

New Panchayati Raj: Present Status and Future Prospects

A Presentation

by

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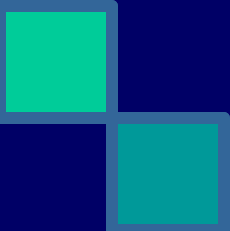

at


European Institute for Asian Studies, Brussels

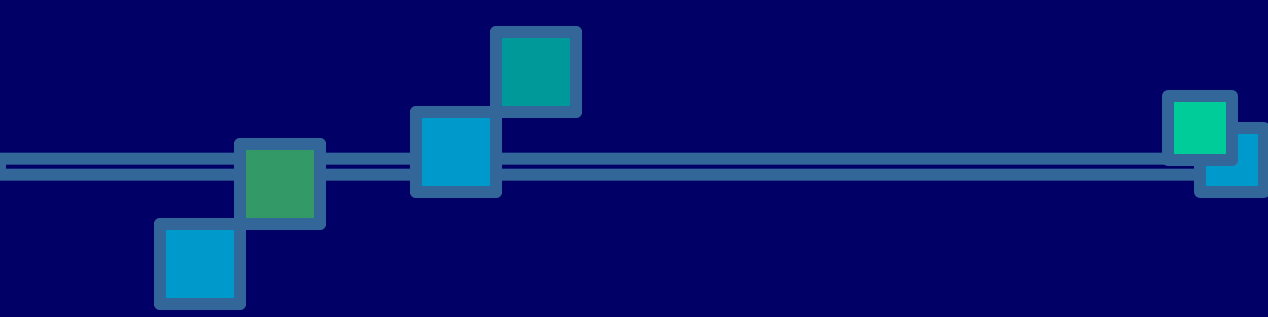

10 May, 2006

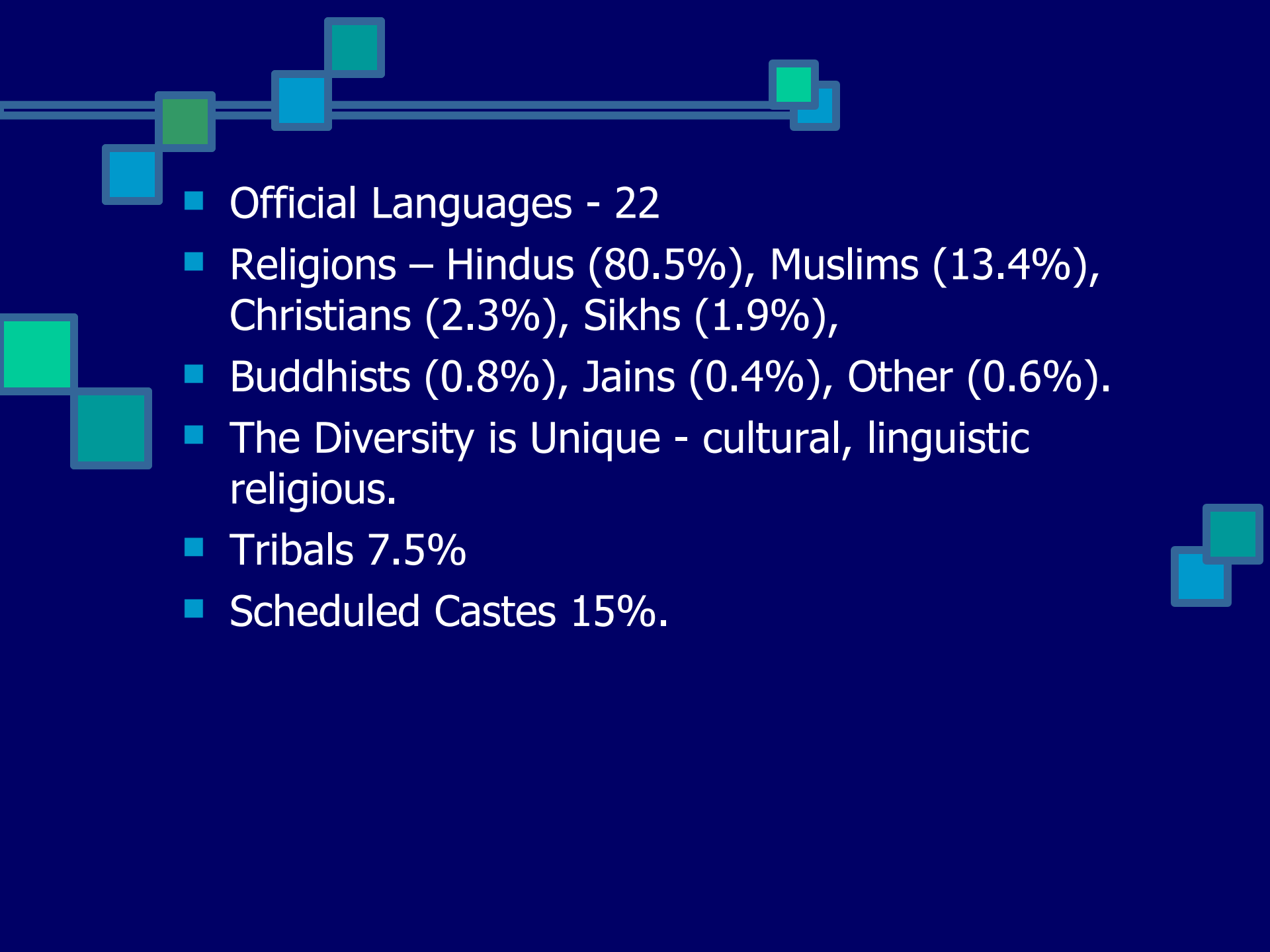


India

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- Area : 3.28 million Sq. Kms.
 - Population : 11 May 2000 India's Population reached 1 billion mark.
 - According to 2001 census the population is: 1027 million. In 1951 it was 361 million.
 - 16.7% of world's population on 2.4% land area.
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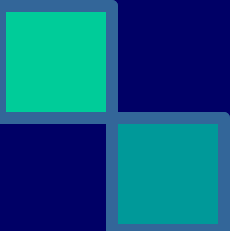

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- Population Increase: 181 million
 - Between 1991-2001, equivalent to the total population of Canada, France and Germany.
 - Sex Ratio (Females / 1000 males) - 933.
 - States: 28 and Union Territories - 7
 - Biggest state: Uttar Pradesh.
Population 166,052,859.
 - Smallest State: Sikkim. Population - 540,493

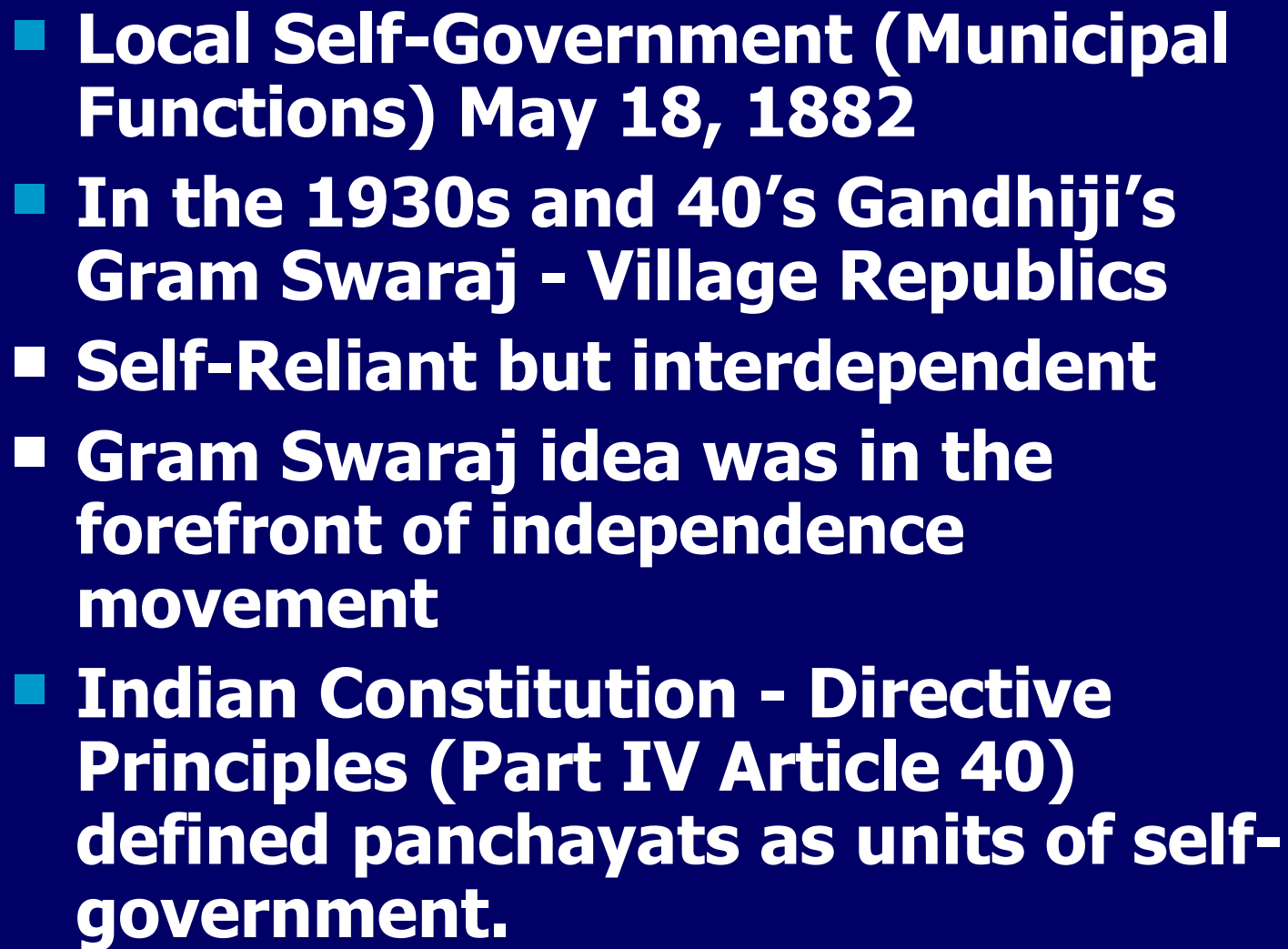
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- Literacy per cent in 2001: 65.38%
 - Males - 75.85 %
 - Females - 54.16 %
 - Rural - 59.4 %
 - Urban - 80.3 %
 - 26% of population below poverty line (BPL)
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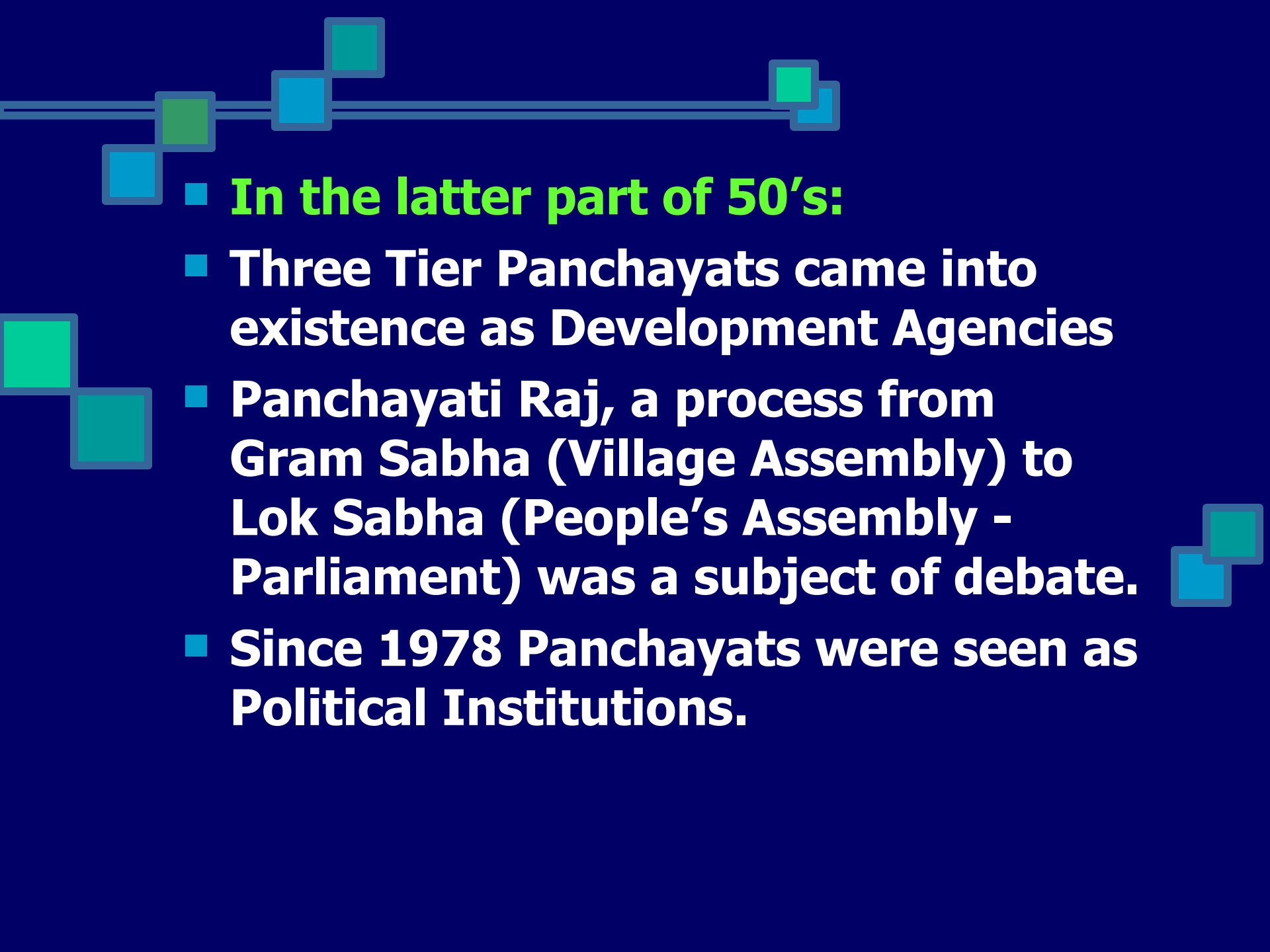
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- Official Languages - 22
 - Religions – Hindus (80.5%), Muslims (13.4%), Christians (2.3%), Sikhs (1.9%), Buddhists (0.8%), Jains (0.4%), Other (0.6%).
 - The Diversity is Unique - cultural, linguistic religious.
 - Tribals 7.5%
 - Scheduled Castes 15%.



PR – Pre-Independence Period

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- Traditional System of Panchayats
(Assembly of 5 persons)
Caste Panchayats
 - Local Bodies - Towns (Nominated)
1687 Madras
1870 Resolution for town based local
bodies
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- **Local Self-Government (Municipal Functions) May 18, 1882**
 - **In the 1930s and 40's Gandhiji's Gram Swaraj - Village Republics**
 - **Self-Reliant but interdependent**
 - **Gram Swaraj idea was in the forefront of independence movement**
 - **Indian Constitution - Directive Principles (Part IV Article 40) defined panchayats as units of self-government.**

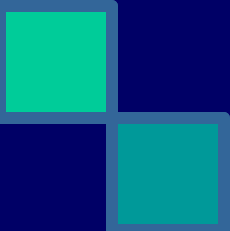

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- **In the latter part of 50's:**
 - **Three Tier Panchayats came into existence as Development Agencies**
 - **Panchayati Raj, a process from Gram Sabha (Village Assembly) to Lok Sabha (People's Assembly - Parliament) was a subject of debate.**
 - **Since 1978 Panchayats were seen as Political Institutions.**

The New Phase Leaders:

- **West Bengal (1978)**
- **Karnataka (1987)**
- **Andhra Pradesh (1987)**
- **Kerala(1997)**
- **Milestones:**
- **District Government Idea debate(mid 80's)**
- **Panchayats and Municipalities became Institutions of Self-Government in Part IX and Part IXA of the Constitution :**
 - **April 24, 1993**
 - **June 1, 1993**
 - **April 23, 1994, May 31, 1994 - States passed conformity legislations**
- **Panchayats extended to Schdule V areas (1996)**



73rd & 74th Amendments

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- Local bodies – Panchayats and Municipalities came under Part IX of the Constitution after 43 years of India becoming a republic
 - Parliament passed the 73rd and 74th Amendments to the Constitution in December 1992 and they became part IX of the Constitution on 24 April and 1 June 1993 respectively
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Salient Features of the 73rd and 74th Constitution Amendment Acts (1992)

1. Panchayats and Municipalities will be "institutions of self-government".
2. Basic Units of Democratic System - Gram Sabhas (villages) and Ward Committees (Municipalities) comprising all the adult members registered as voters.
3. Three-tier system of panchayats at village, intermediate block/taluk/mandal and district levels. Smaller states with population below 2 million only two tiers
4. Seats at all levels filled by direct election

Contd.....

Salient Features ... Contd.

5. Seats reserved for Scheduled Castes (SCs) and chairpersons of the Panchayats at all levels also shall be reserved for SCs and STs in proportion to their population.
6. One-third of the total number of seats reserved for women. One-third of the seats reserved for SCs and STs also reserved for women. One-third offices of chairpersons at all levels reserved for women.
7. Uniform five year term and elections to constitute new bodies to be completed before the expiry of the term. In the event of dissolution, elections compulsorily within six months.

Contd...

Salient Features... Contd.

8.Independent Election Commission in each state for superintendence, direction and control of the electoral rolls.

9.Panchayats to prepare plans for economic development and social justice in respect of 29 subjects listed in 11th Schedule. 74th Amendment provides for a District Planning Committee to consolidate the plans prepared by panchayats and Municipalities.

Contd....

Salient Features...Contd.

10. Funds: Budgetary allocation from state governments, revenue of certain taxes, collect and retain the revenue it raises, Central Government programmes and Grants.

11. In each State a Finance Commission to determine the principles on the basis of which adequate financial resources would be ensured for panchayats and municipalities.

Article 243G Read as under:

Powers, authority and responsibilities of Panchayats

Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to :

- (a) the preparation of plans for economic development and social justice;
- (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

29 Subjects Suggested for Transfer to the Panchayats

- 1. Agriculture, including agricultural extension**
- 2. Land improvement, implementation of land reforms, land consolidation and soil conservation**
- 3. Minor irrigation, water management and watershed development**
- 4. Animal husbandry, dairying and poultry**
- 5. Fisheries**
- 6. Social forestry and farm forestry**
- 7. Minor forest produce**
- 8. Small scale industries, including food processing industries**
- 9. Khadi, village and cottage industries**



..contd..

10. Rural housing

11. Drinking water

12. Fuel and fodder

13. Roads, culverts, bridges, ferries, waterways and other means of communication

14. Rural electrification, including distribution of electricity

15. Non-conventional energy sources

16. Poverty alleviation programme

17. Education including primary and secondary schools

18. Technical training and vocational education

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19. Adult and non-formal education

20. Libraries

21. Cultural activities

22. Market and fairs

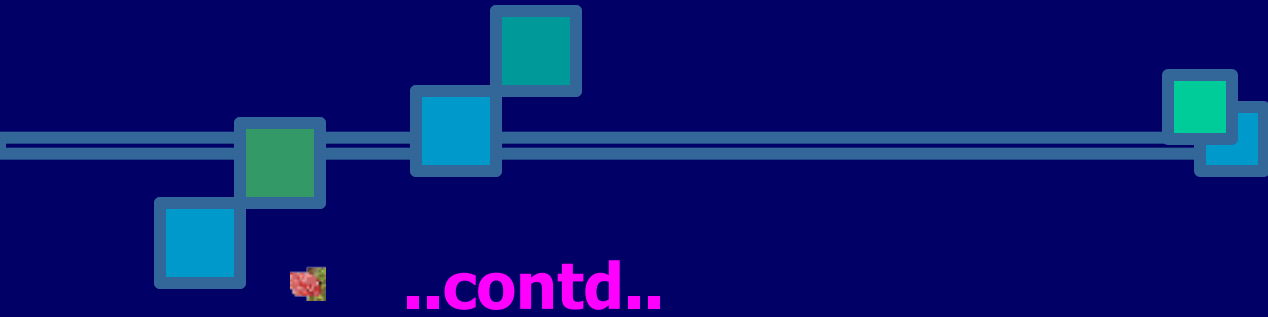
**23. Health and sanitation, including hospitals,
primary health centres and dispensaries**

24. Family welfare

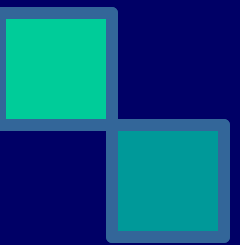
25. Women and child development

**26. Social welfare, including welfare of the
handicapped and mentally retarded**

**27. Welfare of the weaker sections, and in
particular, of the Scheduled Castes and
Scheduled Tribes**



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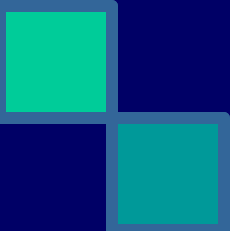



- 28. Public distribution system**
- 29. Maintenance of community assets**





Widening Democratic Base

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- **After the 73rd and 74th Amendments the Democratic base has widened enormously enabling Horizontal Planning and Implementation of Development Programmes**
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First Stratum

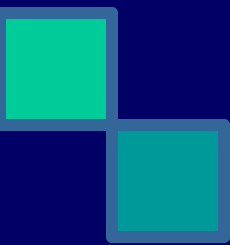
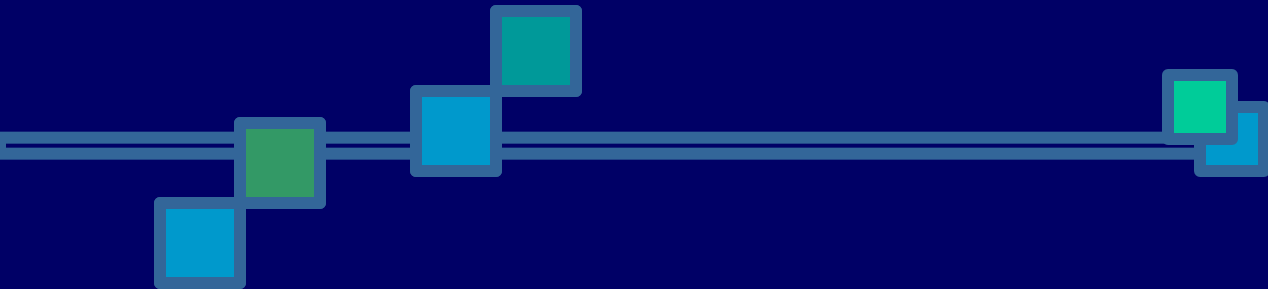
UNION

**Two Houses of Parliament have 793
Members**



Lok Sabha - 543

Rajya Sabha - 250



Second Stratum

STATE & UNION TERRITORIES

**28 State Assemblies and
Two Union Territories have
4508 Members**



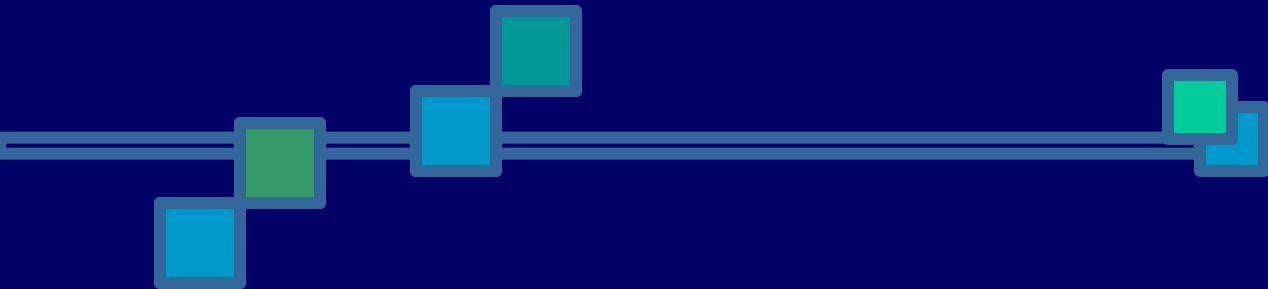


TOTAL ELECTED MEMBERS AT THE UNION AND STATE LEVEL



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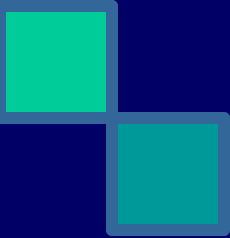




Third Stratum


District and Below elects

Nearly 3 Lakhs
Members

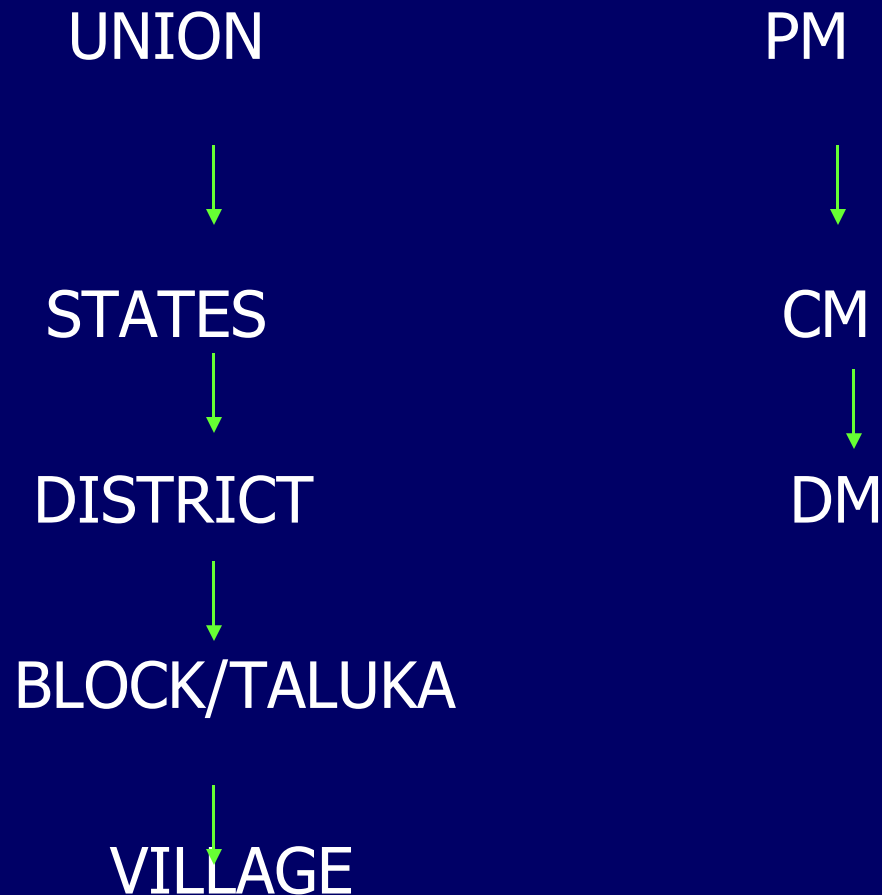




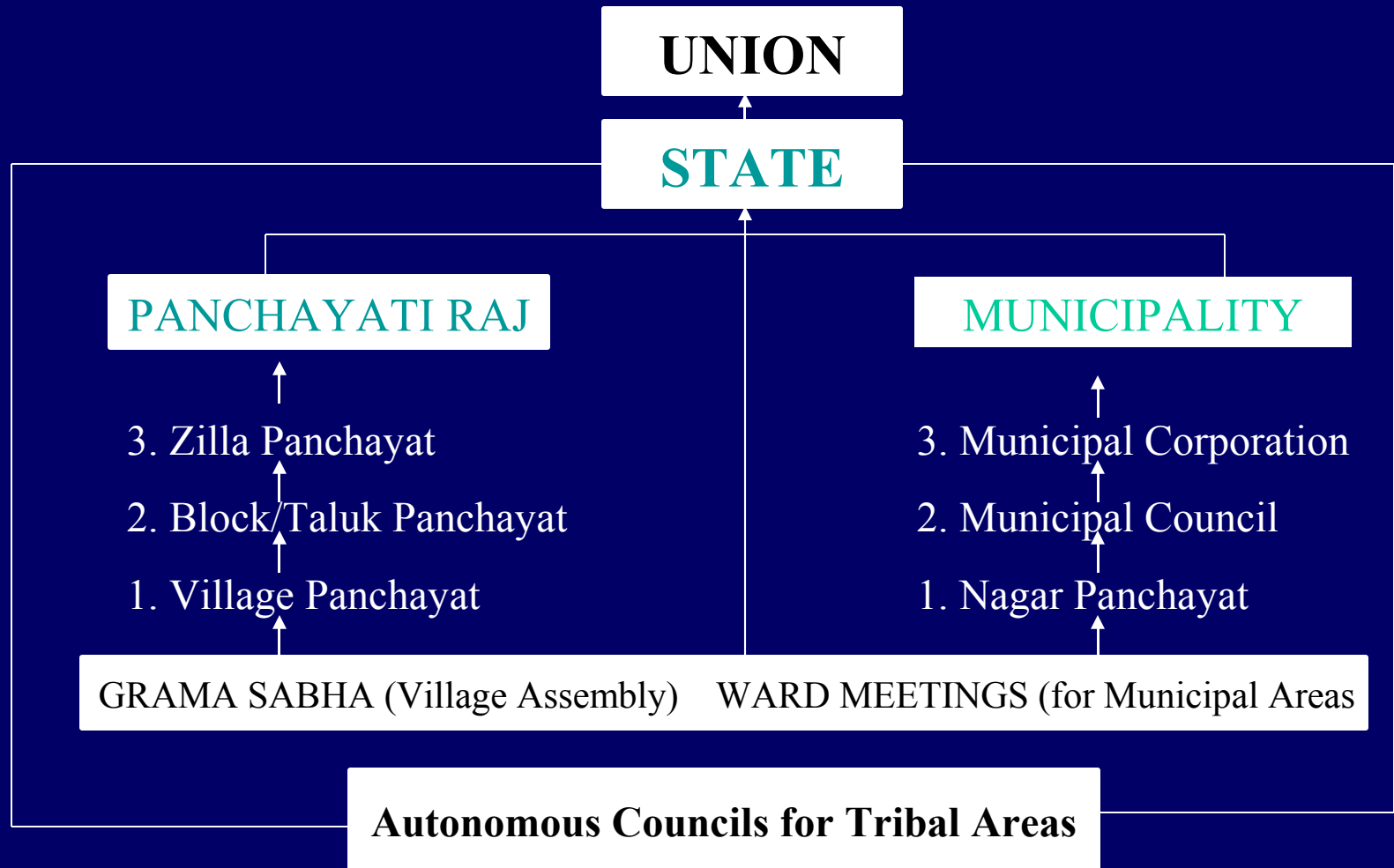
Statistics on Panchayats

- * 537 District Panchayats, 11,825 elected representatives. (41 % women, 18 % SC, 11 % ST)
 - * 6097 Intermediate Panchayats, 1,10,070 elected representatives. (43 % women, 22 % SC, 13 % ST)
 - * 2,34,676 Village Panchayats, 20,73,715 elected representatives. (40 % women, 16% SC and 11% ST)
 - * At the Village Panchayat level, each elected representative's constituency comprises of about 340 people, (70 families) making India *the largest and most intensely democratic country in the world.*
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India's Federal Structure till early '90s



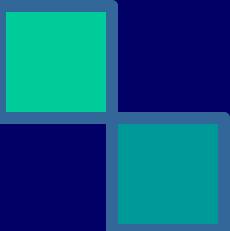
Implication of Panchayati Raj/Municipalities as the Third Tier of Governance on India's Federal Structure




Autonomous Councils are created in some States like West Bengal, Bihar, Jammu & Kashmir and Assam for administration and development of certain areas with special features. But they also have statutory local bodies



PM's Letter to AP CM 27-4-01





“Consequent to the Amendment, Panchayats have been visualized as the 3rd tier of governance in the federal polity”





Achivements

- **Increased participation of hitherto excluded sections of the population (tribals, lower castes, etc)**
 - **Women's involvement in public life through elections, a brave new world of women**
 - **Developing the thinking that democracy at the grassroots level is a necessary condition for strengthening democracy at the State and National Level**
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- **Popularisation of concepts of decentralised planning and people's participation in development**
 - **Thousands of elected members are getting training in local governance, democracy and development**
 - **Local bodies are the nursery for future leaders**
 - **Many success stories of women in local government**



District Planning Committee (DPC)

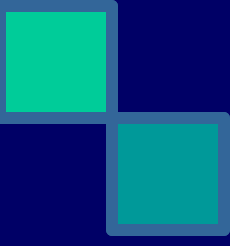




* Legal provision for and constitution of District Planning Committee in every district.

- DPC to consolidate perspective and Five Year Plans prepared by Panchayats and Municipalities as provided in the Constitutions
 - Indicate extent and type of available resources to each Panchayat level and Municipalities as per Article 243ZD in order to facilitate planning
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Challenges and forthcoming action

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- **Planning Commission to ensure that the 11th Plan (2007-2012) is founded on District Plans prepared in accordance with Part IX and IX A of the Constitution**
 - **In consultation with the Central Ministries concerned, to work out appropriate arrangements for incorporating a Panchayat sector in each departmental budget.**
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- **Voluntary sector/civil society coming to the fore for strengthening PRIs, local bodies, local democracy**
 - **Increased concern about corruption and use of public funds**
 - **New, innovative ideas for people's participation, combating corruption e.g., social audit, peoples plan campaign, ombudsman, *jan sunwai* (public hearing) etc.**
 - **Demystification of governance**

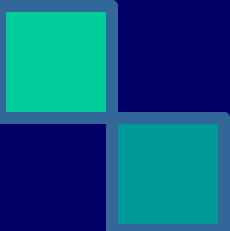



Strength

- **Constitutional Status**
 - **Constitutional Status for Stability and Continuity**
 - **Timely election**
 - **Representation for weaker sections**
 - **Framework for 4 “Fs”**
 - **Functions**
 - **Functionaries**
 - **Funds**
 - **Freedom**
- 



Weaknesses

- **Lack of Awareness, rules, bye-laws etc., political will**
 - **Lack of public awareness and vigilance**
 - **Lack of accountability**
 - **Decision-making not yet broad-based**
 - **Rules & procedures not adequately framed**
 - **Influence of elite in the village planning**
 - **Lack of orientation of officials for working with LGs**
 - **Lack of political will of political parties**
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Opportunities

- **People's participation providing good governance at grassroots level**
 - **Involvement of people in their village development planning**
 - **Resources Mobilization, cash, kind or labour for local development**
 - **Increasing the sense of responsibility in people for managing their affairs**
 - **Administration nearer to people for good governance**
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A State which has utilised the opportunities - KERALA

- Elected representatives and officials clarified to themselves the ideology of decentralization
- Decentralization suggests a system of multi-level of planning, where the lowest unit is allowed to plan and implement everything that can be performed most effectively at that level and only the residual is left to the higher levels
- 35-40 per cent of the Ninth Plan funds were transferred as 'untied fund.'

Campaign:

- The elected representatives made aware of their responsibility equipped for a new style of teamwork
- Officials in the various departments were re-oriented to shoulder the planning responsibilities under the direction of panchayats
- The expertise of non-officials, retired persons, VTCs made available to the panchayats.
- Mass organisations were re-oriented for mobilising their members for the new plan initiatives

Operationalisation

- Identification of the needs of people
- Statutory quorum fixed for Grama Sabha is 50
- Attempt was made to ensure the participation of one member each from a family

● Operationalisation.....

- Grama Sabhas were convened only on holidays
- Novel methods of propaganda were undertaken for mobilizing participation
- Grama Sabha splits into various subject groups
- Trained resource persons present in each group to facilitate discussion

Aims of the discussion

- Qualitative and quantitative information with reference to the sector of the ward is elicited
- Development problems of the ward with reference to the sector are listed
- Prioritize the needs
- People are guided to analyze the problems on the basis of their experience and to make suggestions of solutions

Aims of the discussion.....

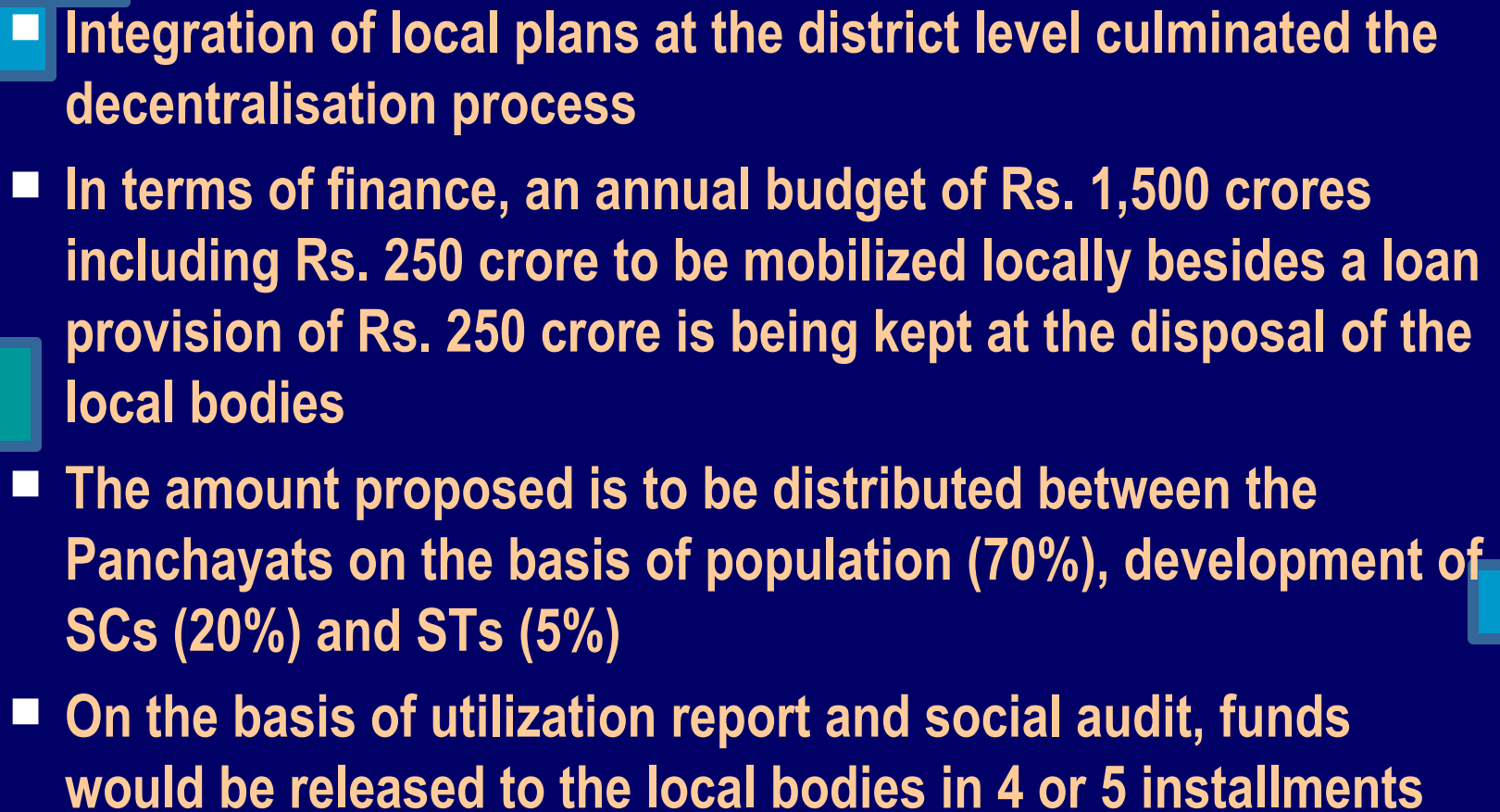
- From each group one or two persons participate in the development seminar at the Panchayat/Municipal level
- Deliberations of each group are summed up at the plenary session
- Voluntary labour is also identified at the plenary session

Development Seminar

- Integrated solutions for various problems identified at Grama Sabha conventions are arrived through discussions among people's representatives, officials and experts
- Discussion would be based on printed, panchayat development report prepared from available data
- In November 1996 the Gram Panchayats, Block Panchayats and Municipalities in the State have finalised over 1.5 lakh projects

Development Seminar.....

- The seminar constitutes Task Force of officials and activists for each of the development sectors.
- Seminars will be held for task force on agriculture, irrigation, fisheries, animal husbandry, education, health, sanitation, drinking water, industries, roads, energy, housing, welfare measures, culture, women welfare, co-operatives, scheduled castes and tribes welfare, resource mobilization,
- One task force for each of the above sectors
- Only after the above-mentioned process was followed the actual formulation of the panchayat/municipal plan was done
- Special meetings of the local bodies will be convened for this purpose

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- **Integration of local plans at the district level culminated the decentralisation process**
 - **In terms of finance, an annual budget of Rs. 1,500 crores including Rs. 250 crore to be mobilized locally besides a loan provision of Rs. 250 crore is being kept at the disposal of the local bodies**
 - **The amount proposed is to be distributed between the Panchayats on the basis of population (70%), development of SCs (20%) and STs (5%)**
 - **On the basis of utilization report and social audit, funds would be released to the local bodies in 4 or 5 installments**

Funds – Own Funds

❖ Local Taxes

**GPs (Rs 46)
per capita.**

**ULBs (Rs 337)
per capita.**

- Property Tax
- Profession Tax
- Entertainment Tax
- Advertisement Tax
- Service Tax

Collection insignificant

❖ Non Tax Revenue

**GPs (Rs 39)
per capita.**

**ULBs (Rs 217)
per capita.**

- License fees
- Rent
- Fines

Funds - Devolution

Statutory grants 263 crores (2003-2004)

❖ Shared taxes

- **Stamp Duty (75% of net collection)**
- **Motor Vehicle Tax (20% of net collection)**

❖ Assigned taxes (Basic Tax)

❖ Rural pool and other grants

❖ Untied grants (Plan) for local level development

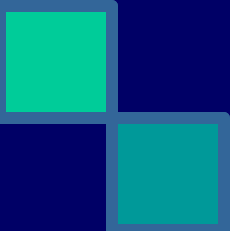

- Rs.1317 crores (2003-2004)
- 1/3rd of core plan of 3950 Crores

❖ Scheme funds

- **Centrally sponsored schemes (2003-2004) 79.78 Crores**
- **State Plan Schemes (2003-2004) 21.76 Crores**
- **Non Plan schemes (2003-2004) 282.52 Crores**



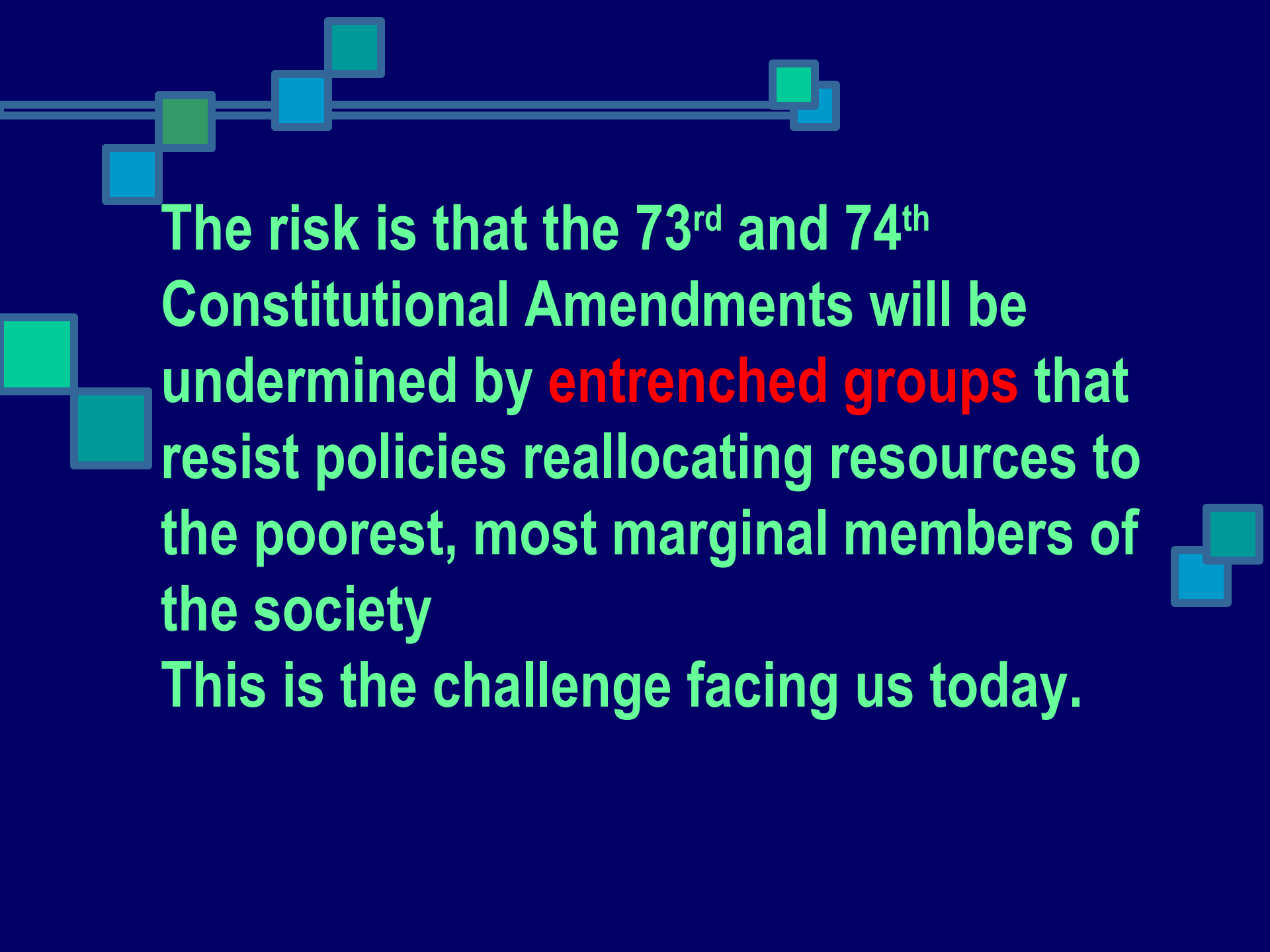
Accountability System

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- **Due process**
 - **Transparency**
 - **Grama Sabha**
 - **Performance audit**
 - **Local fund audit**
 - **Ombudsman**
 - **Appellate tribunals**
- 

Threats

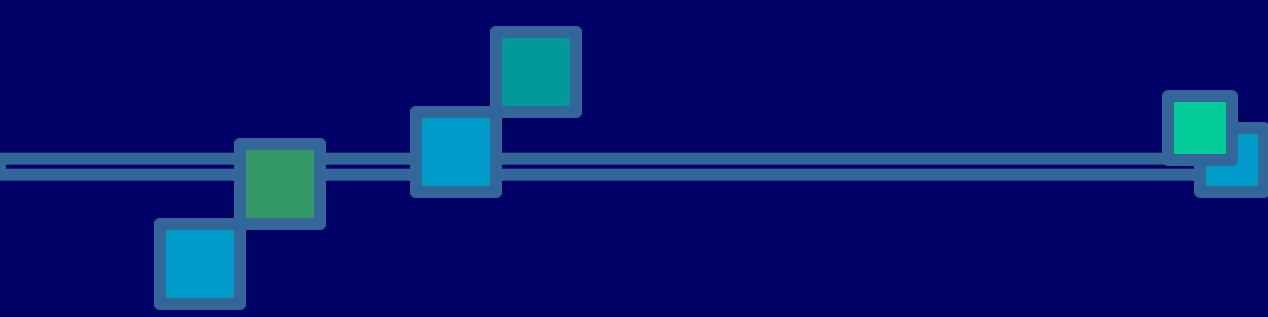
Resistance by the existing government and traditional village setup

- Disparities of caste, class, gender etc.
- Resistance at the state & national levels political groups to share power
- Resistance from the rural elites and dominating class to share power with disadvantaged groups
- Politicians
- Officials
- Landlords and feudal elements
- Contractors



The risk is that the 73rd and 74th Constitutional Amendments will be undermined by **entrenched groups** that resist policies reallocating resources to the poorest, most marginal members of the society

This is the challenge facing us today.



Thank You.

