

DECENTRALIZATION TO THE GRASS-ROOTS: INDIA'S PANCHAYATI RAJ

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In the current debate on power-sharing and devolution in Sri Lanka, an area which seems to be almost totally neglected is the role of local government within the sub-national units.

However, in any system of power-sharing between the centre and the periphery—whether in a federation or in a unitary state—the importance of associating the people in governance at all levels cannot be over-emphasized. For it is through such participation that power sharing can become a reality, and localities and groups can be integrated into the national policy. The institutionalized participatory mechanism is an effectively organized system of local government.

The focus today is not so much on division of functions and responsibilities among the different levels of government, but on co-operation and inter-governmental relations. Such relationships encompass not only centre-state (or centre-province) relations, but pertain to all levels within the structural organization, down to the grass-roots. Good governance thus pre-supposes institutional machinery at the different levels through which participation could be built in to the processes of planning and implementation.

Within the on-going debate on federal/devolutionary arrangements for Sri Lanka, it is timely to consider arrangements made by countries such as India and Japan, and more recently, South Africa, to incorporate local government meaningfully through constitutional means as part of the mechanics of power-sharing.

The objective of this paper is to focus on the constitutional amendments to the Indian Constitution in 1992, so as to re-inforce local government institutions for democratic decentralization—or *Panchayati Raj*—in each of the States.

Within the Indian polity, the system of *Panchayati Raj*, introduced in the late 1950s, was intended as the three-tiered democratic machinery extending down to the grass-roots, which would interact with each other and with the state government. Each State legislature was required to establish these institutions.

However, the period from the 1960s to the 1980s witnessed not only their establishment and effective functioning in some states, but also their decline and stagnation in others.

The government of India had passed in 1993, the Constitution (Seventy-Third Amendment) Act which makes provision for district and municipal planning. The significance of these amendments lies in the fact that constitutional recognition is given to the need for participatory mechanisms as a vital part of the federalizing process.

They are also of significance to countries which are in the process of devolving power to the periphery, and provide pointers to the need only for mechanisms at regional/provincial level, but also for such mechanisms which would extend down to the rural level.

Introduction of *Panchayati Raj* Institutions

After independence in 1947, the village level development programme introduced by the Indian government, from which much was expected, was the Community Development Movement. This was similar to the Community Development (or Rural Development) programmes in the developing world in the late 1940s and early 50s. Under this programme, development activity was organized on the basis of instructions and authority which flowed downwards from central ministries to the State; and within each state, the programme was implemented through a bureaucratic network of officials at three levels. It was thus a highly centralized, hierarchically structured bureaucratic organization, and it was identified as such by the people whom it was intended to benefit.

It was the failure of this movement which led to the appointment of the Balwant Raj Mehta Committee, to review and make recommendations regarding the Community Development Movement.

The “grand panacea” as suggested by the Commission was the system of *Panchayati Raj* of democratic decentralization, in contrast to the community development movement which was characterized by officialdom and administrative control. Its often quoted recommendation was that

....so long as we do not discover or create representative democratic institutions which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local projects, conforms with the needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and local initiative in the field of development.¹

These recommendations which were accepted by the government of India, resulted in the acceptance of an inter-connected three-tiered system of local democratic institutions within each state, which came to be called *Panchayati-Raj*.

While uniform arrangements were not adopted throughout the country, the pattern which was adopted in most states was as follows:

1. The rural base of the system was the *Gram Sabha*, consisting of all the eligible voters in the village (or group of villages), which elected the *panchayat*.

2. The *Panchayat Samiti* was the representative council at the next level, the "block" level. This council embraced about 100 villages and an approximate population of about 80,000, and generally consisted of the village panchayats, as well as co-opted members such as members of the state and national Legislatures, representatives of cooperatives, etc.

This was the operational level in most states.

3. The *Zilla Parishad* was the institution at district level, which generally consisted of the chairmen of the Panchayat Samitis, and a few co-opted members. In most states, the *Zilla Parishad* was the planning and coordinating body.

The role of these institutions as development agencies was emphasized by India's 5 Year Plans; the Ashok Mehta Committee (1977) focused on these institutions as instruments of local planning and implementation in relation to national programmes.

The responsibility for the adoption of the system rested with the state legislatures. Consequently, although states such as Maharashtra and Rajasthan showed evidence of their successful functioning, criticisms were levelled at a number of state legislatures for their lack of interest in incorporating these institutions into their processes of planning and implementation, their failure to hold regular elections for *Panchayat Raj* institutions, and manouevres to dislodge councils whose party complexions differed from that of the state legislature.

Thus S.K.Dey asserts that *Panchayat Raj* institutions "...remained but skeletons devoid of soul or substance, with not even an election in ten years or more in some states."²

Kuldeep Mathur observes that "...there was little commitment to the ideological underpinnings of decentralization", and that with the establishment, simultaneously, of bureaucratic institutions at local level, development strategies, especially in agriculture, were implemented through the bureaucracy and not through democratically elected bodies.³

Rajiv Gandhi, during his premiership, attempted, in the late 1980s, to give constitutional status to local government institutions. Thus the Panchayat and Nagar Palika Bill which he introduced in 1989, but which proved abortive, was designed to strengthen the democratic polity through people's participation at different levels.

Experiments were also tried in states such as Karnataka, West Bengal, Andhra Pradesh and Madhya Pradesh in the late 1980s and early 1990s, to re-vitalize the system of *Panchayat Raj*. The objective of these attempts was to tie up these bodies with the federal structure for purposes of participatory development.⁴

While experiments of this nature were attempted in some states, they remained dormant, non-functional or ineffective in others.

It is against this background that the 73rd and 74th Amendments to the Constitution of India have to be considered.

73rd Constitutional Amendment

Until 1992, as pointed out already, matters pertaining to the system of Panchayat Raj in each state were regulated entirely by the states. Consequently, there was an absence of uniformity in their organization and effectiveness, as well as in the extent to which they were recognized as institutions of participatory development.

The significance of the Constitution (73rd Amendment) Act of 1992, (which has been incorporated as Part IX of the Constitution), is that it gives constitutional recognition to local government, and specifies, constitutionally, matters pertaining to the structure, composition, elections, scope of powers and functions, under Article 243.

Structure of *Panchayati Raj* (PR) Institutions

Except in certain hilly and tribal areas, all States and Union Territories are required to establish *Panchayati Raj* institutions.

1. At village and district levels where the population does not exceed 20,00,000; and
2. At village, intermediate (block, *mandal* or *taluk*), as well as district levels, where the population exceeds 20,00,000.

Composition

The Amendment provides for the direct election of *panchayat* members at all levels, for a five-year term of office (unless dissolved earlier), and for representation of women.

Chair-persons of the lower level bodies are included as members of the higher level authority. Provision is also made for the representation of members of the Lower House, (at Union and State levels,) whose constituencies lie within the Panchayat area, and members of the Upper house (at Union and State levels) who are registered voters of the area. All members, whether directly elected or not, have the right to vote at meetings.

Not less than one-third of the total number of seats to be filled by direct election in every *panchayat* is to be reserved for women. One third of the total number of chairpersons are to be women.

The legislature of the State is to provide by law for the election of chair-persons of village *panchayats*, while at intermediate and district levels the chair-persons are to be elected by these institutions, from among their members.

Powers and Functions

The main focus in the allocation of powers and functions to PR institutions is on the preparation and implementation of plans directed towards economic development and social justice. It is however, left to the States, by means of legislative enactment, to make provision for allocating these functions to PR institutions.

Thus, Article 243 of the amendment states that the Legislature of a State

... may, by law, endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government.

Such law, it states, "may contain provision for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to

(a) the preparation of plans of economic development and social justice;

(b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to matters listed in the Eleventh Schedule.

(Some of the subjects listed under the 11th Schedule are agriculture, land improvement, minor irrigation, fisheries, small scale industries, rural housing, roads, culverts, bridges, poverty alleviating, education-including primary and secondary schools, cultural activities, health and sanitation, women and child development, social welfare, etc.)

Financial Provisions

The Amendment recognizes the need for adequate finances if the *panchayats* are to function effectively, within their ambit of authority.

Thus, Article 243 H prescribes the sources of finance of Panchayats: that the States, by means of legislation, may

(a) authorize a Panchayat levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;

(b) assign to a Panchayat such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;

(c) provide for making such grants-in-aid to the Panchayats from the Consolidated Fund of the State; and

(d) provide for constitution of such Funds for crediting all moneys received, respectively, by or on behalf of the

Panchayats and also for the withdrawal of such moneys therefrom, as may be specified by law.

One of the most vital changes introduced by the 73rd Amendment in the area of finance is the mandatory establishment of a Finance Commission by each State Government.

Thus the Governor is required to constitute a Finance Commission every five years, to review the financial position of the panchayats and to make recommendations to the Governor as to

(a) the principles which should govern

(I) the distribution between the State and the Panchayats of the net proceed of the taxes, duties, tolls, and fees leviable by the State, which may be divided between them under this Part and the allocation between the Panchayats at all levels of their respective share of such proceeds;

(II) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Panchayats;

(III) the grants-in-aid to the Panchayats from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Panchayats;

(c) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Panchayats.

Planning and the 74th Amendment

The changes introduced by the 74th amendment have to be assessed in relation to the position which prevailed earlier. Thus, until 1992, area plans at village level were not prepared by any agency. District plans, though prepared, were a mere collection of departmental sectoral plans; separate plans were prepared in respect of urban areas by development departments operating in these areas. However, there was no mechanism through which even these limited plans for rural and urban areas could be integrated into comprehensive district plans.⁵

Under the 73rd Amendment, on the other hand, the State governments are authorized to make provision by law for the devolution of powers and responsibilities upon the Panchayats, with respect to:

(a) the preparation of plans for economic development and social justice; (and)

(b) the implementation of schemes for economic development and social justice as may be entrusted to them...

Provision is made, similarly, under the 74th Amendment, for the preparation of plans and their implementation by Municipalities.

It significantly makes it mandatory for every State to establish a District Planning Committee at district level, so that an integrated plan could be prepared and implemented. Thus Article 243 ZD (1) states:

There shall be constituted in every State at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.

The Chair-person of the District Planning Committee is required to "forward the development plan, as recommended by such Committee, to the Government of the State."

Conclusion

The significance of these amendments is that due recognition is given to the need not only for power sharing between the Centre and the States, but also for decentralization within states, down to the grass-roots. What is thus attempted is to give constitutional recognition to *Panchayati Raj* institutions as the democratic base of the Indian polity, and to integrate these institutions into the processes of planning and implementation of development activity.

End notes

1. *Report of the Team for the Study of Community Projects and National Extension Service 1957*. (New Delhi) Vol 1 p.5
2. Quoted, Wallace, Paul, 1991 "Continuity and Change in India's Centre State Relation" in Arora, S.C. (ed) *Current Issues and Trends in Centre State Relations. A Global View* (New Delhi: Mittal Publications)
3. See Mathur, Kuldeep, 1992 "Challenge of Decentralization Politics of Panchayati Raj" (Unpublished) p.5 SSS. Seminar on *Understanding Independent India* 6-8 March.
4. See Raghuvolu, C.V. Narayana, E.A. 1991 "Reforms in Panchayati Raj: A Comparative Analysis of Andhra Pradesh, Karnataka and West Bengal" *Indian Journal of Public Administration* No. 37, pp. 35-45; Singh, 1991 S. S and Mishra, Suresh, "Panchayati Raj Experiment in Madhya Pradesh" *Indian Journal of Public Administration*, No. 37, 1991 pp. 689-697
5. Jain, L.C. 1994 "Panchayats: Re-orientation and Re-structuring of the Planning Process and State Level Departments and Agencies Consequent on the Establishment of Panchayats in Accordance with the 73rd Amendment" Mukherjee, Amitara, (ed), *Decentralization: Panchayats in the 1990s* (Vikas, p. 132

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