CHAPTER – 1

INTRODUCTION
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“My idea of village swaraj is that it is a complete republic, independent of its neighbors for its vital wants, and yet independent for many others in which dependence is necessity. As far as possible every activity will be conducted on a cooperative basis. The panchayat of five persons annually elected by the adult villagers, male and female, possessing minimum prescribed qualifications will conduct the government of the village. Any village can become such a republic without much interference.”- Gandhiji in Harijan, July 26, 1942.

The views of Gandhiji expressed in 1942 are still very appropriate and timely from the point of view of village swaraj in India. Conceptually the Gram swaraj system is a form of direct democracy where the people are directly held accountable and responsible to deal with all local issues. Since the attainment of freedom in 1947 and the adaptation of a republic constitution in 1950, panchayats have become a formal part of our democratic system. Gandhiji’s political philosophy which gave panchayats the prime position in building the new India based on Gram Swaraj paved the way for making panchayats effective instruments of grassroots governance and participative development. It is an indisputable fact that decentralization is the key to both healthy democracy and for the socio-economic development of Indian society.

Since the 1980s, developing countries have increasingly adopted decentralized form of governance. Decentralization is the transfer of authority and responsibility from central to intermediate and local governments. It aims to address failures to foster development and reduce poverty, and to consolidate democracy. It may entail transferring certain planning, financing and management tasks to local units of Central agencies (“Decentralization”), lower levels of government (“Devolution”), or semi-autonomous authorities (“Delegation”). It alters the structure and system of governance (inter-governmental relations, state-society relations). While decentralization and delegation imply a reorganization of central government, devolution means relinquishing political power.
The concept of Panchayati Raj is not a new concept. We find various terms related to Panchayat or self-government in the ancient period. It is regarded that the term Panchayat originated from the word ‘Panch’ and ‘Ayat’ or a body of five persons.

From Ancient period, we come to know about our history of governance, their structure, work process etc from ‘Veda’, ‘Upanishad’ and other valuable manuscript, books etc. In Vedic period we find the term “Panch-Ayat” means a group of five persons who were selected persons by the villagers. The terms like ‘Sabha’, ‘Samiti’ and ‘Vidath’ we find from the “Rigveda”. Sabha and Samiti were the democratic structure at the local level or village level. According to R. P. Joshi and G. S. Narwani (2002) “the king used to get the approval of ‘Sabha’ and ‘Samiti’ regarding certain functions and decisions”. As per Vedic literature ‘Gramani’ was the village headman, and under his supervision and direction the village Government was carried out. Gramani was the Chief Executive Officer of the village administration. Two important duties of village headman was – first, defense of the village and second, collection of the Government revenue.

We find about the Epic period’s administration structure from the “Ramayana” and the “Mahabharata”. From the “Ramayana” we come to know that at that time the administration was divided into two categories, those are ‘Pur’ as city and ‘Janpad’ as village. Villagers were known as ‘Janapada’. According to size of villages ‘Gram’ (village), ‘Maha Gram’ (big village), and ‘Ghosh’ (group of villages) were found in “Ramayana”. Local market was known as ‘Mandi’. The “Ram Charit-Manas” by Tulsidas described the system of governance. It was divided into the rule of the king which was known as ‘Rajtantra’, the rule by people as ‘Prajatantra’ and the rule of the wise man as ‘Vidvat-tantra’. The Mahabharata also gives us the picture of self-governance. From the Mahabharata we find that the villages were divided into groups. The chief official of the village was ‘Gramik’. As per R. P. Joshi and G. S. Narwani (2002) “Dashap was the chief of ten villages. Vinshya Adhipati, Sata Gram Adhyaksha, and Sahasra Gram Pati were the chiefs of 20, 100 and 10000 villages respectively”. In the ‘Sabha Parva’ of the Mahabharata there is mentioned about the Gram Panchayat. But it is not properly mentioned that whether this bodies were elected by the villagers or selected by the king.
Manu Smriti focused on local self-government. As per Manu village was the smallest unit of governance, and 10, 20, 100 and 1000 village groups were the part of self-government system.

Kautilya’s “Arthashastra” suggested to the king to form villages having 100-500 families. In this time the village unit was 10, 200, 400 and 800 villages. The chief of each unit was known as ‘Sangraham’, ‘Karvati’, ‘Drona Mukh’, and ‘Sthaneeya’ respectively. In Chandragupta Maurya’s regime, the decentralization of powers was adopted as administrative policy. The smallest unit of the governance was village and head of the village known as ‘Gramik’. The villagers elect Gramik. The term like ‘Gram sabha’, ‘Gram Janpad’ and ‘Panch Mandali’ are also found from the record of Gupta period.

Village governance is also found in the Shukracharya’s “Neeti Shastra”. Self-governance in the villages was also developed by the “Chola”.

In the Medieval Period i.e. during the Sultan Period, the Sultan of Delhi realized that it is quite impossible to rule throughout the India from central. Because India is a vast country. Therefore, they divided their kingdom into small provinces. ‘Vilayat’, ‘Amir’, or ‘Vali’ were the provinces head (R. P. Joshi and G. S. Naarwani, 2002). Finance management, tax collection were look after by them. In this period village was smallest unit of administration. Sufficient powers were given to the villages as self-governance at that time. The king ‘Shersaha’ of Mughal Empire developed a strong Panchayat system. In this time Gram Panchayat got legal approval of central administration system. Samrat Akbar strengthened this system of self-governance in his period of kingdom. Gram Panchayat or self-governance system adopted in Mughal period continued for millennium. But after establishment of British rule the local self-government system ceased to get sustenance.

But in British Period, local self-governance was not the objective of British Government. The panchayat had never been the priority of the British government. The British government were much more interested in the creation of 'controlled' local body instead of local governance. In the British period centralized administration established instead of decentralized administrative system. Colonial administrators controlled over the area by their own employees. Gram Sabha based Panchayat system gets abolished day by day after starting civil court and criminal court by the colonial ruler. Development of
rail, road connectivity, water communication in rapid way by the British Government it was very easy for them to rule the whole country from central. But in course of time, British Government constituted institute for village administration. According to Mathew (1995), it is a true and historical fact that local self-governance in India, as a representative institution, was developed by the British.

According to S.R. Maheswari (1971), the beginning of local Government was in 1687 through the establishment of Madras City Corporation. Bombay and Calcutta Municipal bodies were established in 1726. In 1863, the Calcutta City Corporation was formed. The year 1870 is very remarkable for decentralization of power. In this year Lord Mayo passed a resolution suggesting decentralization of powers in Indian administration. This resolution gave the needed impetus to the development of local institutions. It was a landmark in the evolution of colonial policy towards local government. The local self-government resolution (1882) as the most important act passed by Lord Ripon. In his tenure, local boards were established in rural areas. He also formed District and Tehsils. Some functions and sources of revenue were allotted to the local bodies as part of local administration. The Chairman was elected person of local bodies who were elected by the members of local body. In 1906, Dadabhai Naoroji, the President of Congress accepted the “Self-Government” as the political goal for the country. Royal Commission constituted by the Government in 1907 on decentralization in 1909 and released its reports.

The Royal Commission on Decentralisation (1907) under the chairmanship of C.E.H Hobhouse pointed out the importance of panchayats at the village level. According to the Royal Commission report on decentralization, paucity of funds and caste and religious disputes were the main obstacles in effective functioning of local bodies. The commission recommended “it is most desirable alike in the interest of decentralization in order to associate people with the local tasks of administration that an attempt should be made to constitute and develop village Panchayat for the administration of local village affairs.” Many suggestions were given to make the village Panchayats, the sub-district boards and the municipalities more powerful. But till this remain on paper. In 24th Congress Session at Lahore in 1909, adopted a resolution urging the Government to take early steps ‘to make all local bodies from village Panchayats upwards elected with elected non-official chairman’ and support them with adequate financial aid.
The Montague-Chemsford reforms (1919) brought local self-government as a provincial transferred subject, under the domain of Indian ministers in the provinces. The report suggests that the local boards be made representative bodies. State intervention should be minimum. They should learn from their mistakes. The suggestions of Royal Commission were incorporated in 1918 with the proposed scheme of diarchy. The Municipalities were vested with more powers to impose taxes. The village Panchayat Act was also passed and panchayats became a legal body.

Due to organisational and fiscal constraints, the reform was unable to make panchayat institutions truly democratic and vibrant. However, the most significant development of this period was the establishment of village panchayats. By 1925, eight provinces had passed panchayat acts and by 1926, six native states had also passed panchayat laws. The provincial autonomy under the Government of India Act, 1935, marked the evolution of panchayats in India.

The Indian National Congress emphasized the issue of Swaraj, and organized movements for Independence under the leadership of Mahatma Gandhi. There was no idea among the top leaders about the status to be assigned to the local self-government. Dr. B.R. Ambedkar opposed the idea of Gandhi’s Village Swaraj. He believed that the village represented regressive India, a source of oppression. During the drafting of the Constitution of India, Panchayati Raj Institutions were placed in the non-justiciable part of the Constitution, the Directive Principles of State Policy, as Article 40. The Article read “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”.


**Post Independence Peroid:** During the freedom struggle movement, our national leaders better realized the importance of local self government for better democratic decentralization. After Independence, Panchayati raj had to go through various ups and downs. To strengthen the local bodies of our country and after the independence, the constitutional assembly discussed the matter and at last the Constitution of India placed the issues in the Directive Principle of the State Policy and mandated that "Organization of village Panchayats -The state shall take steps to
organize village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government." (Constitution of India, Directive Principles of State Policy, Article. 40)

**The First Five Year Plan** recognized the need for a disaggregated planning exercise through a process of democratic decentralisation incorporating the idea of a village plan and of District Development Councils. But the first five years plan failed to bring about active participation and involvement of the people in the Plan processes, which included Plan formulation implementation and monitoring.

After Independence, during **Second Five Year Plan** Prime Minister Jawahar Lal Nehru inaugurated the Community Development Programme (CDP) on 2nd October, 1952. The Community Development Programme was followed by the National Extension Service in 1953. Some National Extension Service (NES) blocks were earmarked as the lowest unit of administration. Unfortunately, both the programmes could not be successful. This weakness compelled the National Development Council to appoint a committee headed by Balwant Rai Mehta in 1957. The committee recommended a three-tier system of Panchayati Raj from village to the district level – Gram Panchayat at the village level, Panchayat Samiti at the block level and Zilla Parishad at the district level. On the basis of the recommendation of the committee India established an outline of the Panchayat Raj frameworks which may be stated as first generation Panchayat Raj Institution. However, the PRIs worked well only in a few States like Gujarat, Maharashtra, Karnataka and West Bengal.

In 1957, **Balwant Rai Mehta Committee** studied the Community Development Projects and the National Extension Service and the team felt that there should be a single representative and vigourous democratic institution to take charge of all aspects of development work in the rural areas. The Committee suggested the concept of democratic decentralization should based on planning and implementation of CDP and NES. The main recommendation of this committee were as under:

- Suitable administrative decentralization for effective implementation of development programmes.
- Place decentralized administrative system under the effective control of elected representatives of people.

- Development block covering about 100 villages and having a population of a hundred thousand should coincide with taluka/tehsil/sub-district unit.

- There should be three tiers – Zila Parishad at the district level to replace the District board, Panchayat Samiti at the block level and the Gram panchayat at the village level.

- Panchayats should work under the overall supervision of the Panchayat Samiti, which would include their representatives.

- The 3-tier Panchayati Raj system would be vested with power and functions. Resource will be largely devolved upon the Panchayat Samiti – the intermediate tier. The Panchayat Samiti will play a primary role in rural development process.

- Looking at the diversity of the socio-economic conditions, some states might modify the proposed system. They may prefer devolution of powers to the district level body.

- Composition of the panchayati Raj bodies should be representative of all sections of people, by and large.

- Dynamic attitude should be adopted towards the functioning of the proposed new setup. Further devolution of powers, functions and resources from the state government should be done in future, looking to the success of the scheme.

- Effective training of people’s representatives at the three tiers of the local bodies was also stressed.

- People’s representatives would plan the community development and allied programmes as well as direct and supervise their implementation by the bureaucracy. Hence, they should develop the knowledge and attitude essential for it. Seminars, workshops and conferences and training course should be arranged adequately.

(Source: R.P Joshi & G.S. Narwani, 2002)
The National Development Council also agreed most of the recommendations of 1958. The Government of India convinced all the states to adopt participatory approach for rural development.

The **Third Five Year Plan** reemphasized decentralised planning in many sectors, but the absence of a planning machinery resulted in poor planning.

The **Fourth Five Year Plan** again emphasized on shifting towards district planning. The Planning Commission also took interest in helping the States in initiating decentralised planning.

The **K. Santhanam Committee** (1963) was appointed to look after the issue of PRI finance, in 1963. The Committee was asked to determine issues related to sanctioning of grants to PRIs by the state government. The Committee recommended the followings:

- Panchayats should have special powers to collect levy on land revenues and home taxes, etc.
- People should not be burdened with huge taxes.
- All grants and subventions at the state level should be mobilised and be sent in a consolidated form to various PRIs.
- A Finance Corporation should be set up to look into the financial resource of PRIs at all levels.

These issues have been debated over the last three decades and have been taken up by the State Finance Commissions.

However in the **Fourth and Fifth Five Year Plans** little progress was made towards decentralising the planning process. In 1977 the Ashok Mehta Committee was set up to examine the functioning of PRIs and to suggest measures for making decentralised planning effective.
The Ashok Mehta Committee was appointed in 1977 to find out the weakness of Panchayati Raj Institution. It was decided to appoint a high-level committee under the chairmanship of Ashok mehta to examine and suggest measures to strengthen PRIs and decentralised planning process. The Committee made the following recommendations:

- More genuine and effective devolution of powers to Panchayati Raj Institutions should take place. The district is a viable administrative unit for which planning, co-ordination and resource allocation is feasible and technical expertise is available.

- PRIs as a two-tier system, with Mandal Panchayat at the base and Zilla Parishad at the top. Because Zilla Parishad had better resource and leadership.

- Well qualified civil servants should be appointed for better administrative at both Zilla Parishad and Mandal Panchayats.

- Below the Mandal Panchayat, there should be a village committee including the weaker sections of people. Representation of SCs and STs in the election to PRIs on the basis of their population.

- Political parties should take part in the elections of PRIs.

- A Panchayati Raj Finance Commission should be set up to fulfil the district demands to implement plans. Besides that the PRIs should also develop their own resources of funds by collecting taxes.

- The District level panchayat should prepare the district level plans and those plans should be implemented with incorporation of Mandal Panchayat.

The states of Karnataka, Andhra Pradesh and West Bengal passed new legislation based on this report.

The Sixth, Seventh and Eighth Plans again emphasized on district planning within a multi-level planning framework. But proper administrative arrangements were not made to facilitate this process and there was also a lack of technical expertise and financial devolution in the successful process of democratic decentralization.
In 1985 the Union government appointed the **G.V.K. Rao Committee** to again look at various aspects of PRIs basically on poverty alleviation programme.

- The committee suggested for regular elections at PRIs.
- Block Development Officer should be main person for rural development process.
- PRIs at the district level and below should be assigned the work of planning, implementation and monitoring of rural development programmes.

**L.M. Singhvi Committee** (1986) formed by the government of India to suggest the revival steps of PRIs. The Gram Sabha was considered as the base of a decentralized democracy, and PRIs viewed as institutions of self-governance. Following are the main suggestions of this committee:

- The committee advocated constitutional recognition to strengthen the PRIs.
- Non-involvement of political parties in Panchayat elections.

The suggestion of giving panchayats constitutional status was opposed by the Sarkaria Commission. Late Prime Minister Rajiv Gandhi introduced the 64th Constitutional Amendment Bill in 1989. The 64th Amendment Bill was prepared and introduced in the lower house of Parliament but it got defeated in the Rajya Sabha as non-convincing.

In the **Ninth Plan**, democratic decentralization became effective with the enactment of the 73rd and 74th Constitutional Amendment Acts. Most of the State Governments/UTs have enacted enabling legislations for three tier system by providing political power with adequate representation from the weaker sections and women. In case of some UTs only a two tier structure has been recommended. Most of the States have formed State Election Commissions and State Finance Commissions (SFCs) as stipulated.

Now a days, when Panchayati Raj Institutions have Constitutional entities. The State Governments have to empower the three tier panchayats with adequate powers and authority to enable them to function as institutions of local self-government. The Eleventh Schedule has identified 29 subjects which have to be brought under the panchayats. The
Panchayati Raj Institutions are able to undertake the responsibility entrusted to them both financial and functional. It is necessary not only to ensure flow of funds to them from the States and from the Central Government via the Centrally-Sponsored Schemes (CSS), but also to give them independent revenue collection powers that they can generate their own fund. The State Finance Commissions were set up with the objective of making the panchayats financially viable. While resource mobilisations by Panchayati Raj Institutions are generally limited, it is imperative to provide PRIs with revenue-raising powers of their own in to reduce their financial dependency on the State and Central Governments. There are taxes which can be collected by local bodies. On the other side, grants for specific schemes entrusted to the panchayats will be given to them by the State Government. Funds from Centrally Sponsored Schemes will also be form of a grant but those would not be a part of the untied. Sixteen percent of the net proceeds of all taxes collected by the State in a year will be transferred to local bodies. Some other taxes like entertainment tax will be handed over to the local government. The three tiers Panchayati Raj Institution have been empowered to raise taxes, levies and tolls to increase their incomes. An untied grant to panchayats by sharing of tax and non-tax revenues and the flow of programme funds to the panchayats has been mandated.

According to the recommendations of the Tenth Finance Commission these elected local bodies would receive Rs. 5381 crore as grant-in-aid to supplement their resources over a four year period from 1996-97. But when the Eleventh Finance Commission considers this issue the State Governments may ask for more resources provided that their elected bodies are by then functioning well and are able to plan and implement various development works entrusted to them.

Along with financial autonomy, functional autonomy of the Panchayati Raj Institutions also be clearly delineated. Even in respect of the 29 subjects identified in the Eleventh Schedule it is necessary for the State governments to clearly identify what would be done by the three tiers of panchayats at their own level. Detailed instructions and guidelines would have to be issued by the concerned departments. Some States like Gujarat, Maharashtra, Karnataka, Kerala, Tripura, West Bengal have already been issued the detailed instructions.

One major task of the PRIs is the preparation of plans for economic and social development. The district development plans would have to be prepared by the District
Planning Committee (DPC) which is mandated. But in many States the DPCs have not been set up. Gram Sabha would responsible to prioritization and selection of beneficiaries for various programmes and schemes. In this way, the people’s participation can be ensured. Thereafter, village level plans will have to be prepared which would be incorporated in the intermediate plans and finally merged into a district plan. The village level Panchayat is responsible to look after the roads, sanitation, drinking water etc. at the village level. The intermediate level would be responsible for Primary Education, Women and Child Welfare and employment generation activities. At the Zilla Parishad level drinking water, rural roads, secondary education and the district component of employment would be implemented. The DPCs should not only consolidate plans from below but also should take decisions on the development of the district within the available resources.

Panchayati Raj Institutions became the safeguard for the weaker section of our society. The 73rd Constitutional Amendment Act provides for reservation for Scheduled Castes/ Scheduled Tribes in every panchayat in the proportion of the population in the panchayat area. On the other side one-third of the seats would have to be reserved for women in every tier of PRIs

In the process of democratic decentralization, people can be involved through their elected representatives. Gram Sabha is a platform for empowerment of the weaker section of our society and also fulfill their urgent needs. For this, more powers have to be vested in the Gram Sabha who has the authority to sanction and disburse benefits in open meetings. But this is not enough for people’s participation at Gram Sabha meetings. Steps have to be taken to ensure that maximum people can attend Gram Sabha meetings and make the PRIs in actual people’s institutions.

At present, in our country there are about 3 million elected representatives at all levels of the panchayat, one-third of which are women. These members represent more than 2.4 lakh Gram Panchayats, about 6,000 intermediate level tiers and more than 500 district panchayats. Spread over the length and breadth of the country, the new panchayats cover about 96 percent of India's more than 5.8 lakh villages and nearly 99.6 percent of rural population. This is the largest experiment in decentralisation of governance in the history of humanity.
Planning for Rural Development and Panchayati Raj Institution:

Since 1920s rural development received most priority of several programmes and experiments. Some such programmes and experiments are like Tagore’s ‘Sriniketan’ Experiment in West Bengal, Hatch’s ‘Martandam’ Experiment in Kerala, Gandhi’s ‘Wardha’ and ‘Sabarmati’ Experiments, ‘Firka’ Development Scheme in Madras, Albert Mayer’s ‘Etawah’ Project and S.K Dey’s Nilokheri experiments are remarkable. It is regarded that the Etawah project was a trial project of Community Development Programme.

In 1952, the Community Development Programme launched by the then prime minister Pandit Jahwar Lal Nehru in October. CDP in its first report mentioned that work had started in 417 blocks covering 43,350 villages and almost 35 million people. Another programme, National Extension Services was most extensive decentralized scheme of administration for rural development. But both the programmes were not received that much success as was hope. The block was actually new introduction in the administrative structure where district and village level administration was present. The Balwant Rai Mehta Committee appointed in 1956 to examine the problem of non participation of people. As per committee recommendation a three tier democratic decentralization scheme introduced by the National Development Council in 1958. Rajasthan was the first state who established the Panchayati Raj Institution in 1959.
EVOLUTION OF PANCHAYAT RAJ INSTITUTION SINCE INDEPENDENCE:

A. THE FIRST GENERATION PANCHAYAT RAJ INSTITUTION

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1950</td>
<td>The Constitution of India comes into force on 26 January;</td>
</tr>
<tr>
<td>1952</td>
<td>Community Development Programme starts of on 2 October</td>
</tr>
<tr>
<td>1957</td>
<td>Balvant Ray Mehta Committee formed in January, submits its report on November; West Bengal Panchayat Act, 1957 adopted</td>
</tr>
<tr>
<td>1958-60</td>
<td>Several state governments enact Panchayat Acts bringing three-tier Panchayat system</td>
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B. THE SECOND GENERATION PANCHAYAT RAJ INSTITUTION

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1978</td>
<td>Panchayat elections are held in West Bengal Ashok Mehta Committee formed</td>
</tr>
<tr>
<td>1984</td>
<td>Hanumantha Rao Committee appointed on district level planning</td>
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<tr>
<td>1985</td>
<td>G.V.K. Rao Committee formed</td>
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C. THE THIRD GENERATION PANCHAYAT RAJ INSTITUTION

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<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1986</td>
<td>L.M. Singhvi Committee submits its report and recommends constitutional status for Panchayats</td>
</tr>
<tr>
<td>1989</td>
<td>64th Constitution Amendment Bill is introduced in Parliament on 15 May</td>
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<tr>
<td>1990</td>
<td>74th Constitution Amendment Bill is introduced in Parliament</td>
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<tr>
<td>1993</td>
<td>73rd Amendment Act, 1992 comes into force on 24 April</td>
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Source: Panchayati Raj Update, October 2002
Decentralization:

“Decentralization can be usefully understood as a political process whereby administrative authority, public resources and responsibilities are transferred from central government agencies to lower-level organs of government or to non-governmental bodies” (Craig Johnson, February 2003.). Deentralization is a process where the decision making dispersed and governance come closer to the people. Through decentralized process government has wider range of control, and a bottom-up decision-making from the grassroot people. On the other way it also may said that Decentralization is the transfer of the locus of power and authority either upper level to lower level or to other units or organization. This may be political, administrative or fiscal.

Political decentralisation transfers policy and legislative powers from central government to autonomous, lower-level assemblies and local councils that have been democratically elected by their constituencies (World Bank (2000a: 3)). It aims to give more power in public decision-making to the elected representatives. It is generally associated with politics and government representative. Political decentralization provides more support to the democracy by giving power to the citizens in the formulation and implementation of policies. The selection of representatives from local electoral constituency is very fruitfull for the citizes by knowing better their political representatives and on the other way elected person also know better the needs and desires of local area.

Administrative decentralization places planning and implementation responsibility in the hands of locally situated civil servants and these local civil servants are under the jurisdiction of elected local governments (World Bank (2000a: 3)). It is the transfer of responsibility for the planning, financing and management of public functions from the central government to the local government.

Fiscal decentralization accords substantial revenue and expenditure authority to intermediate and local governments (World Bank (2000a: 3)). Dispersal of financial responsibility is a core component. If local governments and private organizations are to carry out decentralized functions effectively, they must have an
adequate level of revenues, either raised locally or transferred from the central government, as well as the authority to make decisions about expenditures.

There are main five types of decentralization. Those are devolution, deconcentration, delegation, deregulation and privatization, though in reality most situations entail a mixture of all types.

**Deconcentration** or administrative decentralization is the vertical decentralization of the power to act but not to decide or ultimately control within the administrative or technical institute. This is regarded as the weakest form of decentralization. It redistributes decision making authority and financial and management responsibilities among different levels of the national government. It can merely shift responsibilities from central government officials to the local officials, or it can create strong field administration or local administrative capacity under the supervision of central administration.

**Delegation** may be vertical or horizontal transfer of limited executive, but not decision making authority from an administrative service to local government or private companies. Delegation is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision-making and administration to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations, or special project implementation units.

**Devolution** or democratic decentralization is the transfer of power from a large to a smaller jurisdiction. Devolution is an administrative type of decentralisation. When governments devolve functions, they transfer authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status. Devolution usually transfers responsibilities for services to local governments that elect their own elected functionaries and councils, raise their own revenues, and have independent authority to make investment decisions.
**Deregulation** is the lifting or regulations previously imposed by a public authority. Deregulation reduces the legal constraints on private participation in service provision or allows competition among private suppliers for services that in the past had been provided by the government or by regulated monopolies. In recent years privatization and deregulation have become more attractive alternatives to governments in developing countries. Local governments are also privatizing by contracting out service provision or administration.

**Privatization** is the transfer of the ownership and/or management of resources, and/or the transfer of the provision and production of goods and service, from the public sector to private entities (commercial or non-profit). Privatization can range in scope from leaving the provision of goods and services entirely to the free operation of the market to "public-private partnerships" in which government and the private sector cooperate to provide services or infrastructure. Privatization cannot in the real sense be considered equivalent to decentralisation.

Index of Decentralization:

The index of decentralization, as given by the Eleventh Finance commission, constitutes 10 parameters as under:

1. **Enactment of State Panchayat Legislation in conformity with the constitution (73rd Amendment) Act.**
2. **Intervention/restriction in the functioning of the panchayats.**
3. **Assignment of functions to panchayats in the State Panchayat Acts vis-à-vis the Eleventh Schedules.**
4. **Transfer of functions to the Panchayats by way of rules/notifications/orders of State Governments.**
5. **Assignment of taxation powers to Village Panchayats as per the State Panchayat Act.**
6. **Levy of taxes by the Village Panchayats.**
7. **Constitution of SFCs and submission of action taken reports.**
8. Action taken on the major recommendations of SFC.
9. Elections to the panchayats.

(Source: Craig Johnson, 2003)

**Decentralization and Panchayati Raj:**

India is regarded as the land of villages. In a country where more than 72% of the population (2001 Census) lives in 5,80,781 villages. After independence Government of India starts the Community Development Programme (CDP) on 2nd October, 1952. After the Community Development Programme was launched in 1952, it was realized that without an agency at the village level as well as without grass root people’s participation, real progress in rural development could not take place. Then Balwant Rai Mehta (1957) committee was appointed to revitalize of the Panchayati Raj system and define its role in the development process. The Balvant Rai Mehta Committee published its report (1957) recommending a 3-tier system of rural local government. The main focus of the report was towards democratic decentralization. The State Governments were advised to accept the recommendations and to decentralize adequate powers to popularly elected Panchayati Raj bodies. The report of the Committee was influential in creating a three-tier Panchayati raj structure with District Panchayat at the top and Gram Panchayat at the bottom. The intermediate tier was co-terminus with Community Development Blocks. With the objective of strengthening of PRIs the Central Government appointed a Committee under the Chairmanship of Ashok Mehta in 1977. The Committee recommended in its Report (1978) the creation of a two-tier system of Panchayati Raj, the first point of decentralization being the revenue district which assures technical expertise of high order required for rural development. The Zilla Parishad should be the executive body. Below the Zilla Parishad is to be a Mandal Panchayat which is to be constituted by grouping a number of villages. And the G.V.K. Rao Committee (1985) recommended for regular elections at gram panchayat. To strengthen the capacity as well as to make the PRIs as people’s institution 73rd Amendment came into existence. Therefore, the article 243(G) of 73rd Amendment of the constitution strengthens the
system of decentralization in the process of planning and resources mobilization through Panchayati Raj Institution in the country. The devolution of power channelized for grass root planning and fiscal administration.

Except Assam, Arunachal Pradesh, Bihar and Pondicherry, Panchayats have been constituted in all other States where they were to be set up according to the new provisions. As a result of election to PRIs in States/Union Territories, 2,27,698 Panchayats at village level, 5906 Panchayats at intermediate level and 474 Panchayats at the district level have been constituted in the country. These Panchayats are being manned by about 34 lakhs elected representatives at all levels; of them one-third are women. This is the largest representative representing the democracy system.

States where panchayats exist have constituted their respective State Finance Commissions (SFCs). The recommendations of the State Finance Commissions can be divided into three categories:

(i) assignment of taxes, duties, levies and tolls to local bodies;
(ii) sharing of revenue proceeds; and
(iii) transfers on account of grants-in-aid and other financial assistance.

As per the SFC recommendations, most of the State Governments have agreed to give PRIs a specific percentage of share of the State taxes like land revenue and cess on it, additional stamp duty, entertainment tax, royalties on minerals and mines, forest revenue and market fees; these taxes are less buoyant in nature and have no relation to the powers and functions to be devolved upon Panchayats.

In respect of the 29 subjects identified in the Eleventh Schedule it is necessary for the State Governments to clearly identify what would be done by the three tiers of Panchayats at their levels. In States like Gujarat, Madhya Pradesh, Maharashtra, Karnataka, Kerala, Orissa, Rajasthan, Tripura, Uttar Pradesh and West Bengal detailed instructions have already been issued and in several cases departmental functionaries have been placed with the Panchayats.
Decentralized Planning:

The centralized system planning and implementation has been found very less effective in the development process. Decentralized planning started in India long ago and in 1969 the Union Planning Commission issued guidelines for preparation of district plans. A committee was formed under the Chairmanship of Professor C.H. Hanumantha Rao to develop guidelines for district plans. Based on the recommendations of this Committee, the Seventh Five Year Plan adopted decentralized planning at the district level. The local self governments are the key instruments of decentralization at the grass root level. There was shift from bureaucratic administration to democratic administration and to formulate and execute development programmes through people’s participation.

The process of decentralization of planning initially accommodates 29 subjects for inclusion in the work schedule of local bodies to deal with rural infrastructure. Stipulation under article 243 (G) emphasized the need for planning from lower levels beginning from Gram Panchayats to Blocks and then Zilla Parisad. Convergence of all local plans at different levels will be given the place in the district plan by District Planning Committee. At the Gram Panchayat level plans would be prepared by Panchayat members as per the availability of the local resources and felt needs for sustainable socio-economic growth of area and people.

Panchayati Raj Institution is responsible for providing necessary funds and functionaries for spending the fund to execute the plan framework. Gram Panchayat can generate their own fund at local level by collecting toll, levy, tax etc. In addition to the source of Central Finance Commission for providing necessary funds for development purpose in rural areas, Panchayat Raj Institution has four main sources of receiving funds.

Those are:
(1) Funds as per recommendations of State Finance Commission.
(2) Central Government sources through centrally sponsored schemes.
(3) Grants in aids of Central Finance Commission.
(4) Sources of own resources like Taxes, Tolls, Levies, revenues, etc.

The sources of funds and utilization are the basis of the transfer of fiscal powers to Panchayats in terms of resource administration. The process of availability of resources and its appropriation is fiscal decentralization. Implementation of fiscal decentralization by Panchayati Raj Institutions mainly deals 29 subjects in the matters of planning and implementation of development schemes and projects.

Development depends upon proper planning and proper utilization of local resources. The major steps for effective grassroots planning by the people:

a) People at the village level must regularly sit together in the form of Gram Sabha in which heads of the families show genuine concern for problems of village.

b) The village community, through its planning committee, should collect information and identify problems. It should also suggest the ways and means to mobilize local resources and utilize development grants and funds from the state and central Governments as well as other agencies.

c) Only the community level planning can effectively formulate schemes for development aspects such as community health and sanitation, cultural, recreational and other welfare programmes for women and children and other weaker sections and provide proper guidelines to implement programmes towards this end. At the micro level such planning and implementations have to be made replicable over.

d) The constitutional provisions regarding District planning committees should be implemented with full sincerity and effectiveness.
**Decentralization and Panchayati Raj in West Bengal:**

Administrative decentralization is not a new concept for West Bengal. Bengal Village Self Government Act of 1919, which provided for a two-tier structure of Union Boards at the lower level and District Boards at the higher level. After independence, the Act of 1919 was replaced by West Bengal Panchayat Act, 1957, reflecting the constitutional directive to promote panchayati raj institution. The Act provided for a Gram Panchayat in every village, which will function as the executive of Gram Sabha consisting of all the voters on the electoral role in the village. There were two elected executive posts, one Adhyaksha or president and Upadhyaksha or vice-president. The Act of 1957 was prepared before the publication of the Balwantra Mehta Committee’s report, which provided a shape to the panchayati raj. The Community Development Project (CDP) Blocks were not integrated with the panchayat system in West Bengal. This created problems in the proper implementation of CDP. To incorporate the panchayat institutions with the CDP framework, the West Bengal Zilla Parishad Act of 1963 decreed that Zilla Parishads were to be set up in the place of the existing District Boards. There after 15 Zilla Parishads and 325 Anchalik Parishads were formed. These two new institutions, along with the 19,602 gram panchayats and 2926 Anchal Panchayats formed under the 1957 Act, constituted the basis of a four tier system of rural local government. (Source: West Bengal Human Development Report, 2004)

In the mid-1960s, the state faced by severe economic crisis, particularly for the food distribution, which generated serious social unrest. It also was a period of general political instability with a split in the ruling Congress Party in 1965, the ascension to power of a United Front government in 1967, its dismissal and return to power in mid-term elections in 1969, President’s rule from 1970 and the installation of a new Congress government in 1972. In these circumstances, elections to the panchayats – most of which had been formed between 1959 and 1963 – could not be held.

The West Bengal Panchayat Act was passed in 1973, the existing structure was replaced by Gram Panchayat at village level, Panchayat Samiti at block or intermediate level and Zilla Parishad at the district level. The new Gram Panchayats were similar to the Anchal Panchayats of 1957 Act. As per the Balwantra Mehta Committee Report’s
recommendations, Panchayat Samitis were coterminous with blocks, and Zilla Parishads were coterminous with districts. As per this Act, election of members of all the three tiers for a five year term become mandatory. The Pradhans of gram panchayats were ex-officio members of Panchayat Samitis and the Sabhapatis of Panchayat Samitis were similarly ex-officio members of Zilla Parishads. The Act also provided for nominations of officials without voting rights into the standing committees of Zilla Parishad, and local MLAs and MPs as ex-officio members of both block and district levels.

As per the 1973 Act was improved from the previous legislation by ensuring organic linkage between three tiers, improving executive efficiency through a system of standing committees, and providing greater clarity regarding the functions. However, elections to these bodies were not held until the Left Front government came to power in West Bengal in 1977. In June 1978 elections were held simultaneously for all the tiers of the rural local bodies for the first time. Since then, elections to the local bodies are holding at regular five years intervals.

After 1978, the newly elected panchayats prioritize on execution of land reforms. At first Panchayats took the initiative to find out the benami land holdings, ensured the identification of excess land and the declaration of vested land. And ultimately charge handed over to the bargadars. By doing this West Bengal Panchayat received success by attaching the poor people with the Panchayati Raj Institutions. In case of rural development projects which were implemented through panchayats, the beneficiaries of land reform were given priority in the receipt of benefits from those projects. The new leadership after 1978 came out of the tradition of peasant upsurge and struggle for land reform of the past three decades. The occupational engagement of the members showed a very significant picture that 43% of elected members were landless poor. By 1988, 58 per cent of panchayat members were poor peasants or agricultural labourers. These result focused that the power structure shifted from moneylender (before 1978) to the weaker sections of the society.

One of the major objective of the panchayati raj institutions was involvement in the planning process. A number of reforms were introduced in the planning process from 1983 onwards to ensure the people’s participation at the local level. At the apex the State Planning Board (SPB) and the State Planning Department formed. At the district level
there are two tiers: the District Planning and Coordination Committee (DPCC), more of a deliberative body, and the District Planning Committee (DPC) its executive arm. The DPCs prepare the plan, which approved by the DPCCs. The Block Planning Committee (BPC) is the planning agency at the block level.

The District Planning Committee (DPC) is the nodal institution for decentralized planning structure which is headed by the Chairperson of Zilla Parishad and the district collector is its member secretary. It has a mixed membership of non-officials and officials. The District Planning Committee was empowered to approve schemes up to Rs. 5 lakhs while schemes of higher value and inter-district schemes would require the approval of the State Planning Board (West Bengal Human Development Report, 2004)

The Block Planning Committee, headed by the Sabhapati of the Panchayat Samiti, comprised Chairpersons of all the Standing Committees of the Samiti and also of Gram Panchayats as well as the block-level officers of various development departments. The Block Development Officer (BDO) is its member-secretary. This Committee prepared block level plans and approved block-level schemes that costing less than Rs.50,000. Schemes involving more expenditure, and inter-block schemes, had to be submitted to the DPC for approval.


**Types of plan and levels of planning at State**

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In the mid 1980s, main source of funds for local plans was only centrally sponsored scheme like IRDP, NREP/RLEGP. But after formation of State Planning Board, broad guidelines provide priorities to formulation of the local plans. The first priority was to be development of agriculture and allied activities which would generate the maximum employment and secure the rapid rate of growth. The State Planning Board also makes a scheme to provide free mini-kits of seeds and fertilizer to all patta holders of vested land. Construction of rural grain storage facilities was also received priority. As per State Planning Board suggestion “at least one third of the funds available for district planning be spent for irrigation programmes, that no more than one third be spent on road construction, and that the balance approximately one third of the funds be spent on other programmes.”

As per human Development Report, 2004, “in this phase, district plans were successfully prepared in many districts, with the most outstanding perhaps in Bardhaman and Medinipur. On the whole, there was definitely substantial improvement in the process of decentralisation of planning over time. The State Planning Board also succeeded in getting the support of the Planning Commission for the appointment of an economist-cum-credit planner, sub assistant engineer and a couple of clerks for each District Planning Committee. The performance of different districts in decentralised planning naturally varied, depending on the ability, commitment, tenacity of Sabhadhipati and District Magistrate, the relation among them and their relations with other officials of different departments, the technical expertise that could be put to use, as well as the nature of mobilisation by panchayat members.”

But after 1988, no new measure was taken to strengthen the process and further advanced it towards transparent financial devolution. The required administrative decentralization was also not consolidated. As a result most of the districts stopped systematic attempts at district planning and local resource mapping after the mid-1990s. However, there has been a recent revival of the process.

A major objective of the decentralized planning process was to coordinate the departmental schemes implemented at block and district level and make them more responsive to local level problems.
The main focus of the decentralized planning introduced in West Bengal from the state level, so far has been on integration or coordination of district-specific schemes of the departments at district and block level.

Recent efforts at district level planning are based on a slightly different approach oriented towards community action for meeting the needs of the people. Maximum efforts have been given in people’s participation in the planning, implementation, and monitoring processes.
Significance of the study

Decentralization means transfer of planning, decision making or administrative authority from the central government to its field organization, local administrative units, semi-autonomous organization, local governments or non-governmental organizations. According to S. K. Dey, Central Minister for Community Development, “If one wishes to climb higher, one must reduce the burden of avoidable weight on his shoulders, in order to function at the level it should, our centre must be relieved likewise of responsibilities such as can be discharged by the Panchyati Raj Institutions along the line – the zilla parishad, block panchayat samiti, gram panchayat, and the individual families. Panchayati Raj will grow thus to be a way of life and a new approach to government as against a unit of government.”

The West Bengal government provided a 3 tier structure for facilitating direct democracy i.e. zilla parishad, panchayat samiti and gram panchayat. In the gram panchayat ward base bodies are named as gram sansad. Gram sansad stands for strengthening gram sabha. The gram sabha guides and advise the gram panchayats about schemes for economic development, identifying the beneficiaries for poverty alleviation programmes, giving suggestion regarding budget, audit report, yearly administration report and recording objections regarding failure to implement development schemes.

In the preliminary observation it is found that, though the top-down approach changed into bottom-up approach in the planning process to a certain extent, nevertheless in actual situation decentralized planning till now unable to solve the problem of grassroots level. According to decentralized planning process, gram unnyan samiti will prepare the local plan. This plan comes in the gram sansad meeting for approval. After approval of the plan it goes to the gram sabha, then block planning committee and finally in district planning committee.

The nature of participation in preparation of annual action plan is passive, accepting what was offered to them rather than proposing the plan. It is mostly list of the demands of the panchayats. Finally bottom-up planning practically come into top-down philosophy. Ultimately political bureaucrats are finalized what to be sanctioned for proposed plan. So, the total process of decentralization become invalid for that time, and it become again top-down planning process. On the other hand, people of grassroots level
can only give proposal but they are not implementing authority. So they have to depend on higher authority, which opposed the decentralization. Except this, political interference in the planning process may also hamper the decentralization.

There are so many studies done by various scholars on decentralized planning, people’s participation in PRI, involvement of women in the development process and the like. Most of these studies are macro level based on secondary data and main concentration was given on structure and functions of PRIs. But the realities of the decentralized planning are yet to be studied. The success of decentralized planning is very important for strengthening the decentralization programme in future. Hence, a critical review of decentralized planning in PRI has been taken up.

**Objectives of the study**

Against the preliminary observation the following objectives of the present study have been set out-

- To study the socio-economic condition of the elected gram Panchayat members.
- To observe the awareness level of the elected representatives as well as the common people on decentralization related issues.
- To study the process of micro level plan and people’s participation in the planning process.
- Critical review of the planning and implementation envisaging two approaches- “Bottom-up” and “Top-down”.
Limitation of the study

The entire study is based on the information provided by the respondent as well as secondary data as collected from various offices of the Panchayati raj institutions. In most cases structured interview schedules were followed to collect information from the respondent to verify the significance of the study, i.e. the Gram Panchayat members, villagers etc. This study mostly based on secondary sources of data and to complete the research, primary data was also collected by structured interview, group discussion, observation etc. Moreover, Gram Panchayat members and Gram Panchayat office staffs are generally very busy person while they are in office. A number of days the investigator had returned back in empty hand, as they were busy in their tight schedule in the Gram Panchayat Office in spite of previous appointments. In some cases, the members differed the previous appointment schedule without any prior intimation to the investigator as because they remained otherwise busy in official, or political or personal reasons. So, the present investigator had to wait to collect the information with deep patience. Regarding collection of the secondary data from the Gram Panchayat Office or Block office to some extent problem had arisen. In these cases considerable time had to be devoted to capture the real situation.

Moreover, in some cases due to political turbulence and fear about punishment at the upper level if the report published that the Panchayat office are not maintaining the proper record, some Panchayat office are avoiding to provide data related to this study. In the study area women, and, also in some cases, male members also simply avoided the question due to fear or to some extent, for obeying political discipline. As such, unstructured questions were also used to collect the real situation as demand was necessary.

Apart from these, most of the female members mainly Pradhan are directed by their husband or other male political party members. So, in order to collect their own views a considerable time was devoted to them to build rapport for collection of original information.

In addition to all such obstacles, the present investigation suffers from the limitation of the study area, fund crisis and other research facilities usually faced by a single investigator. The time limitation of the study also a big problem to investigate to
collect more deep-rooted factors in order to analyze the findings. However, considerable care has been taken to get the study systematically objective as far as possible.

This may be mentioned here that this study should not be generalized beyond the limit of the study area which does not have similar socio-political condition, awareness level as the areas under the present study. In some limited cases, however, the study can be generalized to other areas with similar socio-political, economic and educational awareness level.