

# Panchayati Raj in India

## Are They Really Successful in Participatory Decision-Making?

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Constitutionally mandated panchayati raj institutions (PRIs) have moved into their second decade, and we need to set in motion a second generation of reforms. The focus now is to ensure a sustainable foundation of empowerment such that panchayats become the principal authority for planning, decision-making, and implementation at grass roots levels, through the effective devolution of functions, finances, and functionaries. This can happen only if planning from below becomes a reality and local communities are enabled and empowered to work out a profile of development activities based on their own assessment of locally available resource endowments, relative absorptive capacity, and the felt needs of the local people.

Panchayati raj in India, in terms of the size of the electorate, the number of grass roots institutions (about 240,000), the number of persons elected (3.6 million in the panchayats and nagarpalikas), and in terms of the empowerment at the grass roots of women, is the greatest experiment in democracy ever undertaken anywhere in the world or at any time in history. No less than one million women have been elected to the panchayati raj institutions, constituting some 37 per cent of all those elected and rising to as high as 54 per cent in Bihar, which has 50 per cent reservations for women.

One of the key objectives of panchayati raj is to ensure that the process of planning for development in the country follows a bottom-up approach and commences at the grass roots level. The core approach is that the village panchayat plans, prepared with peoples' participation, are joined by plans prepared by the intermediate and district panchayats and then these are consolidated by the district planning committee (DPC) along with Municipal Plans into the Draft District Development Plan, in accordance with Article 243 ZD of the Constitution. The State Annual Plan is an integration of all the Draft District Development Plans. The Planning Commission has embarked on a re-alignment of the planning process, which happily has coincided with the commencement of the Eleventh Plan in 2007. The significance of these two developments cannot be over-emphasized. The nation now has an opportunity to realize Mahatma Gandhi's dream that the national plan becomes an integration of plans prepared with popular participation, starting from village panchayat levels.

## 1. District Planning Committees

The Constitution enjoins that all states and Union Territories<sup>1</sup> are required to set up DPCs in order to consolidate the plans prepared by the panchayats and municipalities into the draft development plans for the district. DPCs have also to oversee matters of common interest between the panchayats and the municipalities including planning, sharing of physical and natural resources, the integrated development of infrastructure, environmental conservation, and assessment of the extent and type of available resources, both financial or otherwise. DPCs are mandated to consult such institutions and organizations as may be specified in undertaking their activities.

<sup>1</sup> Except Meghalaya, Mizoram, Nagaland, Jammu and Kashmir, the Hill areas in the state of Manipur, the Hill Areas of the district of Darjeeling for which Darjeeling Gorkha Hill Council exists, the National Capital Territory of Delhi, and Sixth Schedule Areas where Autonomous District Councils have been constituted.

Planning Commission circulars have also made it clear that the constitution of DPCs is indispensable to the Eleventh Plan exercise. In consequence, states are generally moving to cure this infirmity in their preparedness for the Eleventh Plan, and it appears that they will constitute their respective DPCs fairly soon. For instance, Andhra Pradesh, Bihar, Haryana, and Punjab are well on the way to doing so; Gujarat, Maharashtra, Tripura, and Arunachal Pradesh have also initiated steps in this direction.

## **2. Planning at the Grass Roots**

In order to strengthen the panchayats in planning and decision-making, it is necessary that district and subdistrict plans are formulated at all levels of panchayats to meet the basic minimum needs of citizens at the grass roots level. It is further important to strengthen the planning machinery at the district and subdistrict levels, including issuing guidelines to DPCs for consolidating these plans. The guidelines of the Centrally Sponsored Schemes (CSSs) and central level programmes should also be reviewed to ensure participation of panchayati raj institutions from the beginning right through to the level of implementation of schemes.

## **3. Case Studies**

A significant feature of the district planning process is that it includes the integration of the economic plan and the credit plan into the district plan. The success of this kind of bottom-up planning for the growth and development of villages is best illustrated by the plan drafted by a woman sarpanch (village leader), of Gopalpura panchayat in Churu district of Rajasthan. The gram panchayat of Gopalpura has taken a decision to develop this village as a model village and has got a master plan prepared for this purpose by engaging professional consultants. The principal objectives of the master plan include optimizing the resource utilization and meeting the land requirements for the next 20 years; evolving self-sustaining strategies for development; bringing about a qualitative

improvement in peoples' lives; and developing detailed proposals in respect of these strategies. The plan uses the base year of 2005 and the horizon year of 2055. The plan has developed composite growth strategies, including plans for residential areas, commercial development, recreation and tourism, social amenities, and water bodies.

### 3.1 *The Kudumbashree Initiative*

Kudumbashree is a multi-faceted, women-based, participatory poverty eradication programme jointly initiated by Government of Kerala and the National Bank for Agriculture and Rural Development (NABARD). It has been scaled up from two UNICEF-assisted initiatives in Alappuzha municipality (under the Urban Basic Services for Poor) and Malappuram district (Community-based Nutrition Programme). The programme is implemented by Community Based Organizations (CBOs) of poor women in cooperation with panchayati raj institutions. Kudumbashree aims to eradicate absolute poverty in ten years through concerted community action under the leadership of local governments.

Kudumbashree is much more than a well run self-help movement. It is particularly positioned as a pro-poor initiative—membership is restricted to poor families. While other self-help groups have largely remained aloof from the panchayats, or merely participate in the gram sabhas, kudumbashree groups proactively link up with panchayats, participate in their programmes, and have, thus, flourished under the patronage and leadership of local self-governments.

From this beginning where a visionary panchayat led the way, the anti-poverty initiative has now been extended to all panchayats in the state. The anti-poverty plan now has a clear structure with kudumbashree groups identifying those in need and participating in plan preparation and implementation by panchayats.

Similar initiatives have been taken up by kudumbashree groups in conjunction with panchayats in leasing land for farming, micro-housing, and micro-enterprises.

### **3.2 Karnataka**

The chairperson of Bellandur gram panchayat of Karnataka, in the first two years of his tenure, computerized the panchayat's records, accounts, and property tax collection system with assistance from a software company. He also began to televise gram panchayat meetings through the local cable operator. The increase in revenues from taxing land sales and the transparency introduced into panchayat finances enabled the gram panchayat to plough back its own funds into improving the panchayat's infrastructure and providing additional services. Bellandur is thus very different from the average unplanned slum that most city-engulfed rural panchayats become. The roads are well maintained; there is an extensive underground drainage system, a new panchayat office, and a health centre.

### **3.3 Kerala**

On the eve of the Ninth Five Year Plan, Kerala took the landmark decision to devolve 33 per cent of its planned budgetary allocation as untied funds to panchayats. On the ground, this translates into each of the nearly 1000 gram panchayats in Kerala receiving more than 10 million Rupees as largely untied funds. Maintenance grants are also separately devolved to panchayats. In order to ensure participative planning from the grass roots level upwards, a massive peoples' planning campaign was launched, involving more than one hundred thousand volunteers assisting panchayats to collect data, elicit peoples' needs, prioritize, supervise implementation, monitor, and evaluate. Employees of key government departments were placed at the panchayat-level and are accountable to them, even though they retain their position as government employees.

### **3.4 Punjab**

A late starter, Punjab is rapidly forging ahead on panchayati raj by taking several steps, particularly in respect of devolving responsibilities in health care and education to panchayats. In a recent far-reaching decision, rural health subcentres have been transferred

to the zilla parishads (district-level government) by the Department of Health. The state government aims to give block grants in aid to zilla parishads to run these dispensaries. Zilla parishads are permitted to engage doctors as service providers on a service contract for a period of three years. More than 3000 centres have so far been transferred on this account. The service provider identified by the zilla parishads to whom the task of running the primary health centres (PHC) is outsourced has the responsibility of engaging a qualified paramedic, ensuring cleanliness of the dispensaries and also paying the electricity and water supply bills. He is to be paid a proposed lump sum of 30,000 Rupees per month. The government also proposes to supply medicines worth 7,500 Rupees per month per dispensary.

#### **4. The Gram Unnayan Samiti**

In 2003, an amendment to the 1973 Panchayat Act was passed to establish the gram unnayan samiti, which is a statutory village-level standing committee of the gram sansad (the lowest level of the panchayat system) and is accountable for its functions and decisions to the gram sansad. The gram unnayan samiti has the responsibility of ensuring active participation of the people in the implementation, maintenance, and equitable distribution of benefits with respect to such subjects as may be prescribed. Gram unnayan samitis have now been entrusted with the task of preparing village level plans of the gram sansad, which shall be the basis of the gram panchayat plan and will also be implemented by the gram sansad.

Each panchayat samiti (intermediate panchayat in West Bengal) shall have a block sansad consisting of all members of the gram panchayats pertaining to the block and all members of that panchayat samiti. One half-yearly and one annual meeting of the block sansad are held each year. The block sansad has powers to guide and advise the panchayat samiti in all matters relating to development including preparation of annual plans, budgets, and implementation of development programmes for economic development and ensuring social justice. The deliberations and

recommendations of the meeting of the block sansad shall be considered in the meeting of the panchayat samiti within one month from the meeting of the block sansad.

A similar system for zilla parishads is through the zilla sansad, which comprises pradhans (or leaders) of all gram panchayats in the district, sabhapatis (presidents), shaha-sabhapatis (vice-presidents), and karmadhyakshas (standing committee chairpersons) of all panchayat samitis and all members of the zilla parishad. The activities of the zilla sansad are similar to those prescribed for the block sansad.

## **5. Introducing Clarity into Panchayat Expenditure Assignments: The Principle of Subsidiarity in Expenditure**

A significant reform introduced recently through an executive order envisages that if the estimate for a project is below a particular financial limit, it shall be implemented at a prescribed level of panchayat alone and not at any level above. Thus, all works estimated at an outlay level below 200,000 Rupees shall be undertaken by the gram panchayat alone. Similarly, all works with an outlay of more than that amount, but below a million Rupees, shall be undertaken by the panchayat samiti. Zilla parishads can implement only those works that are estimated at above one million Rupees. Under this policy, even if a higher level of panchayat, such as a zilla parishad, sanctions a work less than its prescribed floor limit, it is obliged to transfer the money allocated by it for that work to that level of panchayat which has been entrusted with the task of implementation. This approach provides a disincentive for higher panchayat levels to sanction a large number of small works that are better undertaken by the appropriate level below. It also leads to a clear understanding and separation of who does what, regardless of who sanctions what.

The above snapshot of experiences across states and panchayats offers a glimpse of the groundswell of change that is being brought about by panchayats in planning and decision-making across the country. It is clear that given a nurturing environment and a robust

structure that provides incentives for effective functioning, panchayats can use the flexibility given to them in innovative and effective ways. However, these examples and best practices, while encouraging, are also an indication of the tasks ahead so that panchayati raj can herald true prosperity and equity in India's villages. The institutional innovations described above have already triggered off a chain reaction, by releasing the creative energies that lie bottled up in our villages.

## 6. The Challenge of Participation

There remain, however, many impediments and barriers to the functioning of panchayati raj institutions as a successful element of participatory planning and decision-making. A continuing challenge is the one of energizing participation in gram sabhas. As per the recent amendments to the Constitution of India, the gram sabha (the body of electorate in a gram panchayat area) will be the "supreme body" to make all decisions regarding management of assets and local resources. The government agencies will play a supportive role to this body and assist them on a demand basis. Giving a prominent legal position to the gram sabha is of little consequence, however, if these remain neglected institutions. There is scepticism about the concept of people getting together to solve their problems. The feeling prevails that in the face of elite groups, marginalized segments, and local politics, this does not work on the ground. The hard reality is that participation has an opportunity cost. People will not participate if they have more productive things to do, or if matters of survival have to be sacrificed for the luxury of participation. The challenge, therefore, is to make participation in panchayati raj relevant, such that it is perceived to provide value-added.

A question is often asked as to how a community spirit can be awoken and a common vision ignited, in order to motivate the capacity to act in the pursuit of the common good. Clearly, such motivations cannot be inculcated by training from outside—it has to come from within. What can be done is to develop opportunities where those who want to participate are supported. The practice in some



states of providing for peoples' assemblies below the gram sabha needs to be widely adopted. In parallel, awakening interest in common interest groups to participate in gram and ward sabhas will surely yield rich dividends. While the kudumbashree initiative in Kerala has been widely acclaimed in this regard, self-help group and other such groups are becoming a potent force in gram sabhas in several states. Finally, people will attend the gram sabhas when they see them as having real powers. The predominance given to the gram sabha under the PESA—the Panchayats (Extension to the Scheduled Areas) Act, 1996—in beneficiary identification, approval of programmes and projects, and above all, the authorization of utilization certificates, needs to be emulated in all panchayati raj legislation.

Social auditing is a close corollary of successful gram sabha functioning. Practices in social auditing have now gone far ahead of the pilot stage. Once community conscience is awakened, experience indicates that social auditing is entirely feasible and practical. Social auditing has its own teething troubles, but persevering with it could be a path-breaking way of inculcating respect for downward accountability processes amongst elected representatives and government officials. The experience of implementing the National Rural Employment Guarantee Act (NREGA) in Dungarpur district in Rajasthan, one of the poorest in the country, indicates that if society and particularly beneficiary groups keep a strict vigil on implementation, leakages can be virtually eliminated.

## **7. The Challenge of Decentralized Planning**

Immense background work on an unprecedented scale is required to meet the requirements of people-level planning and decision-making. Contrary to popular impression, the issue might not be so much on eliciting participation—indeed examples from remote areas such as Kalahandi and Bolangir districts of Orissa indicate that the poor and weak can effectively use apparently sophisticated tools of micro-planning to develop their own simple local plans. On the contrary, the dominant challenge will be to bridge the information gap, that is, to slice chunks of data that the

government possesses into easily comprehensible panchayat-sized bites, for people to use locally.

Once panchayats gain credibility as reliable monitors, it is only a matter of time before they can ensure that, eventually, annual plans in respect of the flagship schemes are prepared by them and also implemented by panchayats. There will emerge fresh challenges, such as releasing finances directly to panchayats (whether from the centre or the states), based on their furnishing expenditure details. Currently, districts are considered the basic units for furnishing utilization information, which tends to average out performance of individual panchayats.

Across the country, we see more and more panchayats moving away from the stereotype of being passive recipients of power devolved from above. Panchayats have begun to challenge the fetters, real or imaginary, which prevent them from realizing their full potential. Panchayats have become “government” where they have worked like governments. Most important, people have begun to perceive the panchayats as government. The map of India is now dotted with the lamps of panchayati raj. The lamp lit in Nagaur has been joined by many more lamps in innumerable panchayats, which, through no greater effort than local participation and collective implementation, are making a real difference to their people. The challenge, therefore, is no longer for panchayats to prove themselves worthy of greater powers. It is to realize in practice the collective power of a multitude of simple local initiatives, to document them and bring more panchayats into the fold of excellence. In the words of Mani Shankar Aiyar, “the singular achievement of the Constitution Amendment is that they have made panchayati raj ineluctable, irremovable and irreversible”.