CHAPTER - VI
CONCLUSION AND SUGGESTIONS
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Democratic governance and citizen sovereignty are the bedrock of our Constitution. Democracy flourishes and citizens get the fruits of good governance only when most decisions are taken closest to the people. Such a people-centred governance process not only enhances participation and legitimacy of our political system, but also ensures greater effectiveness in delivery of services and accountable governance. A democracy matures only when the link between the vote and public good is firmly established in the citizen’s mind. People would be willing to pay taxes only when the tax money is deployed for better services in the locality in a manner that the tax-payer appreciates where the public money is going. Unless authority at each level matches the responsibility, this continue to preside over a dysfunctional system of alibis, and citizen will continue to be disenchanted with our democratic process.¹

During early 1990’s the process of globalisation has started and likely to effect the role of the Centre, State and local level governments. The impact of globalisation on the nature of local government is very much there. A new concept has also been realized that is ‘globalisation’. Globalisation increases the flexibility of social organization and gives scope to utilize the strength of people in local affairs. However, as a result of above, a bold initiative has been taken by the Central government in 1992 to provide Constitutional protection to local self-government institutions. The enthusiasts of democratic decentralization viewed the 73rd and 74th Amendments to the Constitution of India as a crucial development in the history of Indian constitutionalism.

Due to the above mentioned amendments (73rd and 74th) an uniform pattern of rural and urban local bodies came into existence in India. It is also significant to note that the very same government in New Delhi heralded globalisation and initiated decentralization simultaneously. In fact globalisation and decentralization are the two sides of the same coin if we look at the World Bank prescriptions on decentralisation and good governance. Viewed this, the action taken by Narasimha Rao government to integrate Indian economy into the

global market and to decentralize power from State government to local self-government institutions simultaneously are perfectly in agreement with the neoliberal agenda of economic, politico-administrative reforms.

To create a genuine decentralisation the Central and State governments has to be responsible and responsive. Proper co-ordination of bureaucrats is of great importance as responsiveness will only be fruitful if there is a sense of responsibility within the grassroots people and the administration. Until and unless people’s representatives and bureaucrats work hand in hand in every respect, the real progress in grassroots democracy will not be made in a responsive manner. Decentralisation of governance in terms of how far political as well as administrative power have been decentralised. For this, we have to look into the process of decentralization, the nature of legislations, revenue resources and expenditure powers, as well as the nature and hierarchy of administration. Basically decentralization should be called as a political decision and its implementation a reflection of a country’s political process. So, in this regard it is pertinent to study the working of panchayati raj institutions. Hence, this study confines itself to the working of zila parishads in Haryana.

**Major Findings:**

These findings are classified into three major headings namely community power structure, financial management and working of zila parishads etc.

1. **Community Power Structure**
   - Majority of zila parishad members (59.17%) belong to the young age group followed by middle age group i.e. 34.16 percent and only 6.67 percent members are from old age group.
   - 40 percent zila parishad members are agriculturist followed by businessmen (28.33%) and 21.67 percent members are labourer. However 10 percent members are engaged in legal practices.
   - A larger group (35%) of zila parishad members is landless followed by (32.5%) small land holding members i.e. having land up to 5 acres.

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percent members have 6 to 10 acres land followed by 9 percent with 11 to 20 acres land and only 4 percent members have above 21 acres of land.

- The larger portion of zila parishad members i.e. 40.8% belong to lower annual income group (upto Rs. one lakh) followed by the middle income group (above Rs. one lakh to five lakh). Below poverty line members are 17.5 percent and 6.6 percent members are from high in income group (above 5 Lakh).

- It is interesting that overall 85 percent zila parishad members are educated and 55 percent members belong to higher education including professionals.

- Most of the zila parishad members (87.5%) are married.

- Majority of members (60%) have to 1 to 2 children followed by having 3 to 4 children i.e. 22.5%. However, 15 percent members don’t have any child and remaining 3.5 percent members have 5 to 6 children.

- Majority of members belong to nuclear families.

- The larger portion of zila parishad members i.e. 33.33% is not affiliated to any political party followed by 29.17 percent members are affiliated to congress party, 23.33% members to Indian National Lok Dal, 8.33% members with Haryana Janhit Congress (Bhajanlal) and remaining 5.83% members are affiliated to Bhartiya Janta Party.

- 40 percent members are inexperienced followed by 39 percent members with the experience of social work and remaining 21 percent members have the experience of panchayati raj institutions.

- Majority of members (57%) belong to general category and the dominating caste is Jat followed by scheduled castes. However, 10 percent members are from other backward classes and remaining 7.5 percent members are of backward classes.

2. Zila Parishad and Financial Management

Views on Awareness About State Finance Commission

- Majority of zila parishad members (56.67%) do not know about the existence of State Finance Commission (SFC) and 63.44 percent of %
those members who have the knowledge of SFC are not aware about the Constitutional status of the SFC.

• Again 83 percent members do not know about the five years term of the SFC.

• 71 percent members are not confirm about the timely constitution of the SFC.

• In the context of timely presentation of the SFC report to government, 50 percent members are unknown about it and 27.5 percent members highlight that the report is not submitted on time to the government.

• Regarding the role of SFC in improving the financial position of zila parishad, 42.5 percent members respond that the role of SFC is not helpful in this regard and 41.67 percent members are unknown about the role of SFC.

• Most of the members (83.33%) never met the SFC members in discussions highlighted by the SFC.

Views on Sources of Income

• Majority of zila parishad members i.e. 70% know that grant-in-aid as the source of income of zila parishad.

• About the question of fulfilling the functional requirements of zila parishad through grant-in-aid 67.5 percent members respond that grants-in-aid are not sufficient to undertake the developmental activities of zila parishads.

• 76 percent members do not know about the medium through which grants-in-aid are received and only 24 percent members indicate through district rural development agency.

• 74 percent members find themselves unable to tell the names of the schemes of grants-in-aid provided by the Central government.

• 39 percent zila parishad members express that zila parishad has no taxation power followed by 32 percent members who are silent and only 29 percent members accept about the taxation powers of zila parishad.

• On the question of devolution of financial powers to zila parishad by State government, 40 percent members deny about the devolution. 38 percent
members do not know about the devolution and only 22 percent members accept the devolution of financial powers.

- On the question, whether zila parishad ever prepared any resolution relating to imposition of tax, more than half members i.e. (59.17%) respond that no such type of resolution started in any meeting of zila parishad followed by 27.5 percent members who do not know about the question.

- In case of any fee imposition power of zila parishad 55 percent members respond that there is no such type of power in zila parishad. 25 percent members confirm this power of zila parishad and 20 percent members do not know about this power.

**Views on Budget**

- 33.33 percent zila parishad members confirm that a zila parishad budget committee prepare the zila parishad budget followed by 26.67 percent members opine about the State government is the budget preparing body. 25.83 percent members do not know about the budget preparation and 14.17 percent members respond in favour of district administration in this regard.

- Whether the prepared budget is presented before the zila parishad or not then 45 percent members reply never, 34.67 percent member do not know about this presentation and remaining 20.13 percent members provide their consent to this presentation.

- Further about the budget presenting authority 40 percent members pin point to ADC, 32 percent members point out to zila parishad president. 12 percent members express to DC as the budget presenting authority and only 16 percent members do not have such type of knowledge.

- About providing sanction of zila parishad budget, 75 percent members highlight the State government as an authority to provide this sanction and 15.84 percent members do not know about the question.

- In response to the official who provides the technical assistance in preparing the zila parishad budget, 37.5 percent rightly quote the name of account officer of zila parishad, 34.17 percent members do not know
about the technical official and 28.33 percent highlights the role of Chief Executive Officer (CEO) in technically preparing the zila parishad budget.

Views on Sufficiency of Grants-in-aid to Zila Parishad

- 74 percent zila parishad members indicate that the grants are insufficient to undertake the developmental or welfare activities of zila parishad. 13 percent members do not know about the question and 13 percent members confirm that these grants are sufficient to meet out the zila parishad requirements.

- Nearly, half of the members i.e. 49% deny about the timely receiving the grants-in-aid. 30 percent members accept about timely receiving and 21 percent members have no knowledge about the question.

- 70 percent members do not know about the expenditure limit of zila parishad at their own level without sanctioning by higher authority.

- 74.17 percent members respond that zila parishad have no loan taking power for its work but 25.83 percent members are neutral about the question.

- About the presentation of audit report to zila parishad, 79 percent members point out that no, this report has not been presented before zila parishad, 14 percent members do not know about the question and only 7 percent members accept about the presentation of this report before zila parishad.

View on Suggestive Measures

- 91.67 percent zila parishad members want to receive the governmental grants directly from the central as well as State governments.

- Most of the members 96.66 percent are in favour of providing some taxation power of zila parishad.

- Mostly members of zila parishad i.e. 86.67 % think that the district rural development agency (DRDA) should be merged with the zila parishad for proper and responsible functioning with finance.

- 80 percent members feel that the Member Parliament and Member Legislative Assembly Local Area Developed Funds (MPLAD and MLALAD) should be transferred to the zila parishad fund.
Majority of members i.e. 65% highlight the need of financial autonomy to zila parishad for efficient and effective functioning.

3. Working of Zila Parishads

Views on General Awareness about 73rd Amendment Act and Haryana Panchayati Raj Act, 1994

- Majority of zila parishad members i.e. (60%) have the knowledge about existence of 73rd Constitutional Amendment Act.
- 54 percent members know about the existence of Haryana Panchayat Raj Act, 1994.
- 62.5 percent members are claiming about the awareness of their powers and 77.33 percent such members highlight the role of district administration in spreading awareness about zila parishad powers.
- In response to zila parishad as a self governing body only 40.83 percent members accept this fact but 37.5% members feel that the zila parishad is an agent of State government rather than self governing body and remaining 21.67 percent members are silent about the status of zila parishad.
- Most of the zila parishad members do not know about the functional distribution of subjects among panchayati raj institutions.
- 85 percent members do not have the knowledge of 29 subjects which are highlighted in 73rd Amendment act for PRIs.

Views on Transaction of Business of Zila Parishad

- Majority of zila parishad members i.e. 64% do not know about the quorum of general meeting for transaction of business of zila parishad.
- On the question of total general meetings conducted in a year, majority of members (60%) do not know about the exact number of meetings held in a year.
- 58.33 percent members point out the power of calling a meeting is vested in zila parishad president.
- Only 35.83 percent zila parishad members are aware about the voting right of ex-officio members.
• 59.17 percent members deny that the government circulars are not serving to the zila parishad members.

**Views on Participation in Meetings of Zila Parishad**

• Majority of members i.e. 77.5% present in meetings of zila parishad are actively participate in the meetings of zila parishad but on the question of participation of departmental officers, they are divided in their opinion means 49.17 percent confirm about the participation of departmental officers in these meetings. 25 percent says that some times these officers are present in these meeting and 25.83 percent tell no participation of departmental officers.

• In case of MPs and MLAs presence in the zila parishad meetings 41.67 percent members respond that they never participate in these meetings, 54.16 percent members hesitate to answer the question and only 4.17 confirm their presence.

• Regarding women members participation, 68.3 percent zila parishad members highlight their passive participation.

• On the question of proxy participation of the women member husbands, 55.83 percent members deny the proxy participation. 45.17 percent members accept this participation some times.

• Majority of members i.e. 60.83 % disclose about the active participation of SC/BC members in zila parishad meetings.

**Views on District Planning and Decision Making in Zila Parishad**

• More than half (54.17%) zila parishad members know about the existence of district planning committee.

• Only 47.7 percent members affirm the real knowledge about the Chairmanship of district planning committees in Haryana i.e. DC

• 53.33 percent members reveal about the cooperative behaviour of the officials in these meetings.

• About the decision taken in these meetings 50.83 percent members explain that the final decisions in these meetings are taken by majority, 25.83 percent members expose about the personal decisions of zila
parishad president are considered in these meetings and other members high the role of DC and ADC in this rerard.

• 41.67 percent members observe that the implementation speed about decision taken in meetings is low followed by 33.33 percent members in favour of normal speed and 25 percent members observation is that the taken decision are not implemented on time.

View on Functional Committees of Zila Parishad

• Section 139 of Haryana Panchayati Raj Act, 1994 makes a provision for constitution of different functional committees, so 52.5 percent zila parishad members confirm about the formulation of these committees. 24.17 percent members deny for their formulation and 23.33 percent members are silent about the question.

• About the appointment of membership of these committees, majority of members (74.60%) highlight the role of president zila parishad because he is the ex-officio chairman of these committees.

• Most of the members (85%) don’t have the knowledge about inclusion of administrative officers in these committees but only 15 percent members clearly know about not inclusion of the administrative officers as a members in these committees.

Views on Specific Schemes of Zila Parishad

• Only 30 percent members of zila parishad accept that zila parishad prepare the major water supply scheme in the area, 39.17 percent respond negatively and 30.83 percent members don’t know about the question.

• On the question about preparing any irrigation management programme by the zila parishad, 60 percent zila parishad members express their views that the zila parishad does not prepare any such programme in their area.

• In response to the question of supervising and monitoring the agriculture development schemes in their area, 65 percent members that they do not supervision and monitor these programmes.

• On asking the question about the power of passing the water supply schemes of panchayat samiti and gram panchayats then majority of respondents are unaware about this power.
• About the role of zila parishad in public distribution system, 42.5 percent members highlight as supervisory role followed by 30.83 percent respondents depict as a record keeping authority of the implemented programmes and 26.67 percent members are silent in this regard.
• Again 52 percent members are unaware about the scheme of helping the handicapped people under the jurisdiction of zila parishad.
• 61 percent members find themselves ignorant about the role of zila parishad in identification promotion and helping the NGOs who are engaged in social welfare.

**Views on Supervisory Role of Zila Parishad**

• 62 percent zila parishad members do not have the knowledge about the power of writing the annual confidential report of the district officials by the zila parishad.
• 61.67 percent members do not know about the supervisory role of the zila parishad in district veterinary services.
• Majority of members (62.5%) are lacking in their knowledge about the role in establishing the new anganwari centers in the jurisdiction of zila parishad.
• 73.33 percent members do not know about the receiving the monthly progress report of those department which are working under their jurisdiction.
• Mostly, 70 percent members deny the role of zila parishad in keeping the record of forest plantation under their preview.

**Observations**

The zila parishad is required to advise and co-ordinate the functions of panchayat samitis and also exercise control and supervision over the performance of gram panchayats and panchayat samitis in the district. But the zila parishad has no control mechanism to do so. This task is instead performed by the bureaucracy, which is under the control of the State government. The zila parishad performs only the task of the approval of the resolutions of panchayat samitis. Although the Act also provides for constitution of committee at village, block and district level panchayats, these committees consist only on papers. No business is transacted
by these committees in reality. Even the elected representatives of the PRIs are not aware of their existence and working.

Local bodies in Haryana are in a dreadful plight as pointed out in the memorandum submitted by the State government to the 12th Central Finance Commission. It is due to inadequate and uncertain flow of funds to them, limited taxation powers, inefficient and non utilization of local resources, their inability to administer certain important taxes on account of lack a capability, lack of sectorial support and inadequate guidelines from the government to the elected representatives in revenue administration etc. In view of this, the task before the Haryana SFC, which is to make recommendations on revenue sharing between the State and the local bodies and on assignment of taxes and grants-in-aid to them with a view to make them effective units of decentralized governance, is quite complex. There exists a wide gap between the resources available with local bodies and their functional responsibilities and to narrow down this gap, transfer of substantial funds from the State to the local bodies is urgently required along with maintaining the balance between the receipts and the expenditure of the State. The real concern of the SFC is, therefore, to achieve fiscal equity between the rural and the urban bodies, which requires a balanced strategy while addressing the share of local bodies in the State revenue, the evaluation of the financial and technical capability of the local bodies to perform the assigned functions, the assessment of their tax base and revenue the potentials along with measures taken for improving their functioning, standard of accounting and auditing etc.

By now, SFCs in Haryana haven’t gone far enough in addressing the question of building up the revenue base of local bodies, partly because of lack of political will partly because of political interference in allocation of funds and grants in aid to local bodies. The State government is lukewarm to the process of devolution of powers to local bodies as it has never been serious about the timely constitution of the finance commissions and prompt examination of their reports. The action taken reports are never placed before the legislature well in time and almost every time the recommendations have been accepted or rejected arbitrarily without assigning any cogent reasons. The secretary of the Commission so
frequently transferred that he can not pay any focused attention on the working of the commission. SFCs have been observed to be treated as offices only to accommodate the defeated political personalities or retired civil servants as its members and Chairpersons. If ultimately any funds out of the State revenue are allocated to the local bodies, these are generally released by the State government towards the close of the financial year, leaving little time for the local bodies to carry out the actual work. The SFC mechanism has rather failed in terms of bringing about a paradigm shift in the state and local bodies fiscal relationship because of non-cooperation from the State government as the role of the SFCs has mainly been only recommendatory in nature and the transfer of functions of any what so ever has not been accompanied with funds and functionaries required. Then the recommendations of the SFC are usually received as the fag-end of award period, making the whole exercise useless and futile. Many a time allocation of funds and grants is made on political considerations.

Suggestions

Some suggestive measures in this regard are:

- After elections the zila parishad members should be sent for compulsory training relating to the functioning of zila parishad. This training should be imparted in local language phasewise. First phase may be the teaching of their powers given in Haryana Panchayati Raj Act, 1994. Second phase should be comprised of the teaching about transaction of business, formulation of special functional committee etc. Haryana Institute of Rural Development, Nilokheri can play a positive role as the permanent training institute for this purpose like Haryana Institute of Public Administration (HIPA) is a permanent training institute of Haryana public servants.

- Specific functional areas or subjects should be identified to the zila parishad with finances.

- Some educational qualifications should be introduced for seeking election in zila parishad. So that the educated persons be attracted in this institution of local governance rather than illetrate and criminal background persons.

- There should be introduced a separate local list for PRIs on the pattern of Central and State lists through the Constitutional Amendment Act.
• The principle of subsidiarity should be the base of devolution of functional and financial powers because the central idea of subsidiarity is that citizens as sovereigns and stake-holders in a democracy are the final decision makers.

• A function once devolved to this body should not be arbitrarily taken back.

• There should be a clear demarcation and subjectwise distribution of functions devolved to the three tier system of the panchayati raj.

• In a democratic system bureaucracy act as a subordinate to the elected representatives. This criteria should be applicable in the lower tier of the governance.

• Now district rural development authority (DRDA) act as a parallel body and bureaucratic hub at the district level. It should be abolished and merged with the zila parishad.

• Functionaries of zila parishad must be brought under the authority and discipline of the elected body.

• The functional and financial autonomy should be provided to the zila parishad.

• An annual report of the zila parishad should be prepared and kept to the public domain.

• District planning committee should be constituted on time under the Chairmanship of zila parishad President and should include some specialists like professors of the universities with the specialization in local governance, local social activists and other such persons who have their special knowledge in this field etc.

• Member Parliament Local Area Development (MPLAD) fund should be transferred to the zila parishad fund. In this regard, the Supreme Court of India has also highlighted that the MPLAD scheme should be scrapped because it violative of the Constitutional spirit and encroached upon the states. the PRIs and municipal bodies.\(^3\)

\(^3\) The Tribune. November 21, 2008, p. 2
- MPs and MLAs should not be the members of zila parishad.
- A local legislative council should be established amongst the elected representatives of rural as well as urban local bodies.
- The elected representatives should not be removed by the administrative authorities.
- Criminals should be barred at nomination filing stage.
- The money from Central and State governments sponsored schemes should go directly to the respective recipient of PRIs.
- There should be a district coordination committee together from representatives of zila parishad, civil society and specialists.
- There should be some standing committees for proper working of zila parishad.
- Local stake-holders should be involved in planning process for local governance.
- There should be a separate zila parishad secretariat and the chief executive officer should be answerable to the President of zila parishad.
- Capacity building is essential to enhance the efficiency and effectiveness for both elected as well as official wing of zila parshads. However, it is a continuous process, therefore, orientation programmes should be organised periodically.
- Special service should be created named as local government service with specific basic qualifications like degree/diploma of rural development and public administration etc.
- There is a need to evolve a code of conduct to maintain the relationship between elected functionaries and officials.
- It is important to redefine the role of district collector relating to the PRIs.
- It is indeed to facilitate PRIs to out source professional and technical support.
- For policy issues of decentralization, there is a need to establish a State Development Council.
• It is an entire need to build up a database required for planning and validate it through participation.

• The recommendations of the State Finance Commissions (SFCs) should not be ignored at all and sufficient funds must be placed at the disposal of the PRIs so as to enable them to function effectively.

• It is suggested that at least 50 percent of State budget should be made available to the PRIs.

• To stop the manipulation/misutilisation of funds placed in the hands of the PRIs, an institution like ombudsman should be set-up in each State.

• To reduce the over-dominance of bureaucracy, its powers should be curtailed, sincere efforts must be made to bring an attitudinal change in the functioning of rural bureaucracy.

• To ensure the real benefits of reservation for women, it is necessary to motivate the elected women representatives of the PRIs to become regular in attending the meetings. The mahila mandals should be activated to render their services to bring out the forefront those who are hesitant.

• In order to strengthen their financial position, the PRIs should make sincere efforts to mobilize local resources.

• The freedom and autonomy of panchayati raj institutions cannot be maintained only by political decentralization and it must proceed financial decentralization. Devolution of physical resources by the State government to the panchayati raj institutions is considered as ’sine qua non’ of the financial soundness and vibrant health of the self-government units.

• The State governments can devolve adequate financial powers to their panchayati raj bodies, only when Central government devolves adequate resources to them. The Finance Commission of India should govern the process of such devolution.

• Panchayati raj institutions should be encouraged to take steps for innovative resource mobilization such as generation of income from entrepreneurial activities, projective loans, public contribution, tax sharing and tax-assignments, matching grant incentives for tax collection instead of totally depending on the Central grants.
Observation of sound principles of financial management, making of a balanced budget should be encouraged by the State Finance Commissions.

Income from non-tax-revenue should be raised by creating permanent assets like shops, markets, houses, fishing ponds, etc.

A proper tax collection machinery at PRIs level is required. This can be coupled with incentives to panchayati raj institutions for tax collection.

Panchayati raj institutions should setup commercial ventures on co-operative basis, e.g. agro based units, handicrafts, etc. This can become a self sustaining form of enterprise and can provide adequate resources to panchayati raj institutions.

In the context of economic liberalization and market friendly policies, the State government should create a State Institute of Public Finance and Policy. This institute could be a good resource base for financial data for the State Finance Commissions.

An implementation committee led by Chief Secretary should be constituted to ensure that the decisions on all recommendations are taken within a period of three to four months of the submission of the Commission’s report.

The frequency of the meetings of SFC should be increased for an indepth study of ground realities and for this purpose a proper public contact programme should be started.

The State government should constitute the SFC well in time and ensure its the composition is not disturbed till the submission of the report. Moreover, its Member Secretary should be appointed on full time basis.

A permanent cell of the Commission be created in the Finance Department of the State to collect, compile the required data and to monitor and various aspects of local finance as well as to undertake the follow up measures.

Involvement of intellectuals like university professors having special knowledge of local finance must be necessary in the meetings of the SFC for sharing their views and experiences.
• Funds, which are transferred to local bodies should be budgeted separately and devolved directly on the basis of transparent formula.

• There should be some legal provisions on fiscal responsibility of panchayati raj institutions dealing with assessment and collection of revenue, borrowing and mode of incurring expenditure.

So, the working of local government institutions bears testimony of the fact that these have not fulfilled the people's aspirations in terms of becoming participants in decision making for decentralized governance, planning and development. Participation of really poor people in the local governance has not been ensured by reserving seats for them in the PRIs. The Central and State Acts have not given autonomy to the local government institutions. The vital issues affecting them are still in the domain of the Union and State governments. If the agenda for future reforms, as suggested above in this chapter is carried out by amending certain provisions of the Union and State Acts, it may provide a sound base for a sustainable democracy and participatory planning at the local level.