of all the past and ongoing violations of PESA. Once this begins to take effect, PESA provisions, especially those relating to the competence and centrality of Gram Sabhas, should get implemented so as to make the changes irreversible in the greater interest of democracy and justice.

8.65 The Committee recommend that Section IV of the Right to Information Act, mandating *suo moto* disclosures, should be strictly implemented in Schedule V villages, with Information Commissioners being asked to monitor any violation of this. Social audit rules should be issued for all government programmes in Schedule V areas, along the lines of the NREGA social audit rules in Andhra Pradesh.

8.66 The Committee further recommend that on the lines of the Citizen's Panel for NREGA constituted by the Ministry of Rural Development, the Ministry of Panchayati Raj should constitute a National Citizen's Panel for PESA. Eminent citizens should be empanelled for each of the PESA districts, and quarterly meetings held for updates chronicling the status of the law's implementation or violations on the ground. Government action on the panel's recommendations should be made time-bound, e.g. by filing public Action Taken Reports in a mandated period. In addition, Citizens Charters, with regard to the rights guaranteed to communities and their PRIs under PESA and FRA, should be prepared and widely disseminated in these areas. These charters should also list the duties entrusted to the government and the corresponding level of authority and accountability for each of them, and mechanisms for these offices to be accessed by and made accountable to the PRIs.

**Scheduled Castes**

8.67 Speaking on the Village Panchayat Bill introduced in the Bombay State Assembly, Dr. B.R. Ambedkar had said:

“If India has not succeeded in producing nationalism, if India has not succeeded in building up a national spirit, the chief reason for that in my
opinion is the existence of the village system. It made all people saturated with local particularism, with local patriotism. It left no room for larger civic spirit. None whatever. Under the ancient village panchayats, India, instead of being a country of united people, became a loose conglomeration of village communities with no common ties.”

He, therefore, argued:

“Speaking for the depressed classes, therefore, I can never accept the principle of self government for India unless I am satisfied that every self governing institution has provisions in it which gives the depressed classes special representation in order to protect their rights.”

Commenting on the status of the untouchable in the Indian village, he observed in the Constituent Assembly in 1947:

“The existing village system has the effect of making the Scheduled Castes in the village slaves of the caste Hindus...Under the village system the Scheduled Castes are not allowed to live inside the village. They have to live on the outskirts...They have no independent means of livelihood. They own no land...They have to do forced labour day in and day out on pain of being driven away from their quarters by the Hindu landlords.. They have to live a life of degradation, dishonour and ignominy from generation to generation. It is a state of eternal perdition.”

8.68 These concerns have been met in two stages in the Constitution of India, first in the Constitution as originally framed in 1947-49, for affirmative action in favour of SCs generally and through reservations in Parliament and the State Assemblies; and subsequently in 1992 by the inclusion of affirmative action provisions in the 73rd and 74th amendments which introduced into the Constitution Part IX (‘The Panchayats’) and Part IXA (‘The Municipalities’). These Constitutional provisions have been backed up and reinforced by other legislation at both the level of Parliament and the State Assemblies. In view of their profound significance for the continuing struggle to end

280 Dr. Ambedkar, Speeches and Writings, Vol 2, Pg 109.
the social evils so graphically described by Dr. Ambedkar, these are detailed in the paragraphs that follow.

[Constitutional Provisions for Scheduled Castes in, Parliament, State Assemblies and Panchayats:

330. Reservation of seats for Scheduled Castes and Scheduled Tribes in the House of the People -

1. Seats shall be reserved in the House of the People for -

   a. the Scheduled Castes;

   b. the Scheduled Tribes except the Scheduled Tribes in the autonomous districts of Assam; and

   c. the Scheduled Tribes in the autonomous districts of Assam.

2. The number of seats reserved in any State or Union Territory for the Scheduled Castes or the Scheduled Tribes under clause (1) shall bear, as nearly as may be, the same proportion to the total number of seats allotted to that State or Union territory in the House of the People as the population of the Scheduled Castes in the State or Union Territory or of the Scheduled Tribes in the State or Union Territory or part of the State or Union Territory, as the case may be, in respect of which seats are so reserved, bears to the total population of the State or Union Territory.

332. Reservation of seats for Scheduled Castes and Scheduled Tribes in the Legislative Assemblies of the States

1. Seats shall be reserved for the Scheduled Castes and the Scheduled Tribes, except the Scheduled Tribes in the autonomous districts of Assam, in the Legislative Assembly of every State.

   a. The number of seats reserved for the Scheduled Castes or the Scheduled Tribes in the Legislative Assembly of any State under clause (1) shall bear, as nearly as may be, the same proportion to the total number of seats in the Assembly as the population of the Scheduled Castes in the State or of the Scheduled Tribes in

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the State or part of the State, as the case may be, in respect of which seats are so reserved bears to the total population of the State.

334. **Reservation of seats and special representation to cease after sixty years**

Notwithstanding anything in the foregoing provisions of this Part, the provisions of this Constitution relating to

a. the reservation of seats for the Scheduled Castes and the Scheduled Tribes in the House of the People and in the Legislative Assemblies of the States; and

b. the representation of the Anglo-Indian community in the House of the People and in the Legislative Assemblies of the States by nomination,

Shall cease to have effect on the expiration of a period of sixty years from the commencement of this Constitution:

Provided that nothing in this article shall affect any representation in the House of the People or in the Legislative Assembly of a State until the dissolution of the then existing House or Assembly, as the case may be.]

**[Reservation in Panchayats**

243D. Reservation of seats.- (1) Seats shall be reserved for-

a. the Scheduled Castes; and

b. the Scheduled Tribes,

In every Panchayat and the number of seats of reserved shall bear, as nearly as may be, the same proportion to the total number of seats 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.
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1. Not 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.

2. 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.

3. 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 as may be, the same proportion to the total number of such 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.

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

5. 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.

8.68A The Constitution (Scheduled Castes) Order, 1950 of the President of India provided the State-wise list of castes which should be treated as Scheduled Castes.
As persons belonging to these castes have been historically marginalised under the prevailing social order, the Constitution of India provided a framework with a three-pronged strategy (Protective, Affirmative and Development) to improve the situation of the Scheduled Castes in the country. As per the 2011 census, the Scheduled Caste (SC) population in India is around 167 million, which is about 16.2 per cent of the total population of India. The SCs live in almost all States of the country and in many States the SC population is more than 20 per cent of the State population.

8.69 The Twelfth Plan finds that across social groups, the incidence of poverty among SCs is second only to STs, with 42.26 per cent of SCs being poor against the all-India average of 33.8 per cent. Fortunately, the annual rate of poverty decline for SCs has accelerated from 0.80 per cent to 2.25 per cent when comparing 1993-94 to 2004-05 rates to 2004-05 to 2009-10 rates in rural India. However, the SC are far from securing, as the Twelfth Plan declares somewhat grandiosely:

“full participation in the benefits of development...This calls for an inclusive growth process which provides opportunities for all to participate in the growth process combined with schemes that would either deliver benefits directly or, more importantly, help these groups to benefit from the opportunities thrown up by the general development process”\textsuperscript{282}

8.70 To that end, the Eleventh Plan had proposed “social empowerment“ and “economic empowerment“ but left out “political empowerment“.\textsuperscript{283} In consequence, the PRIs have been sidelined in Plan strategy despite being the only democratic institution in which the Dalits are “politically empowered“ in proportion to their population in each Panchayat area, as well as in the Gram/Ward Sabhas where they have the possibility of participating in “direct democracy“. It is intriguing that PRIs have been sidelined in programmes of delivering economic development and social justice to the SCs notwithstanding the Eleventh Plan’s strategy of adding “social justice“ as the third prong of the strategy. Most regrettably, the Twelfth Plan continues to ignore the strategic imperative of political empowerment through PRIs through genuine devolution, without which Dalits will remain passive recipients of State largesse instead of being full-fledged participants in a dynamic and inclusive growth process.

\textsuperscript{282} Twelfth Five Year Plan para 24.3 p 220.

\textsuperscript{283} Eleventh Five Year Plan para 6.65 p 197.
8.71 Panchayat Raj Institutions, set up under the Constitution, provide the most significant socio-political opportunities to Scheduled Castes to secure their legitimate place in society as also to take up the leadership of the very villages where they had been historically ignored, unheard and exploited. Seats at all levels of Panchayats have been reserved for Scheduled Castes in proportion to their population. As the Table alongside shows, just under half a million elected representatives of Panchayats are SCs (also referred to as Dalits).

8.72 Panchayati Raj Institutions have great potential in addressing the age-old practices of social discrimination and politic-economic marginalization of scheduled castes. However, it seems this potential has not been fully realized as concomitant changes in practices and attitude of social and administrative system have not been pursued. For example, instances have come to light of Dalit PRI Presidents (Sarpanches) being bullied into acting as proxies for dominant elites and then being left to carry the can if caught performing illegitimate acts not in their own behalf but on behalf of oppressive elements of society or the bureaucracy. Equally, there is the reprehensible practice of moving no-confidence motions against Dalit office-bearers in PRIs with the principal intent of replacing them with non-Dalit office-bearers. There is also the even more reprehensible practice of preventing Dalit members of the Gram/Ward Sabha, particularly Dalit women, from expressing their views without fear or favour in Gram/Ward Sabha meetings. It can also hardly be denied that Dalit voters in PRI elections are sometime subjected to physical and emotional intimidation and threats.

8.73 In order to secure equal and effective participation of SC members in PRIs, it is necessary that Panchayats function in such a manner that SC members are able to perform their duties effectively and with dignity. Studies show that SC representatives experience caste-based discrimination and exclusion. This seriously constrains them in performing their role as President (Sarpanch) or Member. Discriminatory practices include:

- discrimination in locating Gram Panchayat offices far from SC localities;
- un-welcoming attitude during meetings in the office;

284 Ministry of Panchayati Raj-supported study (2012): Study of Social Inclusion at the Level of PRIs, Zilla Parishad (ZP), Panchayat Samiti (PS), Gram Panchayat (GP) and Gram Sabha (GS) in Select States with a Particular Focus on Disadvantaged Groups such as Women, SCs, STs, OBCs and also Documenting Select Number of Cases Highlighting Success and Failure, Indian Institute of Dalit Studies, New Delhi.
• non-cooperation of other members of the Panchayat; and

• lack of cooperation from the administration

8.74 To enable SC members to perform their role in an effective manner, regulations might be issued against discriminatory behaviour towards SC members of Panchayats; special guidelines might be drafted on the provision of full and equal support to SC members; and necessary legal safeguards instituted against discrimination.

8.75 The Committee recommend that in order to prepare a well-drafted advisory in this regard with real teeth, legal as much as administrative, the Ministry of Panchayati Raj might undertake for SC Panchayat Raj representatives an exercise similar to the 2007-08 all-India survey of Elected Women Representatives commissioned by the Ministry so that a clear picture emerges of the profile of SC representatives (including women SC representatives) in PRIs and the problems faced by them, so that, in a comprehensive and effective manner, a campaign is mounted and sustained of equal treatment to SCs in PRIs and Gram Sabhas to give real substance to the shell of assured SC representation.

8.76 In addition to the problems faced by elected SC representatives, there are problems faced by SC persons in receiving their entitled services. Recent studies\(^\text{285}\) undertaken by the Indian Institute of Dalit Studies, New Delhi indicate that in addition to the common problems faced by all (SC and non-SC), SC face specific problems in accessing the services due to differential treatment (caste discrimination) by officials and other PRI representatives. Some of the additional problems that SC mothers experience while accessing schemes include the following:

• ASHA do not visit their neighbourhoods;

• they are not informed or made aware of ANM timings and VHND meetings;

• VHNSC meetings are often conducted in high-caste neighborhoods, and the lower caste groups are reluctant to attend these meetings;

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• healthcare services that require contact between the medical professional and the patient/recipient are impacted negatively, e.g., tablets are dropped into the hands of a lower-caste person from a ‘contact-safe distance’;

• SC mothers have indicated that they receive fewer post-natal checkups and less advice;

• AWWs avoid holding newborn children to weigh them and instead ask mothers to do it themselves;

• ANMs avoid holding children’s hands for immunization, at times even asking someone from the SC community to dispense polio drops to the SC children.

8.77 On access to mid-day meals by school-going children – studies show SC children faced various forms of differential treatment while accessing food in schools, including:

- a. less quantities of food served to them in comparison to upper-caste children;
- b. segregated seating arrangements for SC children;
- c. crude and disrespectful manner of supervisors serving the food;
- d. demands for separate plates for SC children, including that they bring their own plates from home;
- e. last to be served.
- f. Dalit women being refused to be employed as cooks in the Mid-Day Meal because of the notion of ‘untouchability’.

8.78 Panchayats can play a key role in ensuring non-discriminatory access to various schemes relating to health, sanitation, nutrition, education, public distribution etc since they are the closest to on-ground engagement with citizens. Three major recommendations towards ensuring non-discriminatory access are mentioned in the following section to strengthen and broaden the role of Social Justice Committees to ensure that Dalits receive their entitlements, especially under schemes directed at them as principal or exclusive beneficiaries.
8.79 The Committee are strongly of the view that without the active involvement of the elected Dalit leadership at the local community level in PRIs and Gram/Ward sabhas, the stated Twelfth Plan strategy of “empowerment of the Scheduled Castes” will remain a pipe dream, for how without the PRIs being central to this strategy is the nation going to ensure the “principal goals” of the declared “Strategy for the Twelfth Plan”:

1. To ensure the security and dignity of all persons belonging to the scheduled castes, especially women and put a complete end to all forms of ‘untouchability’ and discrimination against them.

2. To bring members of the SCs - both men and women - at par, to the maximum possible extent, with their non-SC/ST counterparts, in terms of all developmental indices viz.: education, health, nutrition, housing, income generation and employability.

3. To empower SCs to participate in society and nation-building, on an equal basis with others.

4. To effectively implement SCSP as the essential instrument for accomplishing inclusive growth

8.80 On the specifics of the Plan too there is little or no mention of SC self-empowerment through the PRIs:

- “employment and income generation programmes” (para 24.29)
- “skill development programmes” (para 24.30)
- “capacity building, network linking thogh micro-financing, risk sharing, risk mitigation and selection of viable economic ventures” (para 24.30)
- “distribution of surplus government land to landless agricultural labourers” (24.31)
- “National Fund for innovative activities” (24.32)
- “strong institutional mechanism to facilitate SC entrepreuners/ artisans in marketing their products” (24.33)

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286 Twelfth Five Year Plan para 24.28 p 226.
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• None of this can be successfully accomplished by leaving it to the Government machinery instead of entrusting social mobilization, community participation, monitoring and vigilance to the elected SC community leadership in Village Panchayats and Gram/Ward Sabhas through sound Activity Mapping of Functions, Funds and Functionaries, while restricting the administrative/technical machinery to professional support, not the take-over of programmes. Yet, the Twelfth Plan strategy and programmes make no mention of PRIs and restricts action to bureaucracies that have long proved their virtual worthlessness. The Committee are constrained to express their deep concern over this gaping lacuna.

Social Justice Committees

8.81 Article 243G – which is the core of the Panchayat system envisaged in the Constitution – links “economic development” to “social justice” for both “planning” and “implementation of schemes for economic development and social justice”. When introducing the 64th amendment in the Lok Sabha, Prime Minister Rajiv Gandhi said287:

“Each plan for economic development will be accompanied by a plan for social justice. No plan for economic development will merit attention until its social justice component is clear. This is a charter not merely for our villages to become prosperous but also for our villages to become just.”

In building his case for linking economic development with social justice, Prime Minister Rajiv Gandhi made the following argument:

“Our Bill goes beyond merely planning for economic development. It lays upon the Panchayats the even heavier responsibility of planning for social justice. It will not do to romanticise life in our villages. Life there is hard. Life there is exacting. Life there is, in many ways, exploitative and oppressive”

287 Selected Speeches and Writings, 1989, ibid., pp.172-173
He added:

“In driving the power brokers out of the power-houses, in rendering the Panchayats to the people, we lay upon the people’s representatives the solemn responsibility of turning their attention, first and foremost, to the needs of the poorest, the most deprived and the most in need”

8.82 The social justice objectives of Part IX are sought to be secured through the mechanism of Social Justice Committees (SJCs) in each Panchayat at each level. Many States have either constituted SJCs in their Panchayats or have provisions in their legislation for constituting such committees. SJCs are expected to function as one of the statutory Standing Committees of Panchayats at all levels. The SJCs aim to protect the interests of the SCs, STs, Women and Backward Classes from social injustice and all other forms of exploitation at their jurisdictional level. The SJC has a distinct identity within the Panchayat structure. It is mandated to identify development requirements in the village with particular emphasis on the needs of these marginalized communities and make recommendations to the Panchayat concerned to include these demands in its budget. The role of SJC should be that of a watchdog monitoring executive functions of Panchayats on social justice indicators. It should also advise and support Panchayats in undertaking specific initiatives for social justice. The Panchayat has a duty to undertake the implementation of these projects upon receiving sanction from the administration. The SJCs should be made the nodal point for registering complaints under different Acts such as Atrocities against SCs/STs, Violence against Women, etc.

8.83 However, like other Standing Committees of Panchayats, the SJCs in most States are almost defunct. Happily, there are examples of better-performing SJCs in some States. Most of these better-performing areas are NGO-intervened areas where capacities of members of SJCs have been enhanced through training, exposure and handholding support. Such ‘intervened’ SJCs are able to take up exclusion and development issues at Panchayat and higher levels. For example288, the SJCs in Rajasthan collaborated with the VHSNCs (Village Health Sanitation and Nutrition Committee) to prepare and implement annual health plans for addressing Maternal Health issues. Similarly, the SJCs in Sabarkantha289 district of Gujarat engaged with their Panchayats and administration to successfully take up issues related to exclusion and under-development of dalit areas.

288 Experiences of PRIA facilitated initiative to strengthen Gender Responses of Panchayats in 13 districts of Rajasthan, 2010-12.

289 PRIA studies and Reports on Samajik Nyay Manch, 2004-05.
8.84 These examples demonstrate that SJC{s can indeed be leveraged to work towards ending discrimination against, and promoting access to panchayat services by dalit inhabitants. The Committee are, therefore, of the view that the statutory provision with respect to SJC{s must be activated in all States and that the Union Government has a particular Constitutional responsibility to ensure that SJC{s become effective in the PRI system without which there is the constant danger of repressive social practices entering the PRI system without effective countervailing power from the dalit community in Gram Sabhas.

8.85 Union and State governments should initiate time-bound capacity development programmes (training, exposure visits, Audio-Visual aids, Manuals, Guidelines etc.) as well as financial remuneration (honorarium, part of budget under Panchayat ) and administrative support (as required by the SJC from time to time) for strengthening capacities and competencies of members of the SJC.

Other Acts and Development Schemes

8.86 The Constitution of India and the Parliament of India have proposed various steps to prevent discrimination and violence against dalits and tribals. The Scheduled Castes and Tribes (Prevention of Atrocities) Act, 1989 was enacted by the Indian Parliament (Act 33 of 1989) to prevent atrocities against SCs and STs. The Act is popularly known as POA, the SC/ST Act, the Prevention of Atrocities Act, or simply the Atrocities Act. There have been comments about limitations of the scope of POA (not covering all atrocities or Christian dalits etc.). This needs to be addressed. But more serious are governmental and non-governmental reports citing mockery of implementation of the POA.

8.87 Panchayats as such have no significant role in the PoA. In fact many dalit members of Panchayats have been victims of atrocities, which PoA should have prevented or stopped. Current police, administration and judicial systems have not been able to completely discard their age-old biases against SCs and STs. One may recall the conduct of an Allahabad High Court judge who had his chambers “purified” with ganga jal because a Dalit judge had previously sat in that chamber before him290. What justice can ordinary folk, then, get under the POA?

8.88 Panchayats perhaps could play very important role in not only making people aware about the POA and similar acts but they could also help better implementation

of such Acts. For example, can Social Justice Committees of Panchayats be made ‘ambassador and implementer’ of the POA? The SJC could be authorized to register complaints under such Acts and forward the same to appropriate authority for suitable action. The authority concerned must keep the SJC informed and updated about the progress of justice under the POA.

8.89 Both Union and State governments have initiated a number of development initiatives for promoting economic and skill development of the SCs. These schemes/initiatives range from student scholarships to housing to marriage to old age pensions. Some of these schemes provide some opportunities for Panchayats to select beneficiaries. But most of decision-making is still in the hands of old bureaucratic structures. In consequence, we have gross underutilization and misappropriation of funds.

8.90 Panchayats should have a complete say in planning for and implementation of these schemes. Currently, Government plans and Government implements. This practice needs to stop immediately. Plans prepared by Panchayats must be the basis for implementation by Panchayats. For example, many State governments do not achieve targets set for students in SC hostels. If Panchayats of those areas are made part of decision-making, all hostels would, in all probability, function effectively because the beneficiaries would have ownership of the schemes instead of being, as at present, passive recipients of Governmental munificence. Similar would be the case for fellowships, housing, etc.

The Scheduled Caste Commissions

8.91 With a view to providing safeguards against the exploitation of SCs & STs and to promote and protect their social, educational, economic and cultural interests, special provisions were made in the Constitution. Due to their social disability and economic backwardness, they were grossly handicapped in getting a reasonable share in elected offices, Government jobs and educational institutions. It was, therefore, considered necessary to follow a policy of reservations in their favour to ensure their equitable participation in governance. For effective implementation of various safeguards provided in the Constitution for the SCs and STs and various other protective legislations, the Constitution provided for the appointment of a Special Officer under Article 338 of the Constitution. The Special Officer, who was designated as Commissioner for SCs and STs, was assigned the duty to investigate all matters relating to safeguards for
SCs and STs in various statutes and to report to the President upon the working of these safeguards. In order to facilitate the effective functioning of the office of the Commissioner for SCs and STs 17 regional offices of the Commissioner were set up in different parts of the country.

8.92 On persistent demand of the Members of Parliament that the Office of the Commissioner for SCs & STs alone was not enough to monitor the implementation of Constitutional safeguards, a proposal was moved for amendment of Article 338 of the Constitution (46th Amendment) for replacing the arrangement of a one-Member system with a Multi-Member system. While the amendment to Article 338 was still under consideration, the Government decided to set up a Multi-Member Commission through an administrative decision vide Ministry of Home Affairs’ Resolution No.13013/9/77-SCT(1) dated 21.7.1978. The first Commission for SCs & STs was, therefore, set up in August, 1978 with Shri Bhola Paswan Shastri as Chairman and four other Members. The field offices of the erstwhile Commissioner for Scheduled Castes and Scheduled Tribes, which were transferred under the control of DG Backward Classes Welfare in 1965, were brought back under the control of this Commission. The functions of the Commission for SCs & STs broadly corresponded with those of the Commissioner for SCs & STs.

8.93 The functions of the Multi-Member Commission set-up in 1978 were modified vide Ministry of Welfare’s Resolution No. BC-13015/12/86-SCD VI dated 1-9-1987 and the Commission for SCs & STs was renamed as the National Commission for Scheduled Castes and Scheduled Tribes. It was set up as a National Level Advisory Body to advise the Government on broad policy issues and levels of development of Scheduled Castes and Scheduled Tribes.

8.94 Consequent upon the Constitution (Eighty Ninth Amendment) Act, 2003 coming into force on 19-2-2004 vide Notification on that date, the erstwhile National Commission for Scheduled Castes & Scheduled Tribes was replaced by (1) The National Commission for Scheduled Castes, and (2) The National Commission for Scheduled Tribes. The Rules of the National Commission for Scheduled Castes were notified on 20 February 2004 by the Ministry of Social Justice & Empowerment and the National Commission for Scheduled Castes was constituted.291

8.95 But the experiences of the functioning of SC Commissions in different States and at national level have not been optimal. There are problems in constitution, composition and quality of functioning. The Union and State governments completely

291 http://ncsc.nic.in/index2.asp?sid=160
control the constitution, composition and staffing of these Commissions. But the functioning of these Commissions could be effectively improved by linking them with Panchayats in rural areas and ULBs in urban areas. For example, Panchayats could become beneficiaries as well as partners of the SC Commissions. The SC Commissions could be the natural institutional support mechanism for building SC leadership in Panchayats by being watchful against any type of discrimination against them. On the other hand, Panchayats could be the extended arm of SC Commissions in reaching out to SCs and providing the necessary safeguards, as mentioned in the terms of reference of these Commissions.

**Other Backward Classes**

8.96 The Constitution in Part IX limits itself to the following enabling clause in Article 243D (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”

8.97 This shifted the burden of affirmative action in favour of OBCs in Panchayats to State legislatures, most of whom have provided for OBC reservations. At the same time, the Centre has promoted a number of schemes, dealt with in Chapter XIII, relating to the OBCs. It is evident that OBCs are substantially represented in PRIs, much more so than in legislatures or government employment. Hence, the extent of devolution of Centrally Sponsored and State-specific schemes in favour of OBCs to the Panchayats, where OBCs are well-represented, will ensure better OBC management and control of these schemes than leaving them in the hands of mainly upper-caste bureaucrats.

**Minorities**

8.98 India represents a unique example of nation-building on the civilizational principle of unity in diversity. For millennia, India had been part of Empires, foreign and indigenous, that had determined the shifting political boundaries of the South Asian

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292 This section is substantially based on a note furnished kind courtesy Shri Wajahat Habibullah, Chairman, National Commission for Minorities and former Secretary, Panchayati Raj.
sub-continent’s natural geographic frontiers. On becoming Independent in 1947, India embarked on this unprecedented experiment, unprecedented because it digressed so radically from the idea of a Nation-State based on the European experience of evolving nationhood on the basis of ethnic, linguistic and religious homogeneity. In framing its Constitution, “We the People India” gave to ourselves a unitary government with a federal bias, a “Union of States with federal features,” as Dr. B.R. Ambedkar, Law Minister and chair of the Drafting Committee, so aptly put it. Emerging from a bloody Partition amidst doubts that India could hold together as a modern democracy, India sought to weave itself together, acknowledging its many diversities, particularly of caste, religion, education, culture and language, by making space for political participation for ethnic diversities in the common national endeavour of forging a “Sovereign Socialist Secular Democratic Republic”, as the Constitution puts it. How has this worked for India’s minorities? Given her diversity, who, indeed, constitute India’s minorities?

8.99 A Central government notification of 1993 under the National Commission for Minorities Act, 1992, classifies India’s religious minorities as Muslims, Christians, Sikhs, Buddhists and Parsis, who together constitute 18 per cent of India’s population, of whom the Muslim community comprises 13 per cent.

Economic Status

8.100 The Planning Commission’s India Human Development Report 2011 focuses on:

- Scheduled Castes, which includes a major section of Buddhists;
- Scheduled Tribes, of which Buddhists and Christians form part, which have traditionally been regarded as the excluded groups; and
- Muslims.

8.101 The Report has evaluated the economic condition of these weaker sections of society on the parameters of income poverty, education, employment, health and infrastructure. The findings thus give, at best, a partial picture of status. Nevertheless, together with other sources, the Report can be interpreted to assess the quantitative impact of Government’s various Flagship Programmes for ‘excluded’ groups.

8.102 Although the Report shows improvement on a few indicators as regards Muslims, the increase is only marginal and the rate of growth much lower than for Scheduled Castes and Scheduled Tribes. The situation has improved little since the
Sachar Committee Report of 2006. Muslims live primarily in urban areas, making the incidence of poverty more visible there. According to the India HDR 2011 Report, in 2007-08, 23.7 per cent of Muslims in urban areas and 13.3 per cent in rural areas were poor. Compared to Scheduled Castes and Scheduled Tribes, and other social and religious groups, whilst urban poverty is highest amongst Muslims, rural poverty amongst Muslims is also higher than that of other religious groups and, indeed, than that of other backward classes (OBCs). Besides, the rate of decline in poverty has also been slowest in the Muslim community: from 1993-4 to 2007-8, urban poverty has declined only 1.7 points, whereas for the Scheduled Castes and Scheduled Tribes community urban poverty has declined by as much as 28.2 points and 19.5 points respectively.

8.103 Literacy shows a similar trend when we compare 2004-5 with 2007-8, the reference period of the Report; urban literacy in general (from 1999-2000 to 2007-8) is indeed found to have increased from 69.8 to 75.1 per cent and rural literacy from 52.1 to 63.5 per cent. Nevertheless, if we compare the rate of increase of literacy amongst Muslims with other social and religious groups, it is once more the lowest. Amongst Muslims, it has increased by only 5.3 points. Similarly, with health indicators, the decrease in the under-5 mortality rate for Muslims between 1998-9 and 2005-6 is 12.7 points, whereas it is 31.2 for Scheduled Castes and 30.9 for Scheduled Tribes.

8.104 Sadly, therefore, the gap in the rate of decrease in poverty, illiteracy, infant mortality rate (IMR), etc., when compared to other social and religious groups, reiterates the Sachar Committee’s stark findings in its report of 2006 that the Muslim community has not benefited from development in terms of socio-economic status at the same rate as other social and religious groups.

8.105 The Sachar Committee report was the first that went beyond the coverage of minorities in general to specific reference to the Muslim community. It revealed the failure of India’s policy, declared since Independence, of inclusion of the Muslim community, designed to counter what were looked upon as the specious arguments that had precipitated Partition. The diligently researched and reasoned Report established extreme deprivation of Muslims in India and the demeaning status that the community had been reduced to, labouring under numerous exclusionary situations of violence, insecurity, identity crisis, and discrimination in the public sphere.
According to the Sachar Committee report, Muslims record the second highest incidence of poverty, with 31 per cent of people below the poverty line, following Scheduled Castes and Scheduled Tribes, who are the most poor with a Head Count Ratio (HCR) of 35 per cent. Not only was the literacy rate for Muslims far below the national average in 2001 but the rate of decline in illiteracy has also been much lower than among Scheduled Castes and Scheduled Tribes. In the Sachar Committee’s findings, 25 per cent of Muslim children in the 6-14 age groups either never went to school or dropped out at some stage.

In no State of the country is the level of Muslim employment proportionate to their percentage in the population, not even in the State of Jammu & Kashmir with a 66 per cent Muslim population. In West Bengal, where Muslims constitute 25 per cent of the population, the representation of Muslims in government jobs is as low as 4 per cent. Not only do Muslims have a considerably lower representation in government jobs, including in public sector undertakings, compared to other excluded groups, Muslim participation in professional and management cadres in the private sector is also low. Their participation in security-related activities (for example in the police) is considerably lower than their population share, standing at 4 per cent overall. Other figures on Muslim representation in civil services, state public service commissions, railways, and the department of education, are equally discouraging.

The Sachar Committee Report concludes with the comment that:

“issues relating to disparities across socio-religious communities are of utmost importance to our nation today. If this Report contributes in any way in constructively dealing with these issues and in facilitating a more informed discussion on them, the Committee’s efforts would be well rewarded.”

A subsequent report by the Justice Ranganath Mishra Commission, published in 2007, which examined the conditions of all minorities, further emphasized the deplorable condition of Muslims on socio-economic indicators and endorsed the findings, arguments and recommendations of the Sachar Committee report. These statistics show that Muslims have been denied equal participation in the development process (evident from poverty and discrimination indicators), have been denied fair and equal access to justice in the case of both targeted violence during communal riots as well as day-to-day, and have suffered identity-based discriminatory practices in accessing rights and entitlements.
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8.110 Nevertheless, each of the communities classified as minorities under the National Commission of Minorities Act 1992 have their own distinct problems. Thus, while education is a strength of the Christian community, 80 per cent of whom are converts from SCs, they have, together with Muslims, been by legislation denied the benefit of constitutional provisions for SCs, a matter now before the apex court, in which the National Commission for Minorities stands impleaded as a party. Many Sikh families, particularly in rural Haryana, are still seeking rehabilitation after the riots that took thousands of Sikh lives in North India in 1984. Buddhists face threats to their places of worship, including the supreme sanctum of Bodhgaya. Parsis, otherwise a prosperous community, face decimation of their population strength.

*Exclusion from development schemes and non-implementation of policy suggestions*

8.111 Government’s response to the Sachar Committee report was to launch the Multi-Sectoral Development Programme (MSDP) in 2008, aimed at upgrading infrastructure in 90 districts spread over 20 states of India293 where minorities comprise 25 per cent or more of the population, identified as minority concentration districts (MCDs). These 90 MCDs, identified after an examination of districts throughout the country, are also relatively backward, falling behind the national average in terms of indicators for socio-economic status and access to basic amenities. Under the MSDP, district-specific plans focus on provision of better infrastructure for schools and secondary education, sanitation, secure housing, drinking water and electric supply, besides beneficiary-oriented schemes to create income-generating activities.

8.112 Nevertheless, it is the exclusion of minorities that stands out in the present planning, design and implementation of the Multi-Sectoral Development Programme. The government has failed to make Muslims a target group and instead brought the scheme in under the larger umbrella of “minorities”, contrary to the recommendation of the Sachar Committee report that the Muslim community needed targeted interventions to bring it socially and economically at par with the mainstream.

8.113 Also, the MSDP is flawed inasmuch as it leaves out large numbers of minorities from its schemes by concentrating only on districts that have a concentration of

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293 Arunachal Pradesh, Assam, Bihar, Delhi, Jammu and Kashmir, Maharashtra, Manipur, Mizoram, Meghalaya, Uttar Pradesh, West Bengal, Odisha, Uttrakhand, Haryana, Kerala, Karnataka, Sikkim, Andaman and Nicobar Islands, Madhya Pradesh and Jharkhand.
'economically backward' minority population. Thus, the MSDP covers only 30 per cent of the Muslim population of India, entirely ignoring Muslims in non-MCD districts. Another major shortcoming is that it takes the district as the unit of planning rather than villages or blocks with minority concentrations, which would have made benefits accessible to more if not all. It also provides little, if any space, for minority self-empowerment through their substantial participation, particularly in minority-concentration areas.

8.114 Even for the minority of minorities who are covered under the MSDP programme, there have not been positive outcomes. In fact, the community has experienced exclusion in the identification of areas for development, allocation and delivery mechanisms even in those MCD districts. This identity-based discrimination was highlighted in a recent study by the Centre for Equity Studies (CES) in 2011, entitled *Promises to Keep*, which evaluated ‘flagship programmes’ for minority development initiated as a response to recommendations by the Sachar Committee. The study, which selected three districts in three States — South 24 Parganas in West Bengal, Darbhanga in Bihar, and Mewat in Haryana — says that despite the focus on minority districts, the Muslim community was not benefiting much as officials were often under orders to avoid Muslim villages, hamlets or urban settlements in plans designed by them. This conclusion is substantiated by reports of India’s National Commission of Minorities on the Districts of Bagpat in UP and Araria in Bihar, with a Muslim population of 25 and 41 per cent, respectively. In consequence, although money from this modestly funded programme is spent on districts with a greater proportion of Muslims, these studies have found that the programmes selected were neither located in nor benefited Muslim populations. In Mewat district in Haryana — with a Muslim concentration of 80 per cent most of the Meo community, in a State in which Muslims constitute barely 5 per cent of the total population -- there are less than 5,000 Muslim students in secondary school. When the Chairman visited a Muslim village in the adjoining Meo area of Palwal District, he found the primary school had, in the words of the CES on schools in neighboring Mewat district, “a dilapidated building, barren courtyard and dingy classrooms”. Instead of spending MSDP funds to upgrade the school, the government preferred to spend money on a neighboring wealthier non-Muslim village. This pattern was repeated in all the other districts visited by the CES. In Darbhanga,
under the Sarva Shiksha Abhiyan - a scheme to universalize education — in 2009-10, 66 new primary schools were opened ostensibly to enhance access for children from minority backgrounds. Curiously, only seven of these were in Muslim-concentrated areas. The Mewat, Araria and Bagpat cases also establish that even when funds do go to a district with a high concentration of Muslims, the money fails to reach the community as the authority's negligence or outright discrimination makes them divert funds to non-Muslim villages. The NCM has therefore, recommended to government that the administrative unit of a Block, a sub-unit of a District devised in the ‘50s to channel development finance, be made the deciding factor in assignment of finance under the MSDP rather than the District. This will also bring Muslims in States like Rajasthan, which has Blocks with a Muslim population of as much as 70 per cent, but not a single District qualifying as an MCD, under the spread of the MSDP; and exclude such areas, in existing MCDs, that do not have the minimum requirement of population.

8.115 For this reason, the Steering Committee of the Planning Commission in its report on 'Minority Empowerment', recommends that the Block should be the administrative unit and that towns and villages falling even outside MCDs/MCBs be covered. This can be achieved by ensuring that the target beneficiaries are identified at the stage of planning at the Block level.

8.116 Minority-related schemes like the Prime Minister’s New 15-Point Programme, replacing a similar programme dating from the time of Prime Minister Indira Gandhi, covering issues of education, employment, housing and credit have, except notably in the school scholarship programme, and that too only in some States, also failed to address minority deprivation, or deliver any benefits to the bulk of poor minority communities. The programme is clubbed with existing welfare schemes such as the Indira Aawas Yojana (IAY), Integrated Child Development Scheme (ICDS), Sarva Shiksha Abhiyan (SSA), Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), etc., in the planning and implementation of which PRIs have a role, wherein it aims to locate a certain proportion of development projects in minority concentration areas and, ‘wherever possible’, earmark 15 per cent of target and outlays under these schemes for minorities. Clearly, this suffers from the same drawbacks as the MSDP wherein the unit for planning is the district and projects can be located anywhere, not necessarily in minority-concentration areas. Also, vagueness in terms like “certain portion” and “wherever possible” allows for biases to be sustained. Moreover, individual beneficiary schemes like the MGNREGA or SGSY are demand-driven; therefore, 15 per cent cannot apply to them in practice. The
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Steering Committee of the Planning Commission in its Report mentioned above has, therefore, recommended rewording the Guidelines to ensure that the minorities are identified in earmarking the intended beneficiaries.

8.117 The Ranganath Mishra Commission report (2007) recommended 10 per cent reservation for Muslims in Central and State government jobs and 6 per cent within OBC quotas for Muslim OBCs, and the inclusion of Muslim and Christian dalits among scheduled castes. These are yet to be implemented. Many argue that a large section of Muslims is already covered under reservations meant for other backward classes (OBCs). However, Sachar’s report has put paid to that myth. In the context of Muslim OBCs, the Committee concluded that their abysmally low representation suggests that any significant benefits of entitlements meant for the backward classes are yet to reach them. The committee also concluded that:

“the conditions of Muslims in general are also lower than the Hindu OBCs who have the benefits of reservations”.

8.118 Recent efforts by the Government of India in introducing a 4½ per cent reservation within OBC quotas for Muslim OBCs have met with resistance.

8.119 The report shows that up to the matriculation level in education, Hindu OBCs trail behind the national average by 5 per cent, while the figure for Muslims in general and OBC Muslims is 20 and 40 per cent respectively. When it comes to education, up to the graduate level, general and OBC Muslims trail by 40 and 60 per cent respectively. In the field of employment in formal sectors, general and OBC Muslims trail the national average by as much as 60 and 80 per cent, respectively. Even in landholdings, Muslims are far below the national average: general Muslims: 40 per cent and Muslim OBCs: 60 per cent, whereas Hindu OBCs is approximately 20 per cent below the national average. General and OBC Muslims are poorer by 30 and 40 per cent, respectively than the national poverty level, while Hindu OBCs are less poor by 10 per cent. So the reservation policy meant for OBCs has not impacted Muslim OBCs.

8.120 What emerges then is that institutions and development programmes meant for minorities have not thus far delivered much by way of addressing the exclusion of minorities save reiterating the bias and discrimination faced. And apart from faring poorly on development indicators, Muslims in particular live in an insecure environment where they face targeted and communal violence on a regular basis, coupled with day-to-day discrimination in accessing rights and entitlements. How has government responded? We have already discussed the response of the Planning Commission to
implementation of development programmes. But government must also address administrative issues.

**Political Consciousness**

8.121 The harsh reality of exclusion has tended to obscure increasing evidence of a growing political consciousness in the community, which has resulted in decisive use of its franchise in elections, influencing the structure of political conglomerates emerging both at the Centre and in the States.

8.122 This may be placed in the context of the decentralization now mandated by the Constitution of India, wherein it makes every village a self-governing unit: Section 243D of the Constitution of India reads: “Panchayat” means an “institution of self-government” constituted under article 243B, for the rural areas. This follows directly from the Gandhian concept that:

> “Independence must begin at the bottom. Thus, every village will be a republic or Panchayat having full powers. It follows therefore, that every village has to be self-sustained and capable of managing its affairs even to the extent of defending itself against the whole world.”

8.123 The objective of Prime Minister Rajiv Gandhi in bringing this amendment was to give voice to those without voice in the governance of their own neighborhoods. But the decentralization sought has not thus far become a reality. Given that the Gram Sabha under the Constitution is expected to be a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level, it was hoped that this provision would give each individual in his own habitation the power of a legislator; hence the importance for the minority community, the challenges before which have been described. But this fact should illustrate that the instrumentalities for rectification exist, and although they have not been widely adopted thus far, for a host of reasons, not least among which is resistance from the existing establishment, these have begun to be used. This then requires to be part of Activity Mapping for every Panchayat, with those located in minority concentration development blocks, as defined in the 12th Five Year

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296 Emphasis added.

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Plan, being mandatorily required to include outlays for minorities as laid out in the Prime Minister’s New 15-Point Programme for the Welfare of Minorities. As per the principle that what should be done at a particular level should be done at that level alone (subsidiarity), activities must be so distributed among the PRIs, with deployment of funds, functions and functionaries accordingly devolving at an appropriate level. This would call for rationalisation of Schemes, with schemes implemented by PRIs specifically earmarked and suitably rationalized in applying to the minorities. This would presume that District Planning Committees covering Minority Concentration Blocks would include an appropriate number of representatives from the minority community, but this would be ensured through a regular electoral system wherein population percentages in such blocks would automatically ensure this.

8.124 Major sectors in local governance included in the 11th Schedule of the Constitution cover all those areas that have been identified as being of concern to the Sachar Committee (2006), namely government, employment generation, administration of health and education, rural connectivity, and rural housing, all administered at appropriate levels of the three-tier structure of Panchayati Raj through the exercise of financial autonomy.

8.125 And delivery will be ensured through “Social audit” that has become a catch phrase and its exercise has invariably been effective although admittedly this has been limited. While therefore this must be made imperative at Gram Sabha level, it can also be undertaken at higher levels, with social audit policies based on best practices in different States. Social audit resolutions must then be treated on par with formal audit paras to ensure consideration and disposal within a time-bound framework.

Conclusion

8.126 The fundamental rights of equality and equal opportunity have not been realized in the context of the minorities in India, where various exclusionary forces are entrenched deep in the systems and mechanisms that have kept minorities, particularly Muslims on the fringes of the development process of this country. To address this, Panchayati Raj holds the key by, first and foremost, giving minority communities the means of ensuring that they are protected and that they have, through controlling such institutions wherever they constitute a majority, access to strong legal tools and redress mechanisms already extant in the system, to address specific forms of exclusion and protection of their human rights.
8.127 Panchayati Raj has provided potential political clout. If this is used in ensuring access to the rights available to the community under India’s Constitution and laws, weaving into the democratic fabric, the future holds promise.

Persons with Disabilities\textsuperscript{298}

Background

8.128 More than 1 billion people across the world live with some form of disability, whom nearly 200 million people experience considerable difficulties in functioning\textsuperscript{299}. The fact sheet produced by the United Nations revealed that 80 per cent of the global population of persons with disabilities live in developing countries\textsuperscript{300}.

8.129 No authentic data available in our country on persons with disabilities. According to census 2001, 21.9 million people in our country have disability. It has been admitted by the Government that the number of persons with disabilities has been drastically underestimated and the percentage could be anywhere between 5 to 6 per cent of the population\textsuperscript{301}. 75 per cent of the population of persons with disabilities live in rural areas\textsuperscript{302}. The census 2011 data on disability on persons with disabilities has not yet been announced.

Legislation, Policies and Programmes

Legislation

8.130 India has enacted the following legislation:

\begin{itemize}
  \item Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995\textsuperscript{303} with 14 chapters, including key chapters on education, employment, non-discrimination.
\end{itemize}

\textsuperscript{298} This section is substantially based on a note furnished kind courtesy Shri Javed Abidi, Director, the National Centre for Promotion of Employment for Disabled People.
\textsuperscript{299} http://whqlibdoc.who.int/publications/2011/9789240685215_eng.pdf
\textsuperscript{300} http://www.un.org/disabilities/default.asp?id=18
\textsuperscript{301} Page 130, Chapter 6, Social Justice, Eleventh Five Year Plan.
\textsuperscript{302} National Policy for persons with disabilities 2006.
\textsuperscript{303} http://socialjustice.nic.in/pwdact1995.php
b. The Mental Health Act 1987, relating to registration of institutions for persons with psychosocial disabilities; admission and discharge of persons with psychosocial disabilities are some of the key objectives.

c. The Rehabilitation Council of India Act

d. The National Trust for the Welfare of Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act 1999 with the main focus on the appointment of Legal Guardianship for persons with autism, cerebral palsy, mental retardation and multiple disabilities.

8.131 India has ratified the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) on the 1st October 2007. Therefore, it is obligatory for the country to implement the Convention in letter and spirit. This Convention is the outcome of:

a. the paradigm shift from viewing persons with disabilities as an object of charity to regarding them as contributing members of the community; and from regarding disability as an individual issue to recognising the issues of persons with disabilities as a matter of Social and Human Rights.

b. The lobbying and persistent advocacy by persons with disabilities and their allies.

8.132 The principles and provisions of the Convention have made many provisions of the existing laws of the land irrelevant and has created an obligation to relook at the existing legislation and to enact new legislation in order to synchronise our laws with the principles and articles of the Convention. (Refer Annexure II). The principles include:

a. Respect for inherent dignity, individual autonomy including the freedom to make one’s own choices, and independence of persons;

b. Non-discrimination;

304 http://bhind.nic.in/Sparsh_mentalper_cent20healthper_cent20act.pdf
305 http://www.rehabcouncil.nic.in/
306 http://socialjustice.nic.in/policiesacts3.php#a1
307 See Annexe 8.2 for full version of UNCRPD.
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- Full and effective participation and inclusion in society;
- Respect for difference and acceptance of persons with disabilities as part of human diversity and humanity;
- Equality of opportunity;
- Accessibility;
- Equality between men and women;
- Respect for the evolving capacities of children with disabilities and respect for the right of children with disabilities to preserve their identities.

Policies

8.133 The XI Plan had directed all Ministries and Departments concerned to earmark 3 per cent of their resources towards the protection of rights of persons with disabilities as enjoined by the Persons with Disabilities Act, 1995. 26 Ministries, including the Ministry of Panchayat Raj, were identified as the Ministries responsible by the nodal Ministry, the Ministry of Social Justice and Empowerment. An analysis of the budgets of the XI Plan reveal virtual non-compliance with, and non-implementation of, this commitment.

8.134 The XII Plan has directed

“All Central Ministries/Departments, especially those concerned with infrastructure, social sector and poverty alleviation, corresponding Departments of State Governments and Panchayats, Municipalities and other Urban Local Bodies (to) earmark reasonable amounts in their Plan outlay for disability related interventions.”

However, the budget documents of 2012-13 and 2013-14 evidence a lack of resource allocation by various ministries, departments including at the state, district levels.

308 http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf
310 http://planningcommission.nic.in/plans/planrel/12thplan/pdf/vol_3.pdf
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and sub-district levels\(^{311}\) with the exception of programmes designed by the Ministries of Education, Urban and Rural Housing, Work and Employment, who have made some allocation for persons with disabilities.

**Schemes and Programmes**

8.135 Respecting, promoting and protecting the rights of persons with disabilities are State subjects under Schedule VII of the Constitution.

8.136 The Union government has schemes related to grants-in-aid to non-governmental organisations aimed at rehabilitating persons with disabilities, running National Institutes, operating and managing disability rehabilitation centres at the district and cluster levels, and scholarship programmes and awards, and recognition, for persons with disabilities.

8.137 The State governments have schemes such as maintenance grants for persons with disabilities, scholarships, vocational training, early intervention programmes and for running special schools for children and individuals with disabilities. Apart from the specific schemes, the social protection and poverty alleviation schemes of the Ministry of Rural Development have identified persons with disabilities as one of the target groups.

**Panchayati Raj vis-a-vis persons with disabilities**

8.138 The National Policy on Persons with Disabilities 2006 requires Panchayati Raj Institutions at Village level, Intermediary level and District level to be entrusted with the welfare of persons with disabilities\(^{312}\). It is to be noted that the implementation mechanism and redressal mechanisms for persons with disabilities stop at the State and district level. The officials at the sub-district and at the panchayat level are not aware of the rights of persons with disabilities and of the schemes of the state nodal departments related to persons with disabilities.

8.139 In focus group discussions undertaken by NCPEDP with persons with disabilities at the grassroots level in the States of Tamil Nadu and Odisha, it turned out that

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officials at the sub-district level / panchayat level are unaware of the rights of persons with disabilities, and of their responsibility to respect, protect and promote the rights of persons with disabilities, as also the need for inclusiveness in local schemes and programmes of persons with disabilities in planning and decision-making.

8.140 The XI & the XII Plans have directed the earmarking of resources by Ministries and Departments, as well as local bodies, towards the protection of the rights of persons with disabilities.

**Ground Realities**

8.141 The analysis of the outlay for the XI Plan and the financial years 2012-13 & 2013-14 reveals a lack of allocation by the Ministry of Panchayat Raj, both at the Union and at the State levels, towards the implementation of the legal mandates and Plan directions. The allocation made towards training and sensitisation of local bodies through SIRDs does not mention sensitisation to the rights of persons with disabilities.

8.142 None of the schemes are in line with UNCRPD and are not responsive to the needs and rights of persons with disabilities.

8.143 As for schemes relating to urban development and rural development that mention persons with disabilities as one of the target groups, and are to be implemented through local bodies, a major lacuna is that these schemes do not disaggregate data on persons with disabilities. The Committee are strongly of the view that Village Panchayats should be charged with the principal responsibility for maintaining the data bases and this in itself will make them conscious and aware of the need to make PRIs the point of interface between persons with disabilities and the Central/State schemes designed for their benefit and welfare.

8.144 The monthly / quarterly reporting systems make no mention of the need to report on the coverage of persons with disabilities. There is no aggregation of data on coverage of persons with disabilities at the State / district levels. This is essential if the problem is to to be tackled at the level at which it manifests itself.

8.145 The design of the schemes has an impact on persons with disabilities accessing the various schemes. For example, social protection schemes such as the Indira Awaas Yojana, MGNREGA, IGNDP, transfer funds to the post office or the bank accounts of the individuals, but persons with intellectual and psychosocial disabilities are denied
the facility of opening and operating their accounts. This is discrimination and a direct denial of access to the scheme / programmes itself.\textsuperscript{313}

8.146 There is a lack of programmes for people with psychosocial disabilities at the community level leading to the uprooting of a large group of people from their community to institutional set ups. This too needs rectification with a clear delineation of functional activities to be undertaken by PRIs and corresponding allocation of Funds and Functionaries through well-designed Activity Maps.

8.147 All schemes related to persons with disabilities can only be accessed upon the possession of the disability certificate. However, so far only 35.7 per cent of persons with disabilities have been issued this certificate. This is a major hindrance for disabled people to access these schemes. Through involvement of Village panchayats and Gram/Ward Sabhas in this matter, it should be very easy to cover this important gap in inclusion.

8.148 There is no special mandate for the participation of persons with disabilities in the Gram Sabha or meetings of the Panchayat. It would appear necessary to ensure special Gram/Ward Sabha meetings at least twice a year to consider issues of disabled people.

8.149 The Panchayat Raj Act in many states discriminates against deaf persons and people with psychosocial and intellectual disabilities in participating in Panchayat elections. This amounts to gross discrimination and requires immediate rectification. For example, the Tamil Nadu Panchayati Raj Act, 1994, Section 37, ‘Disqualification of Candidates’, states that a person with unsound mind or deaf mute cannot contest elections. As per the above said Act, the nomination of a person with hearing impairment for the elections (in 2011) was rejected. This should not be so.

8.150 Recommendations

1. The existing policies and programmes should be relooked at and amended in line with UNCRPD in consultation with persons with disabilities in order to make them responsive towards the protection and promotion of the rights of persons with disabilities.

2. Amendments, as suggested in the main body of this Report, should be made to the existing policies and programmes.

\textsuperscript{313} See Annexe 8.3 for Postal rules and RBI directives.
3. Disaggregated data on persons with disabilities should be made available to Panchayats and local officials, and their correction, updating and maintenance should be devolved to the PRIs, especially in respect of women and children with disabilities.

4. Mandate a results-based framework for supervision and monitoring, and ensure that outcome budgets include coverage of persons with disabilities as key indicators.

5. Sensitisation and training of decision-makers and policy-makers to the rights of persons with disabilities and the need for an inclusive development agenda at all levels, including effective Activity Planning of Functions, Finances and Functionaries for vesting the primary responsibility for the welfare of disabled people on PRIs, who in turn must be responsible and responsive to PwDs, in particular, and the local community, in general, in special bi-annual meetings of the Gram/Ward Sabhas.

6. Mandate inclusion of persons with disabilities in all-decision making processes.

7. Initiate schemes towards the implementation of Article 19 of UNCRPD at all levels.