CHAPTER 7

SUMMARY AND CONCLUSIONS

The present study on the role of panchayati raj institutions in the rural development of Kerala is an attempt to discuss the performance and achievements of panchayati raj institutions in the rural development of the State. The study is carried out on the basis of the initiatives and performance of Village Panchayats in the Pathanamthitta district of Kerala State. The analysis has been presented in seven chapters.

The introductory chapter of the thesis discusses the background of the study and also the nature and significance of the research problem. It explains that the three-tier panchayats may be viewed as the functional units of the process of democratic decentralisation initiated by the State. The transfer of political, administrative and financial powers and functions from the State to the local self-governments is the distinguishing aspect of this decentralisation process.

An analysis of the rationale of a decentralised approach to development in India is another part of the discussion in the introductory chapter. It states that a uniform strategy of development, under the situations like the heterogeneous nature of the economy, inter-regional differences in resource endowments, regional variations in the social and economic overheads, etc seems to be impracticable and unfeasible. Besides, the development experience of the nation with centralised planning and its failure to root out poverty, unemployment and inequalities has also contributed to examine the feasibility of decentralised planning. The advantages of planning from below like public participation in development endeavours, spatial planning, etc constitute another part of the discussion. The analysis, therefore, explains that decentralisation may be considered as a suitable approach to development, where responsibility, authority and resources are transferred from the higher
level government bodies to the institutions of local self-government along with sufficient autonomy and accountability.

The introductory chapter also contains a discussion on the role and significance of the panchayati raj institutions like Village Panchayats, Block Panchayats and District Panchayats. These institutions of local self-government have been assigned a pivotal role in our society to provide efficient and effective service to people. They are considered to be the agents of rural development. The significance of these institutions became more evident with the adoption of the 73rd and 74th Constitutional Amendments, and consequently they have become statutory bodies with definite functions, powers and responsibilities. The discussion explains that the Ninth Five Year Plan was implemented in Kerala through the panchayati raj institutions and they have been provided with a substantial amount of the plan fund by the State to implement the development plan chalked out by them. Since these institutions have completed ten years of their existence, it has become necessary to analyse their role and contributions in different walks of rural life in Kerala.

A review of the literature related to the evolution and the functioning of the panchayati raj institutions constitutes another part of the introductory chapter. It reveals that most of the studies already undertaken are macro in nature. Therefore a micro study of the panchayati raj institutions assumes great significance. The chapter also includes the statement of objectives of the study such as (i) an analysis of the evolution of panchayati raj institutions in India with special reference to Kerala; (ii) the process of plan formulation by the PRIs; (iii) an assessment of the nature and trends in the mobilisation and utilisation of resources by the panchayats; (iv) an appraisal of the performance of panchayati raj institutions in the rural development and the suggestions to make these institutions of rural development more effective and functional. Each of the objectives of the study
The second chapter is a descriptive analysis of the evolution, structure and composition of the panchayati raj institutions in India. The panchayati raj system has a long history of evolution beginning with the Vedic period. These institutions of local self-governments had a unique place in our ancient administrative structure and they performed a wide range of functions including civic, legislative and judicial, which made them eligible to be called ‘little republics’. However, the village governance system suffered severe set-back at the hands of the succeeding regimes particularly from the Mughals.

The next stage in the evolution of the panchayti raj system was the initiative made by the British rule in India. Though they were initially reluctant to provide any kind of administrative and economic functions to the Village Panchayats, they wanted to decongest the heavily congested centralised functions of the government. In pursuance of the same, local self administration was introduced by the British rule in 1793 in provinces like Madras, Bombay and Calcutta. A very important step in this direction was the introduction of a resolution by Lord Ripon for having representative bodies of people in all the provinces. But the attempt failed to take off as his successors evinced little interest in it.

The appointment of the Royal Commission on Decentralisation in 1907 was another important step to introduce decentralisation in the pre-independent India. The Commission, in its report, wanted to establish Village Panchayats and Sub-District Boards as the principal agencies of rural administration. However, the provincial governments were generally indifferent to the implementation of the recommendations of the Commission and hence, the Village Panchayats were
transformed under the British rule from the status of ‘little republics’ to the dependent units of a highly centralised system of governance.

During the struggle for independence, the role and significance of Village Panchayats were again brought to focus by Mahatma Gandhi through his vision of ‘Swaraj’. According to him, any development strategy to improve the living conditions of rural masses should begin with the liberation of our villages from the evils like poverty, illiteracy, backwardness, etc. In order to attain social and economic progress of the nation, Mahatma Gandhi wanted to make our villages self-sufficient and independent units.

A discussion on the constitutional status of the panchayati raj institutions and the efforts initiated during the post-independence period is another part of the presentation in the second chapter. In our constitution, the panchayat raj institutions have been discussed under the Directive Principles of the State Policy as Article 40 and entrusted the State governments to take necessary steps in this regard. However, only a few States initiated some measures in this direction.

A very important stage in the evolution of the panchayati raj institutions in India was the Indo-U.S Operational Agreement of 1952. Under this agreement, Community Development Programme (CDP) was launched in India and to oversee the programme, a new implementing agency called Community Development Block was created. In continuation of the CDP, Government of India introduced another scheme called ‘National Extension Service’ in 1953 to transform the social and economic life of our villages. In order to review the administration of the community development programmes (CDP) and its progress, a team of experts was appointed in 1957 under the chairmanship of Balawant Ray Mehta. The Commission made a very important recommendation to set up a three-tier system of rural self-governance with Grama Panchayat at the Village Level, Panchayat Samiti at the Block Level and
Zilla Parishads at the District Level. It was accepted by the National Development Council in 1958 and States were given options to strengthen or establish local self-governments.

It was felt that the direction given by the Balawant Ray Mehta Committee would go a long way in the social and economic transformation of rural India. With this perspective, Jawaharlal Nehru, the then Prime Minister of India had inaugurated the panchayati raj at a national rally, at Nagaur in Rajasthan on 2nd October 1959, where he hailed it as the most revolutionary step in the Independent India. Consequently, Village Panchayats were constituted throughout the country by the beginning of 1960s.

During this period States like Andhra Pradesh, Maharashtra, Gujarat, etc made some serious efforts to introduce the local self-government in their States. But many of them did not continue for a long period of time. In the meantime, some actions of the union government had also weakened the status of panchayati raj institutions. The direct implementation of schemes and programmes of rural development by the Centre, the abolition of the Union Ministry of Panchayat and its reversion to a mere department under the Ministry of Food and Agriculture, etc were some of the actions of the union government which reduced the status of PRIs.

The appointment of two expert groups in 1977- Dantawala Committee on Block Level Planning and Asok Mehta Committee on Panchayati Raj Institutions- was another important initiative made by the government to introduce panchayati raj during the post-emergency period. In their report, the Asok Mehta Committee wanted to treat the decentralisation as a functional necessity and not as a political charity and the Committee made the recommendation to set up a three-tier panchayat for the better implementation of the rural development programmes. In the meantime, the government of India introduced a set of anti-poverty employment generation
programmes like IRDP, NREP, DWCRA, RLEGP, etc and therefore, a need was felt to strengthen the sub-state level institutions like villages, blocks, etc for the effective administration of these programmes.

The appointment of a Working Group on District Planning by the Planning Commission in 1984 was another effort to look into the role of decentralised institutions in the rural development of the country. The Working Group, under the chairmanship of Hanumantha Rao, wanted to strengthen the panchayati raj institutions to take up development programmes with public participation. However, it was with the adoption of the 73rd and 74th Constitutional Amendments that the three-tier panchayats came into existence throughout the country.

A discussion on the relative merits and demerits of the units of decentralisation like the village, block, region and district constitutes another part of the presentation in the second chapter. It explains that although the villages are the ideal units for decentralisation, the necessary population to support a meaningful economic and planning activity is absent at the village level. Community development block is another unit suitable for decentralisation. It satisfies the conditions like a good geographical unit, availability of administrative machinery, etc to become a unit of decentralisation. District also satisfies a number of pre-conditions like reasonable size of population, geographical area, etc. Competent administrative and planning machineries are also available at the district level to chose it as the first tier of decentralisation. The analysis on the methodologies of local level planning like the area approach, the demand and supply approach and the potentiality approach and a discussion on the operational framework of the decentralised planning including the district planning machineries of the States and the process of financing the district plans constitutes the last part of the second chapter. The second chapter concludes with a discussion on the initiatives of decentralisation made by the States like Karnataka and West Bengal.
The third chapter has been devoted to an analysis on the evolution of panchayati raj institutions in Kerala. Various initiatives made to introduce these institutions of local self-government, right from the formation of the State in 1956 to the enactment of the 73rd and 74th Constitution Amendments in 1992, are discussed in this chapter.

The first major attempt to introduce the democratic decentralisation in Kerala was with the appointment of an Administration Reforms Committee in 1957 under the chairmanship of the then Chief Minister E.M.S Nampoothiripad. The Committee constituted under O.Chandumenon in 1958 to examine the question of delimitation of panchayat area was another attempt in this direction.

In accordance with the suggestions of the Administrative Reforms Committee and the Delimitation Commission, the Kerala Panchayat Bill was introduced in 1958 and the Kerala District Council Bill in 1959, but neither could be enacted due to the dissolution of the Kerala Legislative Assembly in 1959. Similar attempts were also made in 1960, 1964, 1967 and 1971 to introduce democratic decentralisation in the State.

A very important development in the effort to introduce decentralisation in Kerala was the adoption of Kerala District Administration Act 1979, which envisaged a two-tier system of decentralisation in the place of a three-tier system as recommended by the Balawant Ray Mehta Committee. The act also envisaged enhanced power for district councils and it introduced a provision to appoint a Finance Commission by the State government to decide the pattern of fiscal transfers from the State to the local self-government. But this attempt also failed to produce any meaningful result.

The constitution of District Councils in 1990 was a landmark in the field of democratic decentralisation in Kerala. It was in accordance with the recommenda-
tion of the Ramachandran Committee on Decentralisation in 1988. Accordingly, the State was divided into 474 divisions and the district councils came into existence in 1991. Though it was a major step, it did not last for long. The discussion, therefore, clearly brings out the policy measures and the constitutional initiatives made by the governments in the State from 1956 to 1992 to introduce decentralisation.

A discussion on the characteristics of the panchayati raj institutions in Kerala is another part of the presentation in the third chapter. It shows that Village Panchayat is the bottom unit of the rural economy. The formulation, implementation, monitoring and the evaluation of panchayat development plan is a very important activity of the Village Panchayats. They are assisted by grama sabha, which is the basic functional organ of the panchayati raj planning introduced in Kerala. The discussion reveals that grama sabhas are regularly convened at the village level to assist the formulation and the implementation of rural development programmes. Block Panchayat is the intermediate unit and District Panchayat is the upper tier of the panchayati raj structure in Kerala. The powers and functions of grama sabha, the composition and functions of Village, Block and District Panchayats, the role and functions of standing committees, etc are also discussed in the third chapter which concludes with an analysis on the distribution of local self-governments in the State.

The process of plan formulation by the panchayati raj institutions in Kerala is the topic of discussion in the fourth chapter. According to the discussion, the panchayati raj planning in Kerala is a multi-stage process with six phases. Grama sabha is the beginning phase. It is an assembly of eligible voters in every village and also the basic unit in the panchayati raj structure. Usually, it is convened twice a year and it formulates the development proposals relating to the schemes and programmes to be implemented in the respective area. The grama sabha is also involved in the preparation and monitoring of the panchayat development plan and
mobilises resources through voluntary labour and beneficiary contributions. The selection of individual beneficiaries to various development projects of the panchayat is also done by the gram sabha.

The development seminars constitute the second phase in the process of panchayati raj planning in Kerala. These seminars are convened at the panchayat level to consider the development proposals mooted by the gram sabha. The seminars have a unique place in the panchayati raj planning as it finalises the projects to be included in the development plans of the panchayats. The preparation of panchayat development report is also an important activity of the development seminars.

The constitution of task forces is the third phase of the development planning by the PRIs in the State. They are constituted by the development seminars to draft project proposals in a uniform format and to ensure forward and backward linkages of the projects. There are ten to twelve task forces in each local body under various development sectors and sub sectors.

The fourth phase of the panchayati raj planning in Kerala is related to the plan formulation by the Village Panchayats. It has been designed in such a manner that the projects, prepared by the task forces, have to be prioritised and incorporated into the draft of the five year plan of the panchayats. While formulating the development plan, the Village Panchayats have to consider their capacity to mobilise additional resources and should also evolve a development strategy on the basis of the local requirements, resources and potentialities. The nature and trend in the allocation of plan fund among the three-tier panchayats, sectoral limits for investments, etc are also discussed with regard to the plan formulation.

The process of preparing development plans of the higher tiers like blocks and districts is the fifth stage and the appraisal of the plan is the last stage of the
introduction of development plans by the panchayati raj institutions in Kerala.

The role of expert committees in the formulation of the development plan of the panchayats is another part of the discussion in this chapter. The constitution of Block Level Expert Committee (BLEC), formerly Voluntary Technical Corps (VTC), is a unique feature of the panchayati raj planning introduced in Kerala. The review of the feasibility of projects prepared by the Village Panchayats is the main function of BLEC which consists of experts from different areas.

The distribution of plan fund and its criteria constitute the concluding part of the discussion in the fourth chapter. It shows that the State government has devised a composite index consisting of the distribution of population, backwardness, etc for the inter-tier distribution of the plan fund. With respect to other sources of resources, the discussion reveals that own fund has a significant place, besides the fund for the Centre and State sponsored programmes. The share of institutional finance, voluntary and beneficiary contributions, etc are also discussed in the concluding part of this chapter.

A discussion on the structure and composition of panchayati raj institutions in Pathanamthitta district of the State, from where nine Village Panchayats have been chosen for the empirical study, has been attempted in the fifth chapter. The discussion is presented after an analysis of the development profile of the Pathanamthitta district. Demographic characteristics of the district, land use pattern, agricultural development, industrial progress, infrastructural growth, etc have been described in this chapter. The analysis shows that Pathanamthitta district is primarily agrarian in nature and it has attained commendable progress in the field of infrastructure. But the district is industrially backward. The district has 54 Village Panchayats, 9 Block Panchayats and 1 District Panchayat. The Ninth Plan undertaken by these institutions in the district and a profile of the 9 Village Panchayat
chosen for the study are also discussed in this chapter.

The sixth chapter is an empirical analysis related to the performance of panchayati raj institutions in the rural development of the State. The empirical study has been carried out in the context of the performance and achievements of nine Village Panchayats of Pathanamthitta district. Data pertaining to variables like the attendance of people in gram sabhas, plan outlays of the Village Panchayats, allocation of grant-in-aid, formulation of the projects, utilisation of the plan fund, nature and trend in the resource mobilisation, sectoral investments, sectoral achievements, assets created, etc over the Ninth Plan period have been collected from the sample units. Besides, discussions with the presidents of Village, Block, and District Panchayats, ward members, secretaries (executive officers) of the panchayats, officials of the district planning board, etc were held to collect data. Interactive discussions with members of the expert committees, NGOs, public, etc were also arranged to collect data to evaluate the performance of the panchayati raj institutions in the rural development of the State.

The attendance of people in the meetings of gram sabha is a very important indicator to assess the public participation in the development initiatives of the panchayati raj institutions. Under the panchayati raj planning, gram sabha is the bottom unit and it is an assembly of eligible voters of the village. Every development effort related to the village is discussed and ideas regarding the programmes and projects to be implemented in the village are formulated by the gram sabha. The empirical study reveals that the attendance of people in the meetings of gram sabha was relatively high during the initial year of the panchayati raj but it gradually declined with every successive year. Many reasons have been identified for this phenomenon. The loss of interest developed among the people out of their discontent is a major factor contributed to it. People
were initially under the impression that the proposals made by them in the meet-
ings of grama sabha will be implemented by the Village Panchayats. But when it
failed to occur, they began to keep away from grama sabhas. It is further aggra-
vated by the selection process of individual beneficiaries to the programmes
and projects implemented under the panchayati raj planning. The selection is
made by the grama sabha and it is often limited to the weak and the underprivi-
eged sections. Consequently, people belonging to the middle class and above cat-
egories began to keep away from it. Thus grama sabha, otherwise called the vil-
lage assembly in Kerala has become a gathering of the prospective beneficiaries.

With respect to the plan outlays, the empirical analysis reveals that serious
efforts were made by many panchayats to chalk out ambitious development plans
with large plan outlays. However, they had to cut down the size of the plan due to
many constraints like the decline in the allocation of plan fund, failure to mobilise
institutional finance, etc.

It became evident from the study that the allocation of plan fund to the three-
tier panchayats by the State is a very important aspect in the functioning of panchayati
raj institutions in the State. While allocating the plan fund, the State set only sectoral
limits for investment and the panchayats were given complete freedom to work out
development programmes. But the nature and trend in the spending of plan fund by
the Village Panchayats revealed that except in the beginning year, the utilisation of
grant-in-aid was lower in the subsequent plans. The delay in getting the successive
installments of the plan fund, the inadequate physical infrastructure to finalise
projects in time, delay in getting administrative and technical sanctions for the
projects, problems of implementation, etc are some of the factors identified for
the under utilisation of the plan fund by the Village Panchayats.
The study noticed that the under utilisation of plan fund has affected the functioning of panchayati raj institutions adversely. They were not able to implement a good number of projects formulated by them. Their share of plan fund for the subsequent plan was also cut short by the State in proportion to the under utilisation in the previous annual plan. It is therefore, evident from the study that the under utilisation of the plan fund is a major factor limiting the performance of PRIs in the State.

Regarding the main sources of resources for the panchayati raj planning, the discussion shows that besides grant-in-aid, own fund, institutional finance and voluntary and beneficiary contributions are the main sources of income. The administration of the fund for the State and centrally sponsored schemes is also done by three-tier panchayats. Though it can be inferred from the study that the grant-in-aid continues to be the main source of fund of the PRIs, there is an increase in the allocation of own fund for the development plans of the panchayats. Similarly, the share of voluntary contribution is very low in many panchayats and they could not mobilise enough financial resources from sources like co-operatives and other financial institutions.

With respect to the sectoral achievements and the asset creation, it became clear from the analysis that the development sectors - production, service and infrastructure - have received substantial investments under the panchayati raj planning. The achievements made by the Village Panchayats in some specific areas like dairy farming, drinking water, sanitation, house construction, road work, etc have been significant. The initiatives made by some panchayats to solve the problems of rural economy like drinking water, irrigation, electrification, shortage of agricultural implements, etc have also been worth mentioning. But the performance of the Village Panchayats in production sector is not commendable. Despite the substantial
investments in the agricultural sector, very little improvements have been noticed in the agricultural production and productivity. Moreover, it has become clear that a major part of the investments in the agricultural sector has been for the distribution of seeds, fertilizers and agricultural implements.

The performance of panchayati raj institutions in the industrial sector under the panchayati raj planning is also discouraging. The empirical analysis reveals that only very little efforts have been made by the Village Panchayats to revive the small scale and cottage industries. The study also reveals that inspite of the substantial mobilisation of resources by the Village Panchayats, they have not been able to introduce any major projects to utilise the natural resources, indigenous technology, local entrepreneurial skills, etc.

A discussion on the inferences of the study is the final part of the presentation in this chapter. The inferences may be summed up as follows.

Achievements of the Panchayati Raj Institutions

1. The 73rd and 74th Constitutional Amendments could substantially enhance the status of the Village Panchayats from the state of a civic body to a functional local self-government with considerable powers and functions.
2. The panchayati raj institutions in the State could arouse considerable interest among the public in the development initiatives of the local self-governments.
3. The financial capacity of the local self-governments has substantially been increased under the panchayati raj planning in Kerala.
4. The transfer of a number of institutions and departments of the State government along with the officials to the local bodies was a major initiative to make the decentralisation more meaningful and functional under the panchayati raj planning.
5. The classification of the economy into production, service and infrastructure
sectors is a new approach developed by the panchayati raj planning in the place of the conventional classification of the economy into primary, secondary and tertiary sectors. Under the panchayati raj planning the emphasis was on service and infrastructural sectors rather than on the production sector.

6. In the agricultural sector, group farming and the formation of padasekhara samitis (co-operative farming) have become popular in many panchayats under the panchayati raj system and these institutions could acquire a large number of agricultural implements.

7. The expansion in dairy farming on account of the initiatives by the panchayati raj institutions is another significant achievement.

8. The panchayati raj institutions could improve the living conditions of the underprivileged and the marginalised sections of the society due to their functioning in areas like sanitation, house construction, etc. and

9. The panchayati raj institutions could bring about perceptible improvements in areas like rural infrastructure and social security.

Shortcomings in the Functioning of Panchayati Raj Institutions

1. There is a considerable decline in the initial enthusiasm generated by these institution of local self-governments among the different sections of people. It is evident from the declining attendance of people in grama sabhas.

2. The tendency among the middle and upper classes of people to keep away from the panchayati raj planning is another major shortcoming in the functioning of these institutions of rural development. The study found out that the much celebrated village assembly has turned out to be a gathering of prospective beneficiaries only.

3. The voluntary services obtained by the panchayati raj institutions from the experts have also declined over the years. It was a corrective mechanism to
ensure participation of the public on one hand and chalking out feasible projects on the other.

4. The physical capacity of panchayati raj institutions is found to be inadequate. Though the State government had transferred twenty nine subjects to the three-tier panchayats, most of the employees of the concerned institutions and departments have not been placed at the disposal of the panchayats.

5. The under utilisation of the plan fund is another major shortcoming of the local self-government in the State. The average utilisation of the plan fund by many panchayats was hardly 65 per cent leading to a large number of incompleted projects over the plan period.

6. Despite the substantial investments made in the production sector, the panchayati raj institutions could not register any significant change in areas like agriculture and industry.

7. The excessive dependence of the panchayati raj institutions on State government for finance and their failure to mobilise institutional finance is yet another limitation of these institutions of rural development in Kerala.

8. The Village Panchayats were not able to mobilise enough voluntary contributions for the development programmes, and

9. The panchayati raj institutions, which are expected to replace the contract system with the beneficiary committees, could not completely do away with the former. Moreover, beneficiary committees were not even formed in many Village Panchayats for the different works initiated by them. This is a serious drawback in the functioning of panchayati raj system in the State.

Suggestions to make the Panchayati Raj Institutions more effective

(i) Serious efforts have to be made to transform grama sabhas from the present state of a gathering of prospective beneficiaries to a village assembly with
participation from all sections of the society. It requires both political and administrative initiatives.

(ii) The primary emphasis of the panchayati raj institutions should be on the revival of agricultural and allied activities as it generates rural employment and income.

(iii) The local bodies have to find out alternative sources of finance to scale down their excessive dependence on the plan fund. Financial tie-ups with lead banks, co-operatives and other financial institutions, etc have to be successfully worked out by them.

(iv) In order to avoid delay in the finalisation of the projects, a time schedule has to be followed by the State with respect to the releasing of the annual installments of the plan fund to the panchayati raj institutions.

(v) The plan outlays worked out by the three-tier panchayats should become more realistic and every effort needs to be made by them to see that the proposed projects are implemented.

(vi) The physical capacity of the panchayati raj institutions has to be strengthened. The employees of different departments and institutions who are transferred to the PRI have to be placed completely at their disposal.

(vii) Panchayati raj institutions have to improve their performance in the field of utilisation of financial resources. It requires devising a mechanism like outcome auditing to ensure the complete utilisation of the plan fund and other resources mobilised by them.

(viii) The panchayati raj institutions should come out with imaginative as well as innovative programmes of rural development, using the available resources and indigenous technology. Multiple-production, environmental protection, eco-tourism, development of village and cottage industries, etc
may be some of the areas where the panchayati raj institutions can introduce innovative programmes, and

(ix) The performance auditing should be made more systematic so that the panchayats will be able to improve their functioning.

Thus the study clearly illustrates that the panchayati raj institutions can be an effective instrument of rural development. They have the potential to transform the rural economy of Kerala. Systematic and effective implementation of the various suggestions of the study will go a long way in ameliorating the deficiencies of the existing system and will make it more meaningful and functional at the grass roots level planning and development of the State.