PANCHAYATI RAJ INSTITUTIONS—STRUCTURE AND COMPOSITION

Panchayati raj institutions have a long history of evolution in India. These institutions of local self-governments, often called PRIs, represent the functional institutions of a process of governance rooted from the traditional village governance system (1). The Village Panchayats have naturally constituted the primary territorial unit of administration in India from ancient times. The existence and significance of Village Panchayats in our social life may be gauged from the fact that they are very frequently referred to in the Vedas (2). It has been observed that the manifold functions of these ancient institutions comprised not only the normal civic duties but embraced all conceivable kinds of public affairs, industrial and commercial, social and religious, legislative and even judicial and these made them eligible to be called ‘Little Republics’ (3). The traditional Village Panchayats were, therefore, performing a number of functions so that they became the pivot of administration and the centre of our community life. These institutions were also an important economic force. But in course of time, several changes were effected by different regimes in the structure and composition of the panchayati system and with the enactment of the 73rd and 74th Constitutional Amendments in 1992, the panchayati raj institution have become the functional institutions of local self-governments throughout India. It is therefore, significant to analyse the transition of panchayati raj institutions over the years to take up a discussion on the structure and composition of PRIs.

The village governance system was in existence in India from the very ancient times and the entire structure of the local self-government was revolved around it. The government of the village was by a panchayat or village council, which had definite rules to govern (4). However, the village governance suffered severe setbacks at
the hands of Mughal emperors, who through their characteristics form of administration, had entrusted the community functions into the hands of the local land owners and officers of the state. It has been observed that these steps by the Mughals had practically eliminated the dynamism and vitality of the self-governing institution and in course of time the panchayats in their old form practically disappeared (5).

The next stage in the evolution of the panchayati raj system may be traced back to the establishment of the British rule in India. The village community, which had so far been the basis of Indian economy, was disintegrated, losing both its administrative and economic functions. During the initial years of the British rule, they attempted to deprive the village communities of all its control over the land and its produce (6). However, they wanted to decongest the heavily congested centralised functions of the Government. In order to lessen the burden of administration, they introduced the Charter Act of 1793 to establish the local self administration in Provinces like Madras, Bombay and Calcutta (7). The Municipal Act of 1842, the Act of 1850, the Village Sanitation Acts of 1860s, etc. were some other legislations introduced by them in the field of local self-governance. In 1870 Lord Mayo, the then Viceroy, initiated a process of decentralisation by introducing a resolution. The resolution states that the local interest, supervision and care are necessary to have success in the management of funds devoted to education, sanitation, medical relief and local public works. The operation of this resolution in its full meaning and integrity, according to him, will afford opportunities for the development of self-government (8). A significant outcome of this resolution was the transferring of some government departments and functions to provincial governments.

Another important development in the history of the local self-governments in India was the attempt by the Viceroy Lord Ripon to transform the local bodies to more accountable, functional and representative institutions. The resolution intro-
duced by him reads that people need to be induced to undertake, as far may be, the
management of their own affairs and to develop or create, if need be, a capacity for
self-help in respect of all matters....”. The resolution provided for the constitution of
local bodies with the following conditions
(i) A large preponderance of non-official members and in no case the official
members to be more than one-third of the whole.
(ii) Non-official members of the board should be chosen by election, and
(iii) Non-official to be the chairman of the board as far as possible.

The resolution called upon the provincial governments to establish local self-governments but the unit recommended was, however, a taluk and not a village. Though many provinces initiated measures to introduce the local bodies, it was totally weakened by the indifferent attitude of his successor Lord Curzon.

Another laudable effort to introduce the decentralisation during the pre-independent era was the appointment of a commission on decentralisation in 1907 called the Royal Commission on Decentralisation. The Commission, after having a wide range of discussion with a cross section of people, came to the conclusion that the foundation of any stable edifice which shall associate the people with administration is the village. The Commission, therefore, states that the local self-government should commence in the villages with the establishment of Village Panchayats and they should function as the principal agencies of rural administration. The recommendations made by the Commission include the transfer of powers to villages in respect of sanitation, management of schools, distribution of agriculture loans, irrigation, etc. But these recommendations were mostly remained only on paper as the provincial governments paid little interest to effect the decentralisation. Another initiative to introduce the decentralisation was a study in 1920 by Sir. Vishweshwaraya, a pioneer of Indian planning, who suggested a four-tier structure
Thus, it may be noted that the Village Panchayats were a part of the community life of India from a very ancient time. They were the centre of village administration and rural development. The functions of these institutions include not only economic but social and judicial as well. But in course of time they became less significant and powerless institutions. The following inferences may therefore be derived from the transition of Village Panchayat over this period.

(a) The panchayat raj institutions were the lower level administrative units of the ancient India with definite rules, regulations and functions.

(b) With the establishment of the Mughal rule, the Village Panchayats had lost its functional significance.

(c) British response to the panchayati raj institutions was conflicting in the sense that Lord Rippon introduced the statutory local self-governments while Lord Curzon reduced the role and significance of these institutions of rural development, and

(d) A structural change, with respect to the importance attached to the panchayati raj system, can also be noted over this period to the effect that from the status of independent units, the panchayat bodies had become the dependent units of a highly centralised system of governance.

2.1 Mahatma Gandhi’s Vision

The role and significance of Village Panchayats in the social and economic development of India was understood and highlighted by Mahatma Gandhi in his presentation on ‘Swaraj’. It was his vision to liberate the villages of India from its backwardness, illiteracy, untouchability, etc. In his article “My idea of Village Swaraj”, he writes ‘my idea of village swaraj’ is that it is a complete republic independent of its neighbours for its vital wants and yet inter-dependent for many others. Every villages must produce its own food crops and cotton’...
2.2 Panchayati Raj-The Constitutional Status

Panchayati raj institutions have been presented in our constitution under the Article 30 as the Directive Principles of the State Policy. The article reads that the State shall take steps to organise Village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government. The constitution thus placed the onus to establish the panchayati raj institutions in the independent India on the states.

2.3 Creation of Community Development Blocks

A very important step in the direction of decentralisation during the post-independence period was the introduction of fifteen rural development projects in 1952 with the help of the Ford Foundation. In the same year, an Indo-U.S. Technical Co-operation Agreement and Indo-U.S. Operational Agreement were signed. Under these agreements, a new programme for the benefit of the rural population was launched in 1952 called the Community Development Programme (CDP). In order to implement the community development programme, a new structure was created below the State level called development blocks. The functions of the development blocks include

(i) Transformation in the outlook of the people in the rural areas.
(ii) Nucleation of the spirit of self-reliance among the rural population.
(iii) Generation of the habit of co-operative action through popular bodies, and
(iv) These three to lead to a new enlightenment, strength and hope to introduce development programmes.

The initial response to these programmes with people participation was overwhelming. It has been observed that CDP could generate a popular enthusiasm and it caught the imagination of the people. In continuation of the Community Development Programme, Government introduced another scheme called the National Exten-
The community development programme was intended to ensure the direct participation of people in the rural development programmes. The strategy of the community development programme was to develop the capacity of the people to undertake development initiatives with the best possible use of the available technical know-how. In order to introduce the programme throughout India, the union government created development blocks in all the districts. Under the new structure, programmes like social education, public health, construction of roads and buildings, etc were introduced in the rural areas with a team of grama sevaks, sevikas and extension officers under the control of the Block Development Officer (BDO). A very important aspect of the new initiative was the formation of the advisory committees with representatives of peoples at the block level to manage these programmes of rural development. It has been observed that these programmes could generate considerable interest among the people and it introduced a new development culture among the grass root level officials. But in three to four years, instead of being a people movement, it became a government programme and therefore the community development programme had lost its initial momentum and the participation and the involvement of the people was gradually declining. The failure of block advisory committee was another reason for the decline in the performance of CDP. It has been observed that the advisory committee, a nominated body to ensure popular support and participation of people, lacked capacity, vitality and power to represent peoples point of view.

2.4 Balvant Ray Mehta Committee and Three-tier Panchayats

In the backdrop of the limited success of CDP, the Planning Commission made a representation before the National Development Council (NDC) for a complete review of the programme by a team of experts. The NDC, therefore,
constituted a Committee on plan projects which in turn appointed a study team for community projects and national extension service in 1957 under the chairmanship of Balvant Ray Mehta. The study team was to assess along with other things, the extent to which CDP had succeeded in utilizing local initiative and in creating institutions to ensure continuity in the process of socio-economic change (23).

In its report, submitted in 1957, the Committee observed that CDP and NES schemes could not succeed in bringing about popular initiative in the rural development process as the local bodies had evinced only little enthusiasm in CDP. The team, therefore, came to the conclusion that so long as we do not discover or create a representative and democratic institution, which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms to the needs and wishes of locality, we will never be able to evoke local interest and excite local initiative in the field of development (24).

The Committee further observed that such a body, if created, has to be statutory, comprehensive in duties and functions and equipped with the necessary executive machinery and adequate resources (25). In order to ensure the complete involvement of people and for their dynamic participation in the development activities, the study team made a very important recommendation that to create a three-tier system of rural self-government - gram panchayat at the village level, panchayat samiti at the block level and zilla parshads at the district level (26).

The recommendation of the Balvant Ray Mehta Committee was accepted by the National Development Council in 1958 and the states were given option to strengthen or establish the local self-governments with such modifications suited to them. However, the following basic principles were made mandatory for all (27).

(i) There should be three-tier structure from the village to the district level, each tier linked to the other.
(ii) There should be adequate transfer of power and responsibilities to these bodies.
(iii) Adequate resources should be placed at their disposal.
(iv) All development programmes at each level should be entrusted to these bodies and
(v) The system ultimately evolved should be such that further devolution of power can be facilitated.

The recommendations made by the Balvant Ray Mehta Committee were expected to bring about a new life to the panchayati raj institutions. It was widely felt that the directions given by the committee would go a long way in the social and economic transformation of the rural India through the process of bringing democracy at the doors of rural people and by ensuring public participation in the formulation and implementation of development programmes. With this perspective Jawaharlal Nehru, the then Prime Minister of India, inaugurated the panchayati raj at a national rally at Nagaur in Rajasthan on 2\textsuperscript{nd} October 1959\textsuperscript{(28)}. In the course of his presentation he hailed it as the most revolutionary and historical step in the context of new India\textsuperscript{(29)}. Towards the end of 1950s all the States had enacted the panchayat acts and by the middle of 1960s Village Panchayats were constituted throughout the country. The number of Village Panchayats during this period was nearly 22 lakhs which covered 96% of the inhabited villages and 92% of the rural population of India\textsuperscript{(30)}. A number of review committees, which examined the functioning of the panchayat system, reported that it could generate considerable interest among the public in the community development programmes initiated by the panchayats\textsuperscript{(31)}.

But it is interesting to note that the significance of panchayati raj system had weakened by the union government itself by its attempt to introduce the central schemes like Small Farmers Development Agency (SFDA), etc more directly than through the PRIs\textsuperscript{(32)}. In 1966-67, the central Ministry of Community Development
was reduced to the status of a government department and brought it under the Ministry of Food and Agriculture. This change in the status of ministry gave rise to serious apprehensions about the government policy towards community development and panchayats. In 1971, the title community was dropped and replaced by rural development. While commenting on this, L.C. Jain writes “this was not just a cosmetic change but it marked the end of both the community and the panchayats as agents of change and agencies of development”. During the period of national emergency, the bureaucracy did everything to see that these grass root institutions of rural development lost much of its vitality and significance.

2.5 Asok Mehta Committee and Panchayati Raj

With the change of government at the centre, there was again a revival of interest in panchayati raj as is evident from the appointment of two high level committees in 1977-Dantwala Committee on Block Level Planning and Asok Mehta Committee on Panchayati Raj Insitutions. These expert groups were appointed particularly in the backdrop of the draft plan of 1978-83, where the focus was on the removal of rural poverty and unemployment within a time period of ten years. Among these, the appointment of Asok Mehta Committee was a great breakthrough in the theoretical framework of PRIs. The government resolution in this respect reads ‘the government accords the highest priority to rural development so as to increase agriculture production, create employment, eradicate poverty and bring about all round improvement in the rural economy. The government considers that the maximum degree of decentralisation both in planning and implementation is necessary for the attainment of these objectives.’

While reviewing the functioning of these grass root institutions, the Asok Mehta Committee found three interesting phases of panchayati raj. (i) The period from 1959 to 1964, which was a period of ascendancy.
(ii) The period from 1964 to 1969 - which represented a phases of stagnation and
(iii) The period from 1969 to 1977- which was a period of non-performance\(^{(37)}\).

The Committee, after having a detailed study of the succeeding phases of
panchayati raj, concluded that the grass root institutions are grasses without roots
and a caricature of local government. In order to make decentralisation meaningful
and to carry out the rural development programmes more effectively, the Commit-
tee had recommended to empower the panchayati raj institutions with both func-
tions and finances. Though the observations and the suggestions of the Asok Mehta
Committee were widely acclaimed it had again turned out to be a theoretical exercise with very little implementation\(^{(38)}\).

With the change of Government in 1980, the Draft Sixth Plan was replaced by
the Sixth Plan (1980-85), where it was proposed to strengthen the process of demo-
cratic decentralisation. It was another important stage in the evolution of panchayati
raj institutions in India when these institutions were entrusted with rural develop-
ment programmes like IRDP, NREP, Minimum Needs Programme, etc\(^{(39)}\). It may be
noted that with the expansion of these anti-poverty programmes and the setting up of
the district rural development agencies, the need for the integration of the panchayati
raj system with development programmes and administration was largely felt.

2.6. Planning Commission’s Working Group on District Planning

Another important initiative to introduce the panchayati raj system in the coun-
try was the appointment of a Working Group on District Planning by the Planning
Commission in 1983, under the chairmanship of Hanumantha Rao. The working group
was appointed to work out the modalities of decentralised planning with special ref-
erence to district. The Committee made a very important assessment of the earlier
initiatives to introduce the panchayati raj systems and inferred that the public partici-
pation is a necessary ingredient for the successful implementation of development
programmes and, therefore, they wanted to strengthen the PRIs. The Committee also suggested to involve the grass root bodies in the formulation, execution and evaluation of planning at the local level. In the meantime, Planning Commission brought out the draft of the Seventh Plan, where rural development continued to be a focal area. The development strategy of the Seventh Plan was aimed at the direct attack on the problems of poverty, unemployment and regional imbalance. The success of this, according to the draft, warrants an effective step for the decentralisation of planning and development on the one hand and involvement and the participation of people in the formulation and implementation process through elected grass root level institutions and voluntary agencies on the other.

2.7. Constitutional Amendment

Another breakthrough in the attempt to introduce panchayati raj was the proposed 64th Constitutional Amendment Bill 1989. The Singhve Committee (1986-87), the Sarkaria Commission on centre-state relations (1988), Thungton Committee (1988), etc made some groundwork for the introduction of the 64th Constitutional Amendment. In the meantime, Government of India launched another rural development programme- Jawahar Rozger Yojana (JRY) by clubbing National Rural Employment Programm (NREP) and Rural Landless Employment Guaranty Programme (RLEG) together. The implementing agency of the programme was Village Panchayats, where the government extended finance to panchayats to run their own rural employment schemes. The successful implementation of this national programme required efficient grass root level institutions. It can, therefore, be observed that all these factors and the recommendations of a number of expert committees made the ground work for the introduction of a constitution amendment bill to strengthen the panchayats. Such an amendment was enacted in 1992 as 73rd Constitution Amendment Act. The act was brought into force by a
Union Government notification on 24th April 1993. The act envisages a new system of governance rooted in the panchayati raj system for the transformation of the rural India. According to the noted writer L C Jain, by the amendment, Mahatma Gandhi’s vision that salvation of India lies in cottages and if villages perish India will perish and her own mission will be lost in the world was getting significance through the revitalisation of the local self-governments.

2.7.1 Features of the 73rd Constitution Amendment Act

The salient features of the new system of governance envisaged in the 73rd Constitution Amendment Act are the following:

(i) Constitutional sanction for the creation of a third-tier of local self-government.
(ii) Establishment of village, block and district panchayats.
(iii) Reservation of 33 per cent of seats at all levels in the panchayati bodies for women and also for SC/ST in proportion to their population.
(iv) Provision of 11th schedule with 29 subjects for PRIs to implement programmes and to take decisions;
(v) Setting up of Election Commission at the States to hold elections regularly within an interval of five years.
(vi) Setting up of Finance Commission at the state level to suggest ways and means to augment funds for panchayati raj bodies.
(vii) Organising a planning committee at the district level for micro level planning; and
(viii) Reviving the gram sabha to culture the people in the democratic process.

It is, therefore, clear from the above discussion that the panchayati raj institutions in India have a very long history of evolution. The 73rd constitution amendment re-defined these institutions of local self-governments in the framework of the broad objectives of development planning. The Act envisages the introduction of a uniform structure for the panchayati raj institutions with Village Panchayat at the
bottom level, Block Panchayat in the middle and District Panchayat at the top. It may be noted that the three-tier system was firstly proposed by the Balawant Ray Mehta Committee with Village Panchayats, Panchayat Samiti and Zilla Parishads. But there was no uniformity among the states regarding the three-tiers. The structure and functions have been changing over the years. It is evident from the fact that a three-tier system was functioning in Andhra Pradesh under the Andhra Pradesh Act, 1964. The same pattern was also in existence in Gujarat, Karnataka Maharashtra, Himachal Pradesh, etc. In Assam, there was a two-tier system. But in States like Jammu Kashmir and Kerala, there was only one tier in existence - Village Panchayats. A very distinguishing feature of the panchayati raj system in Jammu and Kashmir and Kerala was the universal coverage of the Village Panchayats.

While Balwant Ray Mehta Committee was in favour of having a three-tier structure, Asok Mehta Committee favoured a two-tier system - a zilla parishads at district level and mandal panchayat at village level. But the Committee, at the same time, was not against the continuation of development blocks. It is, therefore, evident that the entire system of the local self-governments in India was subjecting to a radical shift with the enactment of the 73rd Constitutional Amendment. The Act made it mandatory for the State governments to introduce a three-tier panchayati raj system with Village Panchayat, Block Panchayat and District Panchayat for the effective administration of the rural development programmes. Since there exists a number of units for the decentralisation like village, block, district, etc it will be useful in this context to discuss the relative merits and demerits of each units of decentralisation.

2.8. Units of Decentralisation Under Panchayati Raj

In the decentralisation process, there are a number of units at the sub-state level like region, district, block, village etc to become the focal points of plan-
ning. The lowest unit of planning suitable for India is the village. It has naturally constituted the primary territorial unit of administration from ancient times. The importance of villages in the Indian administration may be attributed to the fact that vast majority of Indian population lives in villages. The village government, during the earlier period, was by a panchayat or village council. The manifold functions of these age old institutions comprised not only the normal civic duties but embraced all conceivable kinds of public affairs, industrial and commercial, social and religious, administrative, judicial, etc. The village is, however, not a homogeneous unit as it varies in size, population and spatial spread. Many villages are not economically viable for undertaking any meaningful economic activity because their population threshold to support that activity is limited. The available resources at the village level are invariably far below the needs of the people. Therefore, these villages have to depend upon outside resources to meet their own needs. Further, planning at the village level requires competent technical staff. Hence, it can be observed that the villages can not become viable units of development planning unless they are equipped with physical and financial resources.

Community Development Block may be chosen as another unit of the decentralisation process. In the panchayati raj set up, blocks are treated as second or middle tier. It has been observed by the Dantwala Committee on Block Level Planning that block is an ideal unit of economic planning. The block is sufficiently small in terms of area and population to facilitate understanding between the planners and those responsible for the implementation of the plan on the one hand, and the people on the other. Although blocks have physiographic, socio-economic and cultural diversities of the country, they can attend to the special problems of the concerned areas. Economically, blocks are more viable and the spatial problems can best be dealt with by the block administration due to their accessibility in the con-
cerned matters. Likewise, blocks also provide the area base where various sectoral plans and schemes sponsored by central and state governments can be well integrated. Duplication and redundancy, which are the characteristics of all sectoral plans implemented in isolation, can be eliminated in the block level planning\(^{(47)}\). It can, therefore, be observed that block level planning becomes significant in the light of the fact that the very objective of decentralised planning is to evoke a sense of response among the lower functionaries of government as well as the people.

However, there are some constraints on the practical grounds to choose blocks as the focal point of planning. It may be noted that the introduction of a comprehensive economic planning requires a well competent technical and administrative authority. But the community development blocks were not having a competent planning authority. Despite it, blocks have a unique place in the framework of panchayati raj as they lie between the first and the third tier of decentralisation. As a functional link between the Village Panchayats and the Districts Panchayats, they integrate the village plans on the one hand and enables the panchayats to get it approved by the district on the other.

In its report on Community Development Projects, Balwant Ray Mehta Committee recommended the establishment of a three-tier system with block panchayats in the middle to make the decentralisation more effective\(^{(48)}\). Though block level and panchayat level samities may be used as the functional centres, the committee opined that, the focal points should be the districts and the district should be the first tier of the decentralisation. Dantwala Committee on Block Level Planning has also felt that the issue, whether a district or block is more appropriate for the purpose of planning, need not be viewed with rigidity. Block level planning is to be viewed not as an isolated exercise but as a link in a hierarchy of levels from a cluster of villages below the block level to the district, regional and state level\(^{(49)}\).
2.8.1. District as the First Tier of Decentralisation

District is another significant unit in the decentralisation process. In the panchayati raj set up, they constitute the top or the first tier of decentralisation. District Panchayats, the apex body of the panchayati raj, have a distinct role as the initiator and the supervisor of the rural development. Through a well integrated rural development strategy for the entire district they are deemed to be the catalyst of the panchayati raj. Moreover, the district plans have a unique place in the rural development. District planning is a kind of area based sub-state planning in the panchayati raj framework and it arises from the need to supplement the national and state plans with a more detailed examination of the needs, resources, potentials and problems of local areas. It will enable the investment programmes, to be more specifically tailored to the particular needs of the local areas. As stated by the Planning Commission, district planning implies evolving a developmental scenario at the district level consistent with the specific needs of the people, the growth potentials of the areas, and budgetary allocations available. The district planning may, therefore, be treated as a distinct one compared to both national and state plans. While the former is the sum of sectoral aggregates, the latter is the subdivision of the former. In contrast to this, district planning would represent a multi-sectoral planning of area specific investment. Hence, it can be observed that district constitutes an important unit in the decentralisation process, and in the panchayati raj planning district is chosen as the first tier. There are several rationales for choosing it as the first tier of decentralisation and some of them are discussed below.

(i) Politically, but traditionally as well, district is an administrative unit. In terms of the division of main functions of Government, there are three tiers in India—Union State and District. Administratively, the district is the lowest organ which is a well entrenched unit. Collector, the administrative head of the district, has the capac-
ity to co-ordinate and monitor the development programmes and ensures results. The Collector also interacts with people with respect to several social and economic issues. The administrative structure of the district is so useful to perform the planning functions of an apex tier, thanks to the fact that district administrative set up is empowered with independent decision making.

(ii) Another significance of the district is that almost all development departments of the state have its units at the district levels. Most of the record and information pertaining to revenue, land holding, developmental loans, housing, roads, hospitals, schools, irrigation, etc. are available at the district level and, in fact, most development department would have a functional organ at the district level. Though total information is available only at the State level, the district level also has a regular system of monitoring, computation and updating of data. Since planning constitutes a multi-sectoral package of area specific investments, the information relating to all these specific sectors are available at the district level and, therefore, on practical grounds district may be coined as an effective unit of decentralised planning.

(iii) A third rationale to choose district as the first tier of decentralisation is based on the theory that information cost is an increasing function of the distance between action points at which the information is gathered and the point at which the decision is made. Under the centralised planning system, the distance between information and decision points is so wide that the choices of the bottom field most often do not get adequate attention in the formulation of development plans. But in a decentralised planning, the information cost can be minimised if the decision making is pushed down to the district level.

(iv) Yet, another fact to be noted in this respect is that a minimum planning infrastructure, especially properly trained technical staff, will have to be provided at the
planning level. The district, according to this perspective, is a feasible unit to become a focal point of the panchayati raj structure. The existence of a district planning board is a very valid ground to entrust the supervisory planning functions with the district panchayat and under the present circumstances, district may be considered as a pivot of the decentralisation\(^{(54)}\).

(v) The district has a well established political dimension too. Under the panchayati raj system, land development and co-operative institutions and agencies which are functioning within the framework of district will make the process of decentralisation more effective. It is often pointed out that district constitutes a more or less integrated functional unit of the rural economy, a good reflector of the spatial problems and a good reactor to the local initiatives of development.

The Asok Mehta Committee on Panchayati Raj Insitutions has also traced these points to choose the district as the first tier of decentralisation. The Committee states that historically the district has been the pivot of local administration for centuries and for planning, supervising and co-ordinating development programmes, administrative and technical competence of the requisite caliber is available only at the district level\(^{(55)}\).

D.R. Gadgill was one of the earliest advocates of the decentralised development approach with emphasis on district planning. Later he proposed to divide the district into smaller homogeneous units called mandi centre but the focal point is still at the district. But in the view of V.K.R.V. Rao, in preparing a district plan, the planner has to work at two levels-the district and the sub-district level with over all frames and strategies being decided at the district level\(^{(56)}\).

In brief, it may be noted that the district enjoys several pre-requisites to become the first tier of the panchayati raj structure. The administrative and technical feasibilities of district, the availability of planning machinery and data, etc at the district level enable it to discharge the rural development programmes in a meaningful and more effective manner.
Even though the district has been chosen as the upper tier of the decentralised planning, there are many limitations placed against it. The foremost is that the district need not be a homogeneous unit, in fact, it is heterogeneous in many respects. It would also be relevant to note that those schemes and programmes which have an inter-district dimension shall have to be planned at a higher level. But with respect to the introduction of rural development programmes, it may be noted that the economy is not in search of a programme region, which is perfect in all respects, but we require only a reasonable spatial unit and from this point of view there does not appear to be a better alternative to district as the focal unit of rural planning in India (57).

The discussion therefore, reveals that various sub-state level units may be chosen as the focal points of decentralisation in the context of the introduction of the panchayati raj like villages, blocks, taluks, regions, districts, etc. Each unit, as the analysis shows, has its own merits and demerits. But the structure accepted for introducing the planning from below in India is a three tier one with village panchayat at the bottom, block panchayat in the middle and the district panchayat at the top. It is significant to note that the three tier system has been functioning for over a decade in India and in states like Madhya Pradesh and Kerala the Ninth Five Year Plan was introduced with the active involvement of these institutions of rural development.

Since the panchayati raj institutions have been introducing various programmes of rural development, it appears to be relevant to analyse the operational aspects of the local level planning.

2. 9. Local Level Planning - Methodologies

With respect to the nature and operation of the panchayati raj planning, there are several approaches and among them the following are very significant.
2.9.1 The Area Approach

Presented by K.N. Raj, this approach identifies the activities of district and local level planning on the basis of their relative importance. The following considerations are listed by him with regard to the functions to be undertaken at State and sub-state levels:

(a) Given the resource endowments and specific objectives that the different States may have, there are certain developmental policies and programmes which will necessarily have to be formulated and executed by the respective State government. These may be related to the development of communication, exploitation of minerals, infrastructure to support agriculture and industrial expansion, and development of industrial complexes. These can be regarded as the minimum developmental functions and responsibilities which would need to be discharged by the State governments.

(b) There are other areas of development such as social services, which are considered to be amenable for decentralisation.

(c) It is in respect of necessary local infrastructure for the development of agriculture and small and medium scale industries, the scope for and the advantage of planning at the grass roots are likely to be the greatest. The case for transferring them to panchayati raj institutions is, therefore, very strong.

(d) In order to make decentralisation meaningful and functional the possibility of social and political forces working in favour of the more prosperous sections under the decentralisation has to be checked. The approach explains that the appropriate measures essential for both the mobilisation of resources and dispersal of benefits to the eligible people are to be undertaken.

(e) The area approach also states that the most important step that has to be taken towards the meaningful application of planning from below is the strengthening of planning machinery at the State level. The experiments attempted in district development planning have to be viewed as a part of the efforts for framing meaningful and
realistic programmes related to the conditions of each area within a state.

It may be noted that the area approach presented by K.N Raj identifies programmes amenable for the decentralisation on the basis of its relative application.

2.9.2 The Demand and Supply Approach

Another approach for local level planning has been suggested by S.Chakravarthy\(^{(59)}\). It is called the demand and supply approach, which states that the decision making unit should plan only for such sectors in which the order of consumption (demand) and production (supply) at these levels is likely to be in equilibrium. This approach implies that a panchayati raj institutions cannot plan for such sectors whose demand originate outside it. In other words, planning by the three-tier panchayats may be restricted to what is known as non-basic or residiary sector which serves the local market. This logic is developed into an illustrative model. Power and water management is allocated to inter-state planning. Major irrigation projects, agriculture credit arrangements, State highways and road transport, secondary and collegiate education, and infrastructure in urban agglomeration would fall within the State sector. Land development programmes, land reform legislation, family planning, primary education, and construction activities will fall within the district and local sectors.

The basic issue related to this approach is to find out the items for whose demand originate within the district and sub-district levels. The application of this approach requires the identification of sectors on the basis of its linkages for the decentralisation. Under this circumstance it may be useful to recall the result of a study made in Gujarat, where it was found that the backward and forward linkages of most of the developmental activities lie outside the district\(^{(60)}\).

2.9.3 The Potentiality Approach

A third approach for the local level planning has been designed by Yoginder Alagh, Kelker and Anand Swarup as potentiality approach\(^{(61)}\). In order to identify the
programmes to be undertaken by the panchayati raj bodies, this approach explains that, the emphasis should be on identifying the potentialities of the district and sub-district levels. A plan has to be prepared on the basis of the available resources and a detailed estimation of the local techno-economic potentialities as a first step, which has to be followed by matching such potentials with developmental possibilities provided by the rest of the economy. The specialisation of different areas, in terms of resource endowment, will naturally be correlated with the development plan prepared for the respective unit of decentralisation. Thus the district and sub-district plans will be a comprehensive one. But those activities for which the intervention mechanism of the state become essential have to be designed and implemented by the State. Therefore the activities such as major irrigation, power generation, and industrial investment would fall in the State list, while local infrastructure and social services would be planned as programmes by the district and the sub-district units.

It may be noted that the application of potentiality approach depends on a scientific study of the availability of resources, linkages of the projects, etc.

2.9.4 Other Approaches

Besides the above mentioned approaches, there are a number of others like the ‘Mandi Area’ approach of D.R.Gadgil and the ‘Economic Area’ approach of V.K.R.V.Rao. Prof. Gadgil viewed that district would not be coinciding with an economic region and, therefore, district should be divided into smaller and homogeneous units for the meaningful introduction of rural development programmes. Such a unit, according to him, must embrace within the variety of economic activity, typical of the particular rural economy. It must be capable of being treated as an integrated unit of planning\(^\text{(62)}\). But V.K.R.V. Rao pointed out that in preparing a plan, the district planner has to work at two levels; the district and the economic area with over all frames and strategies being decided at the district level. The sub-district
area, otherwise called economic area constitutes an ideal unit for the formulation and the implementation of development programmes. But the planner must identify his resources, the extent of their utilisation, etc. before preparing a multi-sectoral plan for the district and the economic area(63).

In short, it may be inferred that all these approaches for local level planning have been focused on the need to find out the linkages of each project before including it in the panchayati raj planning. The Village Panchayat can initiate development programmes confining to its territorial limits while block panchayats can move over to a wider spectrum and in the district planning it should be seen that the projects introduced by it have intra-district dimensions.

2.10. Programmes for Decentralisation

Planning Commission, in its draft plan of 1978-83, identified the following activities for local level planning - agriculture, minor irrigation, cottage and small scale industries, primary education etc(64). Dantwala Committee on Block Level Planning had also suggested the above subjects for the decentralised planning(65).

Another view holds that the panchayati raj institutions have to tackle the location specific programmes, and therefore an exhaustive list of functions to be discharged uniformly by them throughout the nation will not have much operational relevance. Local priorities, as noted by the Asok Mehta Committee, in relation to resource base for agriculture and industrial development, vary from region to region and it is essential that the State and union territories should have adequate scope for applying their minds seriously to these priorities(66). In this respect, a significant aspect to be examined is the criteria of decentralisation and the nature of development strategy to be followed by the panchayati raj institutions. It may be noted that the betterment of the less privileged through economic development continues to be an important objective of our economic planning. The social content of growth gains
substance as economic growth gathers momentum and the deprived are awaken to their rights and claims. Since our development efforts are based on social change, the objective of the development planning to be initiated by the panchayati raj institutions needs to be placed on growth with social justice.

2.10.1 Expert Teams on Programmes of PRIs

Development is a dynamic process so that periodic adjustments would be necessary to suit the changing requirements. Therefore, in order to make the decentralisation more effective, genuine and adequate, it should be regarded as a functional necessity and not as an act of political charity. Thus Asok Metha Committee states that the story of the devolution of small number of relatively insignificant functions should not be repeated under the panchayati raj planning. The development functions which can be discharged by the local bodies may be transferred to them. This was explicitly stated even in the draft outline of the Fourth Five Year Plan which recommended that all development and welfare schemes capable of execution at the district level should be transferred to zilla parishads which should be responsible for both programme planning as well as implementations.

Balwant Ray Meta committee had identified the programmes like water supply, sanitation, lighting, maintenance of roads, land management, collection and maintenance of records and other statistics, welfare of backward classes etc. to be entrusted with the village panchayats. The National Development Council which met in January 1958 to discuss the recommendations of the above committee recommended to entrust all development programmes at each level of the decentralisation with the respective panchayati raj bodies.

The Committee on Panchayati Raj set up by the Karnataka government observed that the Zilla Parishad would implement all schemes and works of a district character, to guide and to supervise the technical personnel at the district level to the
lower bodies and assume overall responsibilities for planning and development. The Asok Mehta Committee was of the opinion that the panchayati raj system is not only meant for decentralisation of power and people’s participation but it is also for supporting rural development and strengthening the planning process at the micro level. The Committee, therefore, wanted the panchayati raj institutions to participate in development activities in the area of agriculture, forestry, cottage industries, welfare activities, etc. During the Sixth Five Year Plan, it was proposed to strengthen the process of democratic decentralisation. The draft of the Sixth Plan states that irrespective of whatever structural pattern that is in existence or that may be devised, efforts will be to devolve on these institutions all such functions appropriate to each level, which are capable of being planned and implemented at the respective levels. These institutions will be particularly involved in the planning and execution of Integrated Rural Development Programme (IRDP) and the National Rural Employment Programme (NREP).

The Planning Commission’s working group on District Level Planning under the chairmanship of Hanumanth Rao made strong pleas to shift the rural development functions to the local level bodies for the better management of these programmes.

The 73rd Constitution Amendment had finally transferred 29 subjects to the panchayati raj bodies for the effective application of decentralised planning.

2.11. Panchayati Raj Institutions- The Operational Framework

Village Panchayats, Block Panchayats and District Panchayats are the operational centres of the panchayati raj planning introduced in India under the 73rd Constitutional Amendment. Accordingly, each unit has been entrusted with specific functions to be discharged by it. The operational modalities of such a mechanism may be examined in the context of the earlier efforts to introduce the decentralisation in a more direct and explicit manner.
Centralised planning system was in existence in India for over four decades. However, some attempts were made here and there to introduce micro level planning since the publication of the Balwantrai Mehta study team’s report on community development programmes in 1957. In accordance with the recommendations of the committee, some initiatives were made by the States like Maharashtra, Gujarat, etc to introduce the three-tier panchayats. During the Fourth Five Year Plan onwards, greater attention began to be paid for the formulation of district level plans, but they had only unimpressive records to present. It was due to the existence of several constraints confronted with the formulation of district plans and the following constraints were identified by D.R. Gadgil with regard to Maharashtra (69).

(i) The activities of the district development councils set up from the period of Second Five Year Plan were entirely of an advisory nature. These councils were composed mostly of local political leaders who had little special knowledge or expertise in any direction. These councils put together a series of more or less popular demands like construction of roads, irrigation works, and so on which had no relation to a strategy of long term planning.

(ii) Though the work of Zilla Parishad was more elaborate in the sense that more attention was paid for the preparation of plans at block levels and co-ordination of plan proposals set by the local bodies, its essential character remained unchanged. This was because the district plan was not looked upon as a realistic document, which was part of a long term development plan framed by Zilla Parishad and to be implemented by it. It was, as before, a set of proposals sent up to the state government, more correctly to the secretariat, where the plan is prepared and being sent to Zilla Parishad which would, in due course, have to be implemented. In fact, they were encouraged to prepare plans of a size very much larger than the allocation made to them.
(iii) Zilla Parishads in Maharashtra were endowed by legislation with specific planning powers. However, the proper exercise of these powers has been hampered by a numbers of factors. The first was finance. The financial resources available to Zilla Parishads were chiefly in relation to their administrative programs and they had almost no free resource which they could spend on their own.

(iv) Even if the Zilla Parishads have been given planning officers, the state and district plans were in fact compiled in the secretariat and as a result, the knowledge and experiences of experts could not be utilised.

(v) Lastly, the approach through compilation of a plan, with reference to separate standardised departmental schemes, has many other disadvantages also like unnecessary proliferation of staff, etc.

It has been observed that these inconsistencies on the operational aspects of district level planning was the outcome of the attempt to introduce decentralisation into a strongly centralised hierarchy. It is also significant to note that the structural changes were not effected by the government for the introduction of district level plans. It is evident from the fact that the organisational structure of planning had not been changed, pre-requisites for the proper formulation as well as implementation of plans had not been fulfilled and the functional and financial demarcations had not been clarified. These factors had also contributed to the unimpressive performance of district planning during the initial stages of decentralisation.

2.12. Pre-requisites for Decentralised Planning

On the basis of the limitations and the observation made by various expert committees, the following pre-requisites have been traced by the Planning Commission with regard to the introduction of decentralised planning.

(i) Defining the scope and content of a decentralised plan

(ii) Disaggregating of plan funds from the State to district level on appropriate criteria.
(iii) Establishing suitable organisational framework for district planning.

(iv) Effecting certain administrative measures for decentralisation.

(v) Establishing a proper district planning machinery.

(vi) Establishing a district planning unit at the state level and,

(vii) Making arrangements for training personnel for the introduction of decentralisation.

Among these pre-requisites, it may be noted that, many are prevailing in most of the states and with regard to the scope and content of planning at the local levels, it should be attached to the broad national goals. As far as the district planning machinery is concerned, it will have to be a competent authority to perform planning, implementation, monitoring and evaluation functions. It may be consisting of Economist, Statistician, Agronomist, Engineer, Credit planning officer etc. They would be placed under district planning board. As for the preparation of the plan at the district, the entire process may be broadly classified into two: preparation of the block-wise development profile of the district and formulation of the district plan keeping in line with the development profile of the block. The plan should be prepared by the decentralised institutions in line with the exploitation of local resources consistent with local priorities and necessities.

Another important aspect of the decentralised planning is related to the process of dovetailing of the plans prepared by the local bodies. This brings up the question of balances and availability, and on many occasions, dovetailing becomes a serious issue due to the following reasons:

(i) The sectoral priorities determined by the district agencies need not be coincided with that at the State and national levels.

(ii) Within sectors, the budgeted outlays for different schemes need not be accorded by the district development councils.

(iii) The locations proposed in the district plan could not be adhered to at the govern-
ment levels since locational decisions are taken without reference to district plan, and (iv) On many times a closer understanding between State heads of the departments and the concerned district level officers is lacking.

It may be noted that the problems of dovetailing can be removed if the autonomy, especially of financial, is granted to the lower level planning bodies.

2.13. **Shifting of Planning Functions from the State to PRIs**

The shifting of planning functions from the State to the district and sub district levels is another issue in the operational framework of the panchayati raj planning. On the basis of the initiatives made by some states to introduce decentralised planning in 1970s, the following problems related to the transferring of planning function from the state to sub State levels are identified by K.V.Sundaram and R.P.Misra\(^{(72)}\).

(i) No proper indication of the resources which are likely to be made available to the district, during the plan period, is provided with the districts, which makes it difficult to bring the exercise in line with the level of resource availability.

(ii) Adequate qualified technical staff, who can make the necessary analysis and attempt planning on a scientific basis, was also not available at the district level.

(iii) It has not so far been possible to properly integrate the district plans with the state plans with the result that the labour and the time spent in preparing the district plan have mostly been wasted. One of the reasons for the difficulty in integration is that there is no clear line of demarcation between district level and State level as to the functions, which can appropriately be planned at these respective levels; and

(iv) The agencies of the Central and State governments, which are operating at the district level, have their own vertical chains of operations and it has proved difficult to co-ordinate their activities in an effective manner with the district planning agencies.

In many States, as pointed out by the Planning Commission, the adminis-
trative hierarchy was not favourable to shift the planning functions from the state to local levels. But during the second half of the seventies, many of the states felt that the growing problems of the economy could not be resolved with the existing planning approach. Therefore, they began to make some serious efforts to introduce decentralised planning. The first step was the setting up of the district planning machineries.


In accordance with the recommendations of the Balawant Ray Mehta Committee on Community Development Projects in 1957, a three-tier system has been set up in all States with district as the nodal agency to undertake development programmes for the rural economy. Accordingly, districts were expected to perform planning functions as envisaged by the Committee. But in none of the states the districts were given the task of planning, though legislation had framed in this regard. In Maharashtra and Gujarat, which were the pioneers to set up these bodies at the district level, planning function was entrusted to them during the initial stages of experiment, but in course of time their role had been reduced to mere advisory bodies and separate councils were formed to perform planning functions. It may, therefore be noted that though the States had set up district planning machineries to undertake decentralised planning, the role assigned to them was very limited. The district planning bodies so established by the States, prior to the implementation of panchayati raj system, are given below as Table 2.1
Table 2.1
Planning Machineries at the District level

<table>
<thead>
<tr>
<th>Name of planning machinery</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 District Planning Board</td>
<td>Gujarat, Madhya Pradesh, Meghalaya, Nagaland and Punjab.</td>
</tr>
<tr>
<td>2 District Planning Committee</td>
<td>Manipur, Rajasthan &amp; Sikkim.</td>
</tr>
<tr>
<td>3 District Planning Council</td>
<td>Karnataka</td>
</tr>
<tr>
<td>4 Zilla Development Board</td>
<td>Andhra Pradesh</td>
</tr>
<tr>
<td>5 District Development Committee</td>
<td>Assam &amp; Himachal Pradesh</td>
</tr>
<tr>
<td>6 District Development Board</td>
<td>Jammu &amp; Kashmir and Orissa</td>
</tr>
<tr>
<td>7 District Development Council</td>
<td>Kerala and Tamil Nadu</td>
</tr>
<tr>
<td>8 District Planning and Development Council</td>
<td>Maharashtra &amp; Bihar</td>
</tr>
<tr>
<td>9 District Planning and Monitoring Committee</td>
<td>Uttarakhand</td>
</tr>
</tbody>
</table>


Table 2.1 reveals that the name of district planning machinery is different in different States. It is District Planning Board in states like Gujarat, Madhya Pradesh, etc. It is Zilla Development Board in Andhra Pradesh. In states like Kerala and Tamil Nadu, the name of the district planning machinery, before the introduction of panchayati raj system, was District Development Council.

Even though the composition of district planning committee was more or less similar, there were some functional differences among them. While some of them were preparing both annual and perspective plans, and performing the functions of co-ordination, monitoring and evaluation, the planning function was confined to
co-ordination and monitoring to some other district planning bodies. The former included the district planning bodies of Maharashtra, Gujarat and Madhya Pradesh and that of Punjab, Rajasthan, etc. were in the latter.\(^{(75)}\).

In most of the States, where district planning bodies were constituted, their membership was quite large. They were literally the counterparts of the State assemblies. Their functions were to approve the annual as well as the five year plans, undertake regular reviews of all district level schemes and programmes implemented in the district, and so on. Since the size of this body was so large, very often, it seemed to be difficult to convene its meetings frequently so that standing committees were formed at the district level and they functioned well in almost all States.\(^{(76)}\).

2.15. Financing the Decentralised Plans:

In most of the States, almost entire financial resources for decentralised planning was provided by the respective State governments. In several States, the plan outlays of the State government was divided into State sector outlays and district sector outlays. It can be observed that 30 per cent of its outlay in Uttar Pradesh and 35 per cent in Gujarat were set apart for district plans which were 40 per cent and 45 per cent in Maharashtra and Jammu and Kashmir respectively\(^{(77)}\).

In distributing plan outlays for district plans, the most important issue emerged during the introduction of district plans was the criteria based on which the allocation was to be done. Like the sharing of grants among States, a system of weightage had been introduced in several States, which consisted of population, level of development in agriculture and allied activities, industrial backwardness, communication deficiency, etc. Unallocated funds to meet the natural calamities like flood and drought were also made available to district planning bodies by a few states. Table 2.2 shows the nature of weightages that prevailed in selected States for the allocation of outlays among the districts\(^{(78)}\).
### TABLE 2.2

**Allocation of district sector funds on the basis of weightage (in %)**

<table>
<thead>
<tr>
<th>SLNo</th>
<th>Items</th>
<th>Maharashtra</th>
<th>Gujarat</th>
<th>Karnataka</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Population</td>
<td>65.00</td>
<td>40.00</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td>2</td>
<td>Population of SC/ST marginal farmers</td>
<td>5.00</td>
<td>15.00</td>
<td>5.00</td>
<td>15.00</td>
</tr>
<tr>
<td>3</td>
<td>Agriculture backwardness</td>
<td>5.00</td>
<td>10.00</td>
<td>5.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Backwardness in irrigation</td>
<td></td>
<td></td>
<td></td>
<td>5.00</td>
</tr>
<tr>
<td>5</td>
<td>Backwardness in communication/ drinking water/power supply</td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Backwardness in industry</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Special problems of drought/flood</td>
<td>3.00</td>
<td></td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Problems of people in coastal areas</td>
<td>1.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Backwardness in respect of minimum needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Problems of people in forest areas</td>
<td>1.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Tax incentive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Unallocated</td>
<td></td>
<td></td>
<td></td>
<td>5.00</td>
</tr>
<tr>
<td>13</td>
<td>Backwardness in financial and medical facilities</td>
<td></td>
<td></td>
<td></td>
<td>5.00</td>
</tr>
<tr>
<td>14</td>
<td>Unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>


The table shows that population was a major criteria for the allocation of plan fund among the districts in all the states. It is evident from the table that 50 per cent
of the district sector outlay, on an average, was distributed on the basis of population. In Maharashtra, the allocation on the basis of the population was the highest (65 per cent). There was however, some variations with respect to the allocation on the basis of other variables. Backwardness in communication, for example, was a major criterion in Uttar Pradesh and Gujarat, while backwardness of industry was not a major factor receiving weightage in Uttar Pradesh in the allocation of district plan fund. The table also shows that 5 per cent of the plan fund was given in Gujarat and Karnataka as matching grant against the resources mobilised by the district. The backwardness in medical facilities as well as financial infrastructure accorded a comparatively high weightage in Karnataka and Uttar Pradesh. Maharashtra and Gujarat had earmarked 5 per cent of the fund as unallocated to meet the unforeseen contingencies. Karnataka was the only state giving weightage to the problem of unemployment in distributing the district sector outlays. It has been observed that in Maharashtra, the excess or shortfall in the expenditure of previous annual plan also became a factor for consideration in allocating district sector outlay though there were no hard and fast rules with regard to it(79).

In Gujarat, the district plan outlay was divided into three categories.

(i) Eighty per cent of the fund was allocated for normal district level schemes in accordance with the priorities and guidelines laid by the state.

(ii) Fifteen per cent of the outlay was discriminatory for which complete freedom is given to district planning boards in view of the local potentials. These are the funds provided to district planning boards by the State as united fund, against which they can take up any project or scheme which they consider as significant.

(iii) Five per cent of the fund was allocated as incentive outlay against the local funds raised by the district. This was meant to arouse popular enthusiasm and to secure public participation in the planning process. The State of Karnataka had also
provided discretionary outlay to the districts. It was a lump sum provision and not in
the nature of a fixed percentage of the total divisible outlay. It was to be used for
taking up programmes reflecting the felt needs of the people. It is very significant to
note that Karnataka was the only State which established a State Finance Commiss-
ion, on the lines of National Finance Commission, to award to districts appropriate
share from the State resources for non-plan expenditure\(^{(80)}\).

Unlike other States, the district planning authority of Jammu and Kashmir had
not given much freedom for planning at the district level. The allocation for district
plans was made at the State level for each district sector schemes and it was based on
an incrementalist approach with a slight step up or increase upon previous year’s
allocations\(^{(81)}\). A very significant thing to be noted in this respect is that, although not
much decentralisation in planning function was attained, they had introduced admin-
istrative decentralisation and more importantly a unified and integrated implement-
tion mechanism and a monitoring system were set up there for the meaningful and
more effective introduction of the decentralised programmes.

In accordance with the recommendations of different expert groups, it may be
noted that, restructured planning process was introduced in several States. The fol-
lowing discussion explains the initiatives made by a few States in this regard.

2.16. Decentralised Planning Process in the States

In the effort to introduce decentralisation in the planning process, several at-
ttempts were made by the States. In Maharashtra standing committees, formed out of
the district planning and development council, had the functional responsibility to
prepare the blue print of the projects and schemes to be undertaken at the district
level on the basis of the district plan outlay. In order to make district level planning
more effective, provisions like re-appropriation of savings, direct communication
of budgets to the officers responsible for implementing the schemes at the district
level, accountability of district level officers to DPDC, etc were introduced there\(^{(82)}\).

In Karnataka, Zilla Parishads had complete control over all the developmental activities at the district level. All the district development schemes were formulated and implemented by them. There was a clear demarcation of state and district level schemes and state did undertake only those schemes which had inter-district dimensions.

It is therefore evident that the *modus operandi* and the functional aspects of the decentralised planning introduced in different states appear to be same with only minor variations. The main difference with respect to the application of local level planning was related to the mobilisation of local resources. It may be noted that Karnataka was the only state where district bodies had the freedom for the mobilisation of local resources. In this respect it may be useful to review the measures initiated by Karnataka and West Bengal to introduce decentralised planning.

2.16.1. Decentralisation Initiatives by Karnataka and West Bengal

In the attempt to introduce panchayati raj system in a more meaningful and effective manner, some serious efforts were made by two states- Karnataka and West Bengal during the early eighties. A review of their initiatives will help to understand the process of decentralised planning introduced in India.

Democratic decentralisation had reached a new phase with the implementation of the district level planning in Karnataka during the second half of the 1980s. The Karnataka scheme was a unique experiment in the entire history of decentralised planning in India\(^{(83)}\). Karnataka experiment brought about both planning and implementation under the purview of the elected representatives. The democratic decentralisation provides for a four-tier structure; Zilla Parishad at the district, Panchayat Samiti at the taluk, Mandal Panchayat below Taluk and Grama Sabha at the village. The Zilla Parishad and Mandal panchayat were directly elected bodies with effective power to plan and execute the development and welfare programmes. It
introduced, for the first time, a Mandal level panchayat, which was an elected representative unit of the self government for a group of 10 to 15 villages as recommended by Asok Mehta Committee in 1978. In a development block there were 10 mandals. Every unit of 500 persons elected a representative for mandal and out of which a chairman was elected. The village plan was the basis of the plan for mandal and once in a year, the mandal chairman used to attend the meeting of the grama sabha and provides an account of the progress attained in the village plan so far. In mandals 25 per cent of the seats were reserved for woman with a view to mobilise the woman in the decision making process.

Mandals had the power to levy taxes and raise local resources. The State government had provided the incentives to encourage mandals with respect to the resource mobilisation. The chairman of Mandal was elected and the secretary was appointed by the Zilla Parishad. Mandals prepared plans of their own to place before the Zilla Parishad for approval.

The Zilla Parishads had complete control over all the technical and developmental activities of the district. All the district sector activities were transferred to Zilla Parishads. In short, the Karnataka scheme integrated the three vital functions namely-planning, implementation and resource mobilisation and brought them under Zilla Parishads. Karnataka had also set up a State Finance Commission on the lines of Central Finance Commission to recommend financial transfers from the State to the panchayati raj bodies. The Karnataka Zilla Parishad Act of 1983 had set up a committee to review the entire State local fiscal relations and to restructure it to make sub-state governments viable, responsible and effective.

Another innovative initiative with regard to the panchayati raj system was introduced in West Bengal, where the decentralised planning was launched from the first year of the seventh plan (84).
A three-tier system of local level planning had been set up there—District Planning and Co-ordination Council (DPAC), District Planning Committee and Block Planning Committee (BPC). The District Planning Committee composed of presidents of all block samities, chairman of all municipal bodies in the district, representatives of statutory organisations, if any operating at the district, and all heads of departments of the government functionaries in the district. The President of the Zilla Parishad was the chairman of the District Planning Committee.

The BPCs were preparing block level plans on the basis of ‘needs’ statement prepared at grama panchayat levels, which had been systematically compiled and in respect of which priorities were drawn up by them and sent it to State Planning Committee. The district plan had to be incorporated the plans of municipal councils also for which there existed no separate planning authorities. The district plan was formulated on the basis of the plans prepared by the BPC’s. The district planning had to be approved by DPAC, which consisted of a cabinet minister, M.Ps and all M.L.As of the district.

A major innovation, as pointed out by Arun Ghosh, introduced in West Bengal was that all the schemes and programmes of the different departments, which were to be implemented in the district, had been incorporated in the district plan and placed before DPAC for its approval. Another innovation was the operating of a new budget head designated as ‘District Plan Schemes’, for which a separate allocation of fund was made. This fund was subjected to the control of DPC. The share for each district was decided on the basis of population, extent of underdevelopment, incidence of poverty, and similar criteria. The co-ordination of all the developmental activities had been done at the district level by DPAC.

It is therefore clear that the states like Karnataka and West Bengal had undertaken some serious measures to introduce panchayati raj planning in a participatory
and effective manner.

In brief, the discussion on the evolution of panchayati raj institutions in India helps to understand the various phases of the development of panchayati raj, initiatives made in different periods of time, its implementation in several States, etc. The analysis also helps to comprehend the developments in the field of panchayati raj during the post-constitution amendment period, its operational framework and also the initiatives made by a few states in this regard. In the succeeding chapter, a specific discussion is attempted with respect to the evolution and the functions and powers of the panchayati raj institutions in Kerala.
Notes and References

1. The expression ‘Panchayat’ is now understood all over India as an association of villages for the purpose of village administration. The word panchayat possibly indicates that the number of those who originally constituted the panchayat council was five but there is no evidence that this number was adhered to with any regularity. However, panchayat raj is a process of governance. Etymologically it is derived from “Urdu”.


George Mathew (1994), Panchayati raj -From Legislation to movement, Concept Pub; New Delhi, p.7


3. The term is used to represent the wide powers both administrative and judicial enjoyed by the Village Panchayats.

4. Majumdar A.K. et. al, op.cit., p.41

5. Ibid., p.47


8. Ibid., p.51.

9. Ibid., p.54.

10. Ibid., p.58.

11. Ibid., p.59.


18. Blocks were created as sub-district units to implement the community development programmes and it was not viewed as an administrative unit.
24. Ibid., p.6-7
25. Ibid., p.7
26. Ibid., p.7-8
27. Majumdar A.K. et al., op cit., p.113
28. Ibid., p.14
29. Ibid., p.8
30. Ibid., p.15
31. A number of review committees like AVARD, etc reported that the panchayati raj system, enunciated by the implementation of Balawantrai Mehta Committee could help to generate younger and better leadership peoples, direct involvement in developmental activities, etc. Dey S.K. (1961), “Faith in Panchayati Raj”, Kurukshetra, Vol.IX, No.3, Aug., pp.4-6


34. Jain L.C. *et. al, Op cit.*, p.44


44. *Ibid.,* p.119


46. The concept region is used here in the sense of the classification of geographical area on the basis of topography or an economic point of view.


67. Ibid., p.57


71. Ibid., p.17

72. Ibid., p.18


75. Ibid., p.27


79. The composition of district planning committees may be classified into four.

(i) The Minister Chairman model: Where a minister of State government will be the Chairman. It existed in States like Gujarat, Maharashtra, Uttar Pradesh and Bihar.

(ii) The Deputy Commissioner/ District Collector Chairman model: It existed in States like Assam, Himachal Pradesh, Jammu & Kashmir, etc.
(iii) The Non-Official Chairman Model: Where Chairman is nominated by the State government out of social workers. It prevailed in States like Madhya Pradesh and Meghalaya.

(iv) M.L.A.Chairman model: Where one of the M.L.A’s will be the Chairman of the committee on a rotation basis. It prevailed in the State Sikkim.


81. *Ibid.*, p.31

