CHAPTER 1

INTRODUCTION

1.1. Introduction to the Thesis

“My idea of village swaraj is that it is a complete republic independent of its neighbours for its own vital wants and yet interdependent for many others in which dependence is a necessity...... . The government of the village will be conducted by the Panchayat of five persons annually elected by the adult villagers. These will have all the authorities and jurisdiction required. Any village can become such a republic today without much interference even from the present government whose sole effective connection with the village is the execution of the village revenue. Here there is a perfect democracy based upon individual freedom. The individual is the architect of his own government”(1).

This was the vision of the great visionary Mahatma Gandhi on the role of villages in our social structure. We have a very long tradition of having a village governance system. The village has always remained the most vital and basic unit of our social and economic life and therefore it naturally constituted the primary territorial unit of our administration. The village government was the focal point of the ideological framework of Indian National Movement. It is widely recognized that village communities, characterised by the agrarian economies had been the pivot of our administration, the centre of social life, an important economic force and, above all, a focus of social solidarity. The illustrious story of the village governance system beginning with the Vedic period has found a new phase and rechristened as Panchayati Raj Institutions (PRIs) with the enactment of the 73rd Constitutional Amendment in 1992. The amendment envisages the organisation of three-tier panchayats throughout the country to function as instruments of vibrant
and viable rural local self-government and acquire the capacity to learn, to respond, to change and to mobilise people participation in managing their own affairs. The amendment which was made by incorporating Article 243 therefore directs that the devolution of functions, powers and responsibilities to the panchayat must be of a substance that will enable them to function as the viable institutions of local self-government. It may be noted that the constitutional status accorded to the three-tier panchayats has given space for the generation of a new approach to development based on democratic decentralisation. Several arguments have been advanced in favour of such an approach.

In a heterogeneous economy such as India’s with wide variations from region to region in resource endowments, social and economic overheads, degree of commercialisation, consumption levels, nature and magnitude of unemployment and even agro-climatic conditions, a centralised approach with a uniform strategy is by and large impracticable. This lacuna can be overcome by the disaggregated approach of decentralised planning.\(^2\)

The focus of the system of macro level national planning, segmented into various sectors such as agriculture, heavy industries, health, education and so on with specific financial allocation, rests on aggregate GNP with very little attention on distributive justice. Decentralised approach is suggested as an alternative in this context to have growth with social justice.\(^3\)

Yet another rationale closely allied to introduce decentralisation is the need to enthuse people in the development process and to take the planning and implementing authority down to the people themselves. It enables public involvement in the development initiatives on the one hand and their participation in the formulation and implementation of development programmes on the other. In other words, democratic decentralisation institutionalizes participation of
people in development planning. Decentralisation is meaningful only in a context where all individuals join various levels of the socio-political system through a series of concentric circles that are ever widening and never ascending (4).

It has been observed that the local level planning becomes necessary not only to respond to the preferences of the people but also to efficiently utilise the natural resources of the areas encompassed within each local body.

Democratic decentralisation can also contribute to improvements in the efficiency of implementation of programmes. It helps to eliminate chances of misuse of resources by introducing better monitoring of development programmes. Decentralisation of planning, therefore, implies that people can be involved not merely in making demands but in taking decisions on how to improve their lives and also the standard of living of their communities. It supplies local interest, initiative, technologies, skills and entrepreneurial abilities for the better administration of the rural development programmes (5).

In brief, democratic decentralisation is not an end in itself but a beginning to have broad ends, where the institutions of local self-governments have been reassigned with responsibility, authority and resources by the state government to make them agents and agencies of rural development.

In order to introduce democratic decentralisation in an explicit manner, several initiatives were made in the past by the state of Kerala. The appointment of the Administrative Reforms Committee (1957) under the chairmanship of the then Chief Minister, EMS Namboothiripad, was the first major attempt in this direction. The Kerala Panchayat Raj Bill (1957), the Kerala District Administrative Bill (1957), the Kerala District Administrative Act (1978), the formation of District councils (1990), etc were some of the attempts made by
the state to introduce democratic decentralisation. The enactment of the Kerala Panchayati Raj Act (1994), in pursuance of the 73rd Constitution Amendment had provided a fresh opportunity to reorganise the panchayati raj institutions in the state by constituting Village Panchayat at panchayat level, Blocks Panchayat at sub-district level and District Panchayat at district level. Hence it may be inferred that even before according constitutional status to the panchayati raj institutions, these institutions of local self-government were constituted and they have been well functioning in the State.

In the attempt to have institutionalised panchayati raj bodies, several administrative measures have been undertaken in the state. The constitution of State Election Commission, State Finance Commission, delimitation of constituencies, transferring of functions, powers, institutions and plan fund to the three-tier panchayats, etc. are the most distinguishing measures initiated in Kerala to make the decentralised bodies more viable and functional. The state has at present 990 Village Panchayats, 152 Block Panchayats, 14 District Panchayats and 58 Municipal Councils including five Corporations.

The Village Panchayats have been entrusted with a variety of functions classified into mandatory and discretionary. The former includes construction of public wells, roads, bridges, street cleaning, opening and maintenance of burial grounds and public latrines, etc. Agriculture, animal husbandry, irrigation, fisheries, small scale industry, housing, poverty alleviation, rural development, public health and sanitation, social welfare, etc. are the discretionary functions assigned to the Village Panchayats. Block Panchayats have been given functions under eight heads viz, agriculture, small scale and cottage industries, rural development and poverty alleviation, public health, social welfare, welfare of SC and ST., public distribution system and general. District Panchayats have
to discharge functions like agriculture, animal husbandry, irrigation, housing, public works, education, etc.

The restructured panchayati raj institutions have completed ten years of its existence in Kerala. The Ninth Five Year Plan (1997-2002) was introduced in the State through these institutions of local self-government. Substantial amount of plan find was allocated to them by the state as grant-in-aid and over the Ninth Plan period it constituted nearly 40 percent of the plan fund of the state. The formulation of development plans by the PRIs, beginning with grama sabhas, is a very distinguishing feature of the panchayati raj planning in Kerala. The grama saba was expected to provide an ideal forum for people in every locality to meet and discuss their local development problems, requirements and potentials. The second stage in the introduction of panchayati raj planning was the organisation of development seminars at the panchayat level to discuss the proposals made by the grama sabhas. The main objectives of such an exercise were to undertake participatory and scientific enquiries with regard to the status of the material and human resources as well as development problems in every locality and to prepare a comprehensive development report for the panchayat.

The constitution of task forces was the third stage of the panchayati raj planning in Kerala, where subject-wise task forces were constituted to draft project proposals in a prescribed format. The finalisation of plans by panchayats was the fifth stage of the introduction of development plans by the PRIs. The preparation of higher tier plans- Block and District Panchayat plans - formed the last phase of the decentralised planning process in the State. The planning process becomes ripe to launch with the seal of approval from the District Planning Committee (DPC).

It may, therefore, be gauged from the discussion that the panchayati raj
institutions have been restructured and revitalised in the State, in pursuance of
73rd the Constitution Amendment, to discharge rural development functions in
a more effective, direct and efficient manner.

1.2 Review of Literature.

The significance of panchayati raj institutions and its role in the rural
development was the focus of numerous studies carried out in different periods
both by the government as well as by individual scholars. There is also a very rich
literature on panchayati raj in the form of books, committee reports and
published articles in various journals. These studies have covered both theoretical
as well as empirical issues. The main findings of them have been discussed below.

A study on Panchayat Raj in India was attempted by Khanna (1956) where he
deals with the structure, machinery and working of panchayati raj institutions in
India in a historical perspective. The institution of panchayati raj, according to the
study, has been suffering from inadequate financial resources, limited autonomy,
mass illiteracy, etc and therefore the author suggests that the basic needs of
panchayats are sound, scientific and properly articulated structure of government
and an effective administrative machinery (6).

The Balwant Ray Mehta Committee (1957) was appointed to examine the
extent to which Community Development Programmes had succeeded in utilising
local initiatives. The Committee observed that Community Development
Programmes (CDP) had failed to evoke popular initiative that the local bodies at
the level higher than the panchayat had evinced only little enthusiasm in it. The
team came out to the conclusion that so long as we do not create a representative
and democratic institution to take care of local needs and resources, we will
never be able to evoke local interest, and ignite local initiative in the field of
development. The Committee, therefore, made the recommendation to introduce a three-tier system of rural self-government: Grama Panchayat, Block Panchayat and Zilla Panchayat for the effective implementation of development programmes(7).

Ram Maheswari (1971) made an effort to study the local government in India with reference to the structure, personnel, finance and functioning of rural as well as urban local government. He had cited inadequate financial resources, excessive interference by the state governments, etc as the factors which made these institutions ineffective(8).

Bhatt (1974) made an attempt to evaluate the nature and functions of panchayats before and after the introduction of panchayati raj and states that a new tendency has entered the village life after the introduction of panchayati raj in the sense that panchayats became more active(9). Ashok Mehta Committee (1978) was set up to enquire into the working of PRIs and to suggest measures to strengthen them. The committee recommended that the implementation of the development programme should be planned in a decentralised way from below and wanted to treat decentralisation as a functional necessity(10).

Hooja (1978) attempted to review the genesis of the concepts of panchayati raj and democratic decentralisation. He suggests that there is the need for having a harmonious working relationship between panchayat institutions and the district administration. Prasad (1980) focuses on the administrative aspects of the Village Panchayats with special reference to the operational dynamics in achieving the objective of rural development. Harichandran (1983) discusses the role of panchayati raj institution in rural development. The study was attempted by making a detailed analysis of the income, expenditure and physical achievements
of Village Panchayats in Tamil Nadu. The study made the inference that panchayati raj institutions can become instruments of rural development only if they are provided with adequate resources\(^{(11)}\).

Jain \textit{et.al.} (1985) examined the structure and suitability of the institutional arrangements that have been made for the delivery of rural development programmes, especially to the poor. They came out with the suggestion to introduce democratic decentralisation in a more effective and direct manner to ameliorate the living conditions of rural masses\(^{(12)}\).

Vasanth Desai (1990) scrutinises the role and functioning of panchayati raj institutions as an instrument for integrated rural development. He also discusses the major issues related to functions, finance, management and the organisation of the programmes initiated to improve the living conditions of the rural people\(^{(13)}\).

Pandey (1990) in his study on local level planning and rural development examines the administration of rural development programmes and provides a perspective on block level planning. He concludes that the main issue involved in the successful implementation of the rural development programmes in India is the motivation of people so as to secure their full participation\(^{(14)}\).

George Mathew (1993) portrays the movement of panchayati raj from the years of community development to the adoption of 73\textsuperscript{rd} Constitutional Amendment in 1992. He discusses various topics including the contributions of Balawantra Mehta committee, the post- Nehruvian days of decline in the panchayati raj, re-emergence of the second generation panchayats with the Ashoka Mehta committee report and the institutionalisation of the panchayati raj institutions through the 73\textsuperscript{rd} Constitutional Amendment. The experiment with panchayati raj system by some state governments was also dealt by him\(^{(15)}\).
Biju (1997) makes a significant attempt to review the nature and scope of panchayati raj institutions in the backdrop of Kerala. He deals with heterogeneous topics ranging from Panchayati Raj, Municipal Administration, Financial Administration, Politics of Decentralisation, etc. The process of democratic decentralisation focusing on the evolution of panchayati raj system in the State has also been specifically analysed by him(16).

Manjumdar et.al. (1997) attempt a critical study of conceptual and historical evolution of the panchayati raj in India from a very ancient time to the present days. They shed light on various phases of theoretical development and practical implementation of the system of panchayati raj in Indian societies. In their view, panchayati raj institutions are to be remodeled in such a way that to integrate them with remunerative organisations operating in the rural areas so that their functional efficiency can be enhanced(17).

Palanithurai et.al. (1997) analyse various dimensions of panchayati raj in the backdrop of Tamil Nadu. Structural imperatives required for panchayati raj, non-conventional resource mobilisation, agricultural development in the panchayati raj, preparation of development plan at the panchayat level, etc constitute the sub themes of discussion by the authors (18).

Joshi (2000) discusses the role of panchayati raj institutions in the alleviation of rural poverty. The study has been presented with reference to some panchayats in Madhya Pradesh. The empirical analysis infers that a good number of people are regularly keeping away from the grama sabha and that on many occasions the meetings of grama sabha have become a mere formality. The study also infers that the functionaries at the grass root level have inadequate knowledge of the rules and procedures of various transactions and that physical capacities to undertake development plan are very poor. The author, therefore, suggests to
make the working of panchayati raj institutions more methodical, more pragmatic and scientific\textsuperscript{(19)}.

Thomas Issac (2000) makes a study of the process of democratic decentralisation in Kerala. The process named ‘people’s planning’, according to the author, has become a mass movement in the state to empower the local bodies, to prepare plan for comprehensive local development and to create an environment for radical institutional reforms. The study, presenting the rationales for having democratic decentralisation, chronicles the progress of planning through the PRIs and also attempts an assessment of the outcome of development planning by the panchayati raj bodies\textsuperscript{(20)}.

Acharya et.al. (2002) examine the issues of second generation panchayats and traces out some of the problems of PRIs like bureaucratic and institutional barriers, lack of co-operation from the departments in the devolution of functions and powers, reluctance among the departments to transfer their schemes, growing tendency among the centre and states to introduce programmes to be implemented by parallel organizations, etc\textsuperscript{(21)}.

Sudhaker (2002) discusses the role of new panchayat in the rural development. He explains that democratic decentralisation, reoriented as panchayati raj, is an innovative mechanism to bridge the yawning gap between the decision making centres and the centres of action. In his view the new panchayati system will enable the public to discharge their functions in a responsible manner and thereby it enhances the effectiveness of the development programmes. He concludes with the observation that the panchayati raj system encourages local initiative, local technologies, local skills and local entrepreneurial abilities\textsuperscript{(22)}.

John et.al. (2002) attempt an evaluation of the participatory planning process introduced in Kerala from the perspective of decentralisation rather than from
the perspective of planning. The Ninth Plan of the state was carried out through the institutions of local self-government. The study focuses on the political and social frame of panchayats and concludes that participatory planning in itself need not lead to a strengthening of the panchayats until efforts are made towards it\(^{(23)}\).

Jain (2003) makes a critical analysis of the impact of decentralisation on development. According to him decentralisation is a global and regional phenomenon and most countries have attempted to implement it as a tool for development and a mechanism for sharing responsibility at different level of administration and political structure and therefore decentralisation has a favourable impact on development\(^{(24)}\). Vyasulu (2003) explains that the process of democratic decentralisation enables to bridge the gap between the decision making centers and the centers of action. It also increases the effectiveness of democratic system and the implementation of rural development programmes\(^{(25)}\).

Alagh (2004) discusses the role of emerging institutions in rural development. The devolution of functions, powers and responsibilities to the panchayat will enable them to discharge development functions in a responsible manner. But it has to be linked with new institutions, community organisations, and co-operative institutions which are critical for the rural development\(^{(26)}\).

Oommen (2006) makes an attempt to discuss the process of fiscal decentralisation to the sub-state level governments. The study, which focuses on the trend and extent of fiscal decentralisation, role of State Finance Commissions, etc, explains that even after more than a decade of decentralised governance, the fiscal decentralisation scenario is disturbing. It infers that the average rate of growth in the tax revenue of panchayati raj institutions as well as the urban local bodies in most of the States has been negative or declining .\(^{(27)}\)
It may therefore be inferred from the review of the literature that most of the studies are macro in nature focusing on evolution, growth and the significance of panchayati raj institutions in a broader framework. Hence a micro study, specifically looking into the structure, operation and performance of panchayati raj institutions will be of much significance and application as it is expected to shed light on several new facts having a bearing on policy issues.

1.3 Research Problem

The restructured panchayati raj institutions have completed ten years of its existence in Kerala. The Ninth Five Year Plan (1997-2002) was introduced in the State through these institutions of local self-government. Substantial amount of plan fund was allocated to them by the State as grant-in-aid and over the Ninth Plan period it constituted nearly 40 percent of the plan fund of the State. These institutions were provided with considerable facilities by the State to introduce development programmes in a meaningful and more effective manner. The State has also transferred a number of powers, functions, departments and also employees to the three-tier panchayats. Since these institutions of local self-government were instrumental in implementing the Ninth Five Year Plan and also have completed one decade of functioning, it is significant to analyse their operations and performance in different areas of rural development. The present study is an attempt in this direction.

1.4 Importance of the Study

Kerala, well-known for its achievements in education, healthcare, public distribution, land reforms, etc had a well-functioning local self-administration even from the very formation of the State in 1956. Several initiatives were also made in the past to strengthen the process of democratic decentralisation in the State. But these institutions of local self-governments were completely restruc-
tured as envisaged by the 73rd and 74th constitutional amendments to introduce the three-tier panchayats. Since they have completed a period of ten years in the process of introducing development programmes through the participation of people and also the Ninth Five Year Plan was implemented through them, it becomes important to have a discussion on their functioning and an appraisal of their performance. It is also expected that such an exercise will shed light on the achievements and shortcomings of the panchayati raj institutions in the State and also on several other areas which have a bearing on policy issues.

1.5 Statement of the Objectives

The objectives of the present study may be stated as follows:

i) An analysis of the evolution of the panchayati raj institutions in India with special reference to Kerala.

ii). An evaluation of the process of formulation of the development plans by the panchayati raj institutions in Kerala.

iii) An assessment of the nature and trends in the mobilisation and utilisation of resources for development planning by the panchayati raj institutions.

iv) An appraisal of the performance of panchayati raj institutions in the rural development of Kerala, and

v). To suggest measures for making the panchayati raj institutions more effective in implementing the development plans.

1.6 Area of the Study

The study discusses the evolution of panchayati raj institutions in India in general and that of Kerala in particular and their performance in different areas of the rural economy of Kerala during the post Constitution Amendment in 1992. It includes an analysis of the panchayati raj in India during the pre-independence
period and also the growth of these institutions during the post-independence period. In order to carry out the performance appraisal, the study then focuses on Pathanamthitta district of Kerala State from where nine Village Panchayats have been chosen for the empirical analysis.

1.7. Methodology of the Study

The present study follows an empirical approach to evaluate the performance of panchayati raj institutions in the rural development of Kerala. The empirical analysis is attempted after a descriptive analysis of the evolution, growth and institutionalisation of the panchayati raj institutions in general and that of Kerala in particular. The descriptive analysis is done on the basis of available literature including books, journals, publications of State Planning Board, publications of Ministry of Local Self Administration, Government of Kerala, committee reports, discussions with functionaries of panchayats, etc.

The empirical analysis related to the appraisal of the performance of panchayati raj institutions in the rural development of Kerala is carried out on the basis of stratified random sampling method. Under this method, 54 Village Panchayats of the Pathanamthitta district were classified by the researcher into three groups - better performing, average performing and below average performing panchayats. The classification was done on the basis of a primary analysis based on the available data pertaining to their performance in different areas like public involvement in development programmes, plan fund utilisation, project formulation, implementation of projects, resources mobilisation, sectoral performance, assets creation, etc over the Ninth Plan period. Then three panchayats from each category have been chosen at random for the empirical study. The Village Panchayats so selected for the study are: Pandalam from Pandalam Block, Kulanada from Kulanada Block, Pallickal from Parakkode Block, Malayalappuzha
from Konny Block, Chittar from Ranni Block, Peringara from Pulikeezh Block, Elanthoor from Elanthoor Block, Thottapuzhassery from Kozhenchery Block and the Kunnamthanam panchayat from Mallappally Block.

In order to carry out the work, data have been obtained from the above nine Village Panchayats for fourteen variables related to the performance of panchayati raj institutions. They include the frequency and the attendance of people in gram sabhas, plan outlays, allocation of the plan fund, project formulation, project implementation, mobilisation of resources, utilisation of the plan fund, sectoral performance, assets creation, etc by them over the Ninth Plan period. Besides, the discussions with the presidents of nine Village Panchayats, nine Block Panchayats and one District Panchayat and also with the secretaries (executive officers) of panchayats, officials of the district planning board, etc and the interactive sessions with the members of the expert committees, NGOs, representatives of people and public also helped to carry out the study. The data analysis has been done using mainly time series analysis.

1.8 Sources of Data

The present study makes use of both primary and secondary data. The primary data have been collected from the field survey of the nine Village Panchayats. Apart from the data obtained through the tabulation of data from the panchayat registers, the discussions with the presidents of Village, Block and District Panchayats, secretaries (executive officers), representatives of people, officials of planning board, experts, voluntary organisations, beneficiaries, etc also constitute other important sources of primary data.

The main sources of secondary data include panchayat development reports, plan drafts of the Village Panchayats, annual reports of the District Panchayat,
etc. Data have also been obtained from published sources like Committee Reports, Economic Review of the State Planning Board (SPB), Books, Journals of Rural Development and also other Journals and periodicals like Yojana, Kurukshetra, Economic and Political Weekly, Seminar, Mainstream, Panchayati Raj Update, etc.

1.9 Organisation of the Thesis

The thesis has been presented in seven chapters. The statement of the research problem, objectives, significance of the study, methodology, sources of data, etc are discussed in the introductory chapter. It also contains the review of literature related to the panchayati raj institutions.

Chapter 2 is a descriptive analysis on the evolution, structure and composition of the panchayati raj institutions in India. It provides an account of the functions performed by the panchayats during the ancient period and the various initiatives made in this regard by different administrations during the pre and post-independence period. The vision of Mahatma Gandhi on ‘grama swaraj’ has also been presented in this chapter.

Chapter 3 has been devoted to a discussion 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 constitutional amendments in 1992, are discussed in this chapter. It is followed by a discussion on the powers, functions and responsibilities of the three-tier panchayats.

Chapter 4 includes a presentation of the plan formulation process of the PRIs in the State. It contains discussions on various phases, procedures and processes of plan formulation by the Village Panchayat. It shows that the panchayati raj planning in Kerala is a multi stage process with six phases. They are grama sabha, development seminars, constitution of task forces, plan
formulation by the Village Panchayats, plan formulation by the Block and District Panchayats and the appraisal of the plans. It follows a discussion on the financing of panchayat plans with a detailed analysis on structure and trends in the resource mobilisation of the Village Panchayats.

Chapter 5 is devoted to discussion on the development profile of Pathanamthitta District from where nine Village Panchayats have been chosen for the empirical study. Various aspects of Pathanamthitta district like demographic characteristics, land use pattern, agricultural development, industrial progress, infrastructural growth, etc have been discussed in this chapter. An overview of the panchayati raj institutions in the Pathanamthitta district and a brief profile of the units of sample study are also attempted in the fifth chapter.

Chapter 6 is an empirical study related to the performance of Village Panchayats in different areas of rural development. The performance appraisal is attempted on the basis of an analysis of data obtained for the variables like 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, resource mobilisation, sectoral achievements, asset creation, etc. The inferences of the study have also been presented in this chapter.

The summary and conclusions of the study are given in chapter 7 which forms the concluding chapter of the thesis.

To conclude, the present study will enable us to understand the functioning of panchayati raj institutions at a close range. But the study has several limitations like the problems in getting primary data related to variables like agricultural productivity, generation of employment under the panchayati raj planning and so on.
Notes and References


