

**OVERVIEW OF RURAL
DECENTRALIZATION
IN INDIA**

VOLUME II

**APPROACHES TO
RURAL DECENTRALIZATION IN SEVEN STATES**

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OVERVIEW OF RURAL DECENTRALIZATION IN INDIA

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EXECUTIVE SUMMARY

All Indian states have approached decentralization differently. Many of the important differences are captured in the conformity acts and underpin the analysis of the State Finance Commissions. The SFCs were to address the fiscal implications of whatever the state governments decided would be the scope of PRI roles and responsibilities. In some cases there were significant differences between the states, some of the states are still designing their approaches, and the situation is evolving. This section discusses the basic approach in each of the seven states—AP, MP, UP, Karnataka, Kerala, Maharashtra, and Rajasthan—based on reading for the conformity acts, and discussions with state government officials, district officials, and PRI representatives; summarizes findings and presents an aggregate analysis. As discussed in greater detail in subsequent sections of this report, the expressed vision of decentralization of the states usually did not match the realities found in the field.

Decentralization in Andhra Pradesh

The Government of Andhra Pradesh views the PRIs as one of many instruments of service delivery available to the state. Principle among these is the Janmabhoomi program (JB) which has focused on creation of stakeholder groups and which borrows many aspects of its operational guidelines from the state PRI Act and uses the Gram Sabha. JB is a parallel structure that is managed and implemented by state civil servants. AP governments takes the view that the PRIs should compete for resources with other local institutions. Meanwhile JB enjoys a relatively full complement of government financial and human resources; the quantum of funds channelled to its committees far exceeds that passed to PRIs—negligible—and the state civil service corpse is heavily involved in its management.

Political Decentralization

The Gram Panchayat in AP consists of 5 to 21 members (Gram Panchayat Territorial Constituencies—GPTCs), depending on population. The Panchayat Act stipulates that there will be a ward member for every 300 population. The GP is headed by a Sarpanch—directly elected—and an Upa Sarpanch (Vice-President) who is indirectly elected. The arrangements are similar for the Panchayat Samiti (Mandal/Block) and Zilla Parishad (District). Mandal Parishad Members (MPTCs) are directly elected, 1 per 3 to 4 thousand population. The MPTCs elect the Mandal President (MPP) and Vice President. Number of members ranges from 15 to 23. Each Mandal elects a ZPTC member. These members indirectly elect the ZP President and Vice President. Therefore, each resident of a district of voting age casts ballots for a panch, a Sarpanch, an MPTC, and a ZPTC member. The Zilla Parishad has 7 standing committees: health and sanitation, agriculture, women and child welfare, SC/ST, Backward Caste Welfare, and Education. There are no standing committees at the GP or MP. MLAs and MPs are members of the Panchayat Samiti and ZP, have voting rights, and are authorized to send representatives on their behalves—they are also voting members of the standing committees.

Section 6 of the Act specifies Gram Sabha to consist of all persons who are included in the electoral roll of the GP. Gram Sabhas are to be convened at every village, two times in a year. The Act does not specify a quorum.

District Planning Committees (DPC) have not been formed, despite being mandated by the 74th Amendment. Further, the Chief Planning Officer of the district reports to the Collector and not the ZP—essentially excluding ZPs from planning. The CPO consolidates information collected from the Mandals, ZPs and various line departments and submits them to the Collector. A data base is created but the

district does not function as a planning unit as there is no consolidated plan of for district department—though each has its own plan.

There is a District Development Review Committee (DDRC) in every District, which is headed by the Minister, and all MLAs, MPs and the District-level Chairpersons of different organisations like Co-operative Banks are members. The Collector is the Member-Convenor—assisted by the CPO. There is no specific functions or powers given to this body, but it reviews all departmental work. The projects worth executed Rs.5.00 lakhs are approved by the Collector and DDRC approves of projects above Rs.5 to 50 lakhs.

The DDRC is not connected to the PRIs, except that the Chairperson of ZP serves as its Vice-Chairman of the Committee. However, in the presence of the Minister, MLAs, MPs, the ZP Chairpersons decision making capacity and importance is reduced.

ZP Functions. The functions of the ZP are primarily examining, apprising and distributing funds to MPs; coordinate, consolidate and supervise MP plans; advise government on matters relating to developmental activities and maintenance of district services. The ZPs are also supposed to be in charge of secondary education, vocational and industrial schools, water schemes, maintenance of ZP buildings and roads; and women and child welfare.

MP Functions. MPs are supposed to be in charge of primary education, community development programmes, rural sanitation, maintenance of MP buildings and roads.

GP Functions. GPs are also responsible for maintenance of civic amenities, providing water, resolving social disputes.

Gram Sabha Functions. The accounts of the GP are to be read at the GS, as also the administrative report. The Sabha facilitates in beneficiary selection for various programmes, helps in imposing new taxes, etc.

Administrative Decentralization

In the administrative structure PRIs and Rural Development have separate Secretaries and Commissioners. Also, the engineers fall under a separate Chief Engineer and the separate Panchayat Engineering Department. The name Panchayat Engineer Department may confuse many as it implies that these engineers work for the Panchayats. In fact they work for state government within the panchayat jurisdictions and have all been consolidated into one state department under the Principal Secretary RD and PRIs. Rural development schemes and related funds and staff flow from state government through the Commissioner RD to the District Collector and then to the Project Director DRDA. The reporting lines for RD schemes have not changed with the new decentralization initiatives or the state PRI Act.

At the district level, there is a CEO of the Zilla Parishad who is a class I officer, and a class II officer is the block Mandal Parishad Development Officer (MPDO). The role of the CEO is to assist the AP in implementing its resolutions and to supervise the work of the MPDO. S/he is not accountable to the District Collector but rather reports administratively to the Commissioner PRIs. The District PR Engineering Works Office is headed by the Superintendent Engineer.

Through a separate structure the Sarpanches fall under the control of the Collector, and by extension under the Commissioner and Secretaries for Rural Development. There are District and

Divisional Panchayat Officers, and Extension Officers above the Executive Officers of the Gram Panchayats.

The Mandals form the lowest management unit, for all sectors. (MPDO), is appointed either directly or through promotional channel (30 & 70%). The staff are promoted by the Departmental Promotion Committee. Administrative control is exercised by the concerned line departments. The administrative portion of the CR is written by the CEO at the Zilla, the technical part is done by the higher-ups in the line departments. The ZP, MP and GP representatives / Chairpersons have formal in matters relating to the gazetted staff. They can only question them at panchayat meetings, and also request for a departmental enquiry, or request for transfer of staffs. The ZPP can get an MPDO transferred from one district to another. The MPP can request for a transfer of teachers recruited by the ZP from one block to another.

It is said that the postings, promotions and transfers of all the staff of PRIs, working under the control of the ZP and MP are done by the ZP. The ZP staff, however, includes the clerical and other office attendants, like the typists, junior and senior assistants, stenographers, etc. as well as drivers, sweepers, watchman and gardeners, teachers & engineering department staff are the only “qualified” personnel listed in the information provided by the government—no gazetted staff.

Sector Decentralization

The sector service delivery assigned to the PRIs in AP is negligible. The particular sectors studied - Primary Education, Primary Health, Rural Roads, Water Supply & Extension, are implemented by line Departments, except Water Supply and Rural Roads. So far, the functions and responsibilities to the PRIs pertaining to agriculture extension are restricted to the selection of beneficiaries to various agricultural implements at the Mandal. There are no funds devolved for this purpose.

The budget allocations for sectoral programmes go to the line departments. The salaries are also paid by the line departments. The concerned officials manage the amount disbursed, the CEO at the ZP and the MPDO at the MP are the drawing and disbursing officers. Since the local self governments do not have their own revenues, there is no scope for them to take any major work on their own. There are no cost recovery schemes in any of the sectors.

The 3-tiers have no major role in service delivery, except beneficiary selection. All the decisions are taken by the state government. The centrally sponsored and state sponsored schemes are implemented, based on detailed guidelines from the sponsoring level.

Fiscal Decentralization

Few funds flow directly or indirectly to PRI bodies, despite substantial public spending on rural development. And while both non-plan and plan amounts are transferred to the PR bodies, the non-plan amount is a twice as much. The former is mostly pays for salaries. The non-plan amount covers per capita grants, which amounted to 0.14% of the total (1998-99).

GOAP figures on the amount transferred to the PR bodies as “planned” are misleading. The plan total covers rural water supply and sanitation, as well as rural roads, both of which are under the engineering department. Parts of the basic minimum needs programme are also under the control of line departments. The plan amount also covers JB programme, which is a state government programme. Although the JB amount is shown as released to the PR bodies, in reality, it is released directly to the Collector, who then releases it to the Nodal officer.

The JRY funds, the state's contribution of 20% to the funds released by the centre, are channelled and implemented by the GP but through with DRDA, collector has the power to release the amount.

Conclusion

Rural decentralization in AP is thin at best. PRIs are ignored and marginalized, and government is achieving its local development and local political objectives through JB—a bureaucratic dominated parallel structure. Post-73rd Amendment, there has been little movement forward on strengthening PRIs and government operations in the district can generally be characterized as business as usual. Political decentralization has taken place in the sense that PRIs now formally exist, but they have neither the administrative nor fiscal powers to make them effective. This has diminished them politically as well though political decentralization can be said to exist.

Decentralization in Karnataka

For over a decade now, the decentralization experiments in Karnataka have been going on and these have received attention from both within and outside India. The first decentralization legislation of recent times was in 1983 under the Janatha Dal Party (JP). In 1987, another wave of decentralization was ushered in with a new PRI Act which was considered “radical” and has been widely studied within India and worldwide. Though there has been much backtracking since, Karnataka received acclaim as a mature state in terms of its decentralization. The reality that emerged from the field was less encouraging.

Political Decentralization

The 1993 Act provided for a gram sabha with a three-tier structure of local government. The **gram sabha** is the foundation of the structure, and seeks to enable the people to evince keen interest in the development of their village. It consists of all the voters in a village, and meets four times in a year. The functions of gram sabha are a) to review the accounts and performance of the GP; b) consider the development programmes proposed by the GP; and c) identify beneficiaries for poverty alleviation and development programmes.

The **Gram Panchayat**, the lowest tier, has a population ranging, in general, from 5000 to 7000. All the members are directly elected. The average number of members in each GP in the state as a whole was 14. The functions of GPs include are embodied in the roles of its 3 standing committees:

The **Production committee** undertakes functions relating to promoting agricultural production, animal husbandry, rural industries and beneficiary selection for poverty alleviation—through GS. The **Social justice committee** is concerned with the promotion of educational and other interests of the SCs, STs, backward classes and welfare of women and children. The **Amenities committee** undertakes functions relating to promotion of adult literacy and ensuring primary enrollment, health (mainly sanitation) and public works. Each of the committees will have between 3 and 5 members, and can co-opt other members, if needed. GPs are also to monitor the PDS and prepare annual budgets and plans.

The **Taluk Panchayat (TP)** is also an elected body; each of the members is elected on the basis of one member for every 10,000 population. The members of TP include the elected members, presidents of GP selected on random basis and MLAs in the area, who do not, however, have voting rights. The state has 175 TPs. The main functions of TPs include:

- Prepare: an annual plan that should include the plans of GPs relating to government schemes; annual TP budget to be submitted to the ZP.
- Promote and develop agriculture; train extension for farmers.

- Construct and maintain minor irrigation works, implementing community and individual irrigation works; Maintenance of animal husbandry schemes.
- Rural water supply schemes--improvements to reach 40 litres per capital per day.
- Construct and maintain public roads and means of communications.
- Implement Poverty alleviation programmes.
- Promote: programmes for health, family welfare, women and children; social forestry.
- Report on functioning of GPs particularly concerning meetings of GS and GP functions.

Evidence for the field suggests that in almost all the villages, the GPs are not functioning well, they do not have resources, and their resources are cut at the source. Further, the gram sabhas are not regularly held. Even if they are held, the meetings have become irrelevant in the context of meagre resources and the powers of the TP to overrule gram sabha decisions.

The TP has three standing committees to carry out these functions: **General Standing committee, Finance, Audit and Planning Committee**, and the **Social Justice Committee**—concerned with the welfare of SCs, STs, backward castes and welfare of women and children.

The **Zilla Panchayat (ZP)** or district panchayat is comprised of: a) elected members – one for 40,000 population in general; b) members of parliament and State Legislature; and, c) Presidents of TPs in the district. The MPs and MLAs have voting rights except for election of office bearers or no-confidence motions. The tenure of ZPP is for 20 months, and the post rotated among members. This is done to provide chance to more number of ZP members to become president. The main function of the ZP is to prepare the district plan. Further, ZP integrates the plans prepared by TPs and incorporates them into the district plan.

The other important functions of ZPs are to: Construct and maintain of roads, bridges and other buildings; Establish and maintain agricultural, horticultural and commercial farms; Construct of rural water supply works; Co-ordinate/ implement poverty alleviation and rural employment programmes; Implement watershed and wasteland development programmes. Create, maintain and manage secondary schools; Manage hospitals and dispensaries. Monitor the public distribution system.

ZP functions are carried out by its five standing committees: (1) **General Standing Committee**; (2) **Finance, Audit and Planning Committee**; (3) **Social Justice Committee**; (4) **Education and health Committee**; and (5) **Agricultural and Industry Committee**.

District Planning Committee. The **District Planning Committee (DPC)**. The DPC consolidates the plans formulated by Zilla, Taluk, Grama and Nagar Panchayats and Municipalities in the district and prepares a draft development plan for the district as a whole. The DPC comprises of: MPs and MLAs representing the district; President of ZP; Mayor/president of the municipal corporation/municipal council of the headquarters of the district; Not less than 80 per cent of the total members of the Committee are to be elected from among members of ZPs and municipal bodies in proportion to the rural and urban population in the district; The president of DPC is ZP President, while the secretary is CEO.

Administrative Decentralization

The secretary, who is a government servant, heads the staff of GP. The staff of TP is headed by the Executive Officer who is appointed by the GoK and is a Group A officer. Functioning essentially as the secretary of TP, s/he monitors all the development activities and advises the TP with regard to the inconsistency of any proposal under the provision of the Act.

The staff of ZP is headed by the Chief Executive Officer (CEO), whose rank is at least Deputy Commissioner. The staff of line departments such as health, education, agriculture, women and child welfare, etc. are on deputation to PRIs. The heads of line departments are considered as technical advisors to the ZP. The deputation implies that the ZP pays the salaries of officials from the schemes that are provided to PRIs at different levels. The officials are made accountable to the CEO who will exercise disciplinary powers and gives sanction for leave. The reality is somewhat different.

Fiscal Decentralization

Only GPs have powers to impose taxes. The GPs revenue sources are: i) taxes on buildings, markets, water, entertainment, etc. ii) share of cess on land revenue levied by the government; iii) annual statutory grant of Rs. 2 lakhs to every GP to be utilised for specified purposes such as meeting electricity charges, water supply schemes, sanitation and other welfare activities; iv) allocations under JRY (the amount varying between Rs. 1.5 and 2.5 lakhs); and, v) grants from the GoI under the award of Tenth Finance Commission. The vision of the state government is to ensure adequate financial resources to each GP. In 1998-99, the total amount earmarked for all GPs in the state was Rs. 179.95 crores including the statutory grants, JRY, 10th Finance Commission, etc. The average revenue per GPs was Rs. 3.17 lakhs.

The TPs do not have taxation powers. Their sources of revenue are i) grants from GoK to cover establishment expenses; ii) discretionary grants, also from GoK iii) surcharge on staff duty, which is apportioned among TPs. In 1998-99, the total amount earmarked under plan for TP schemes works out to be Rs. 660.12 crores, including the funds from 10th Finance Commission, additional stamp duty, JRY, etc. The average amount of funds devolved to each TP is about Rs. 3.77 crores.

The ZP also does not have taxation powers. Its main sources of revenue are: i) establishment grant from GoK; ii) grants for plan and non-plan schemes from GoK; iii) grants for EAS, JRY, IRDP and other schemes from the centre and state governments; and, iv) allocation under award of the 10th Central Finance Commission.

Conclusion

The vision of the state that officials will be accountable to elected leaders has not materialized. Tied funds together with limited administrative decentralization are coming in the way of elected leaders exercising the political control. The Act *per se* is weak and has not given PRI leaders control over the officials. An example to this is that they lack of powers to write confidential report on the officials. Further, the interference of local MLA in taluk level decentralised government also reduces the political control of the elected leaders. In the absence of such enabling conditions, whether elected leaders have political control or not depends on their personal attributes, and their political links and/or clout.

The development path chosen in Karnataka appears to be 'through schemes', with the importance of central and state schemes having grown during the past decade. The linkages between PRIs and line departments are poor, and the Collector's control over the resources is considerable and is growing. The

role and involvement of elected leaders of PRIs is at the best consultative and at the worst marginal. Officials seem to expect elected leaders to help them supervise of development programmes without having real say in local development.

Decentralization in Kerala

Political Decentralization

Gram Sabha, which exists at the lowest level for each ward, consists of all the voters in the ward (the average number of voters in the state being 1000). A minimum of 10 per cent of the voters in a gram sabha (30 per cent of them should be women) should attend the four gram sabha meetings held in a year. A voter in the ward is given three ballot papers to elect a member each to ward, block and DP.

Gram Panchayat is the planning and implementation unit for a village, which on an average, consists of 30,000 population. The number of wards in a gram panchayat varies from 9 to 11. The members contest to the wards with political party symbols. The members elect the President, Vice President and chairperson of the standing committee from among themselves. Thus, office bearers are indirectly elected, while members are directly elected. The elected members are paid honorarium, through tax and non-tax revenue mobilised from gram panchayat and grant-in-aid from the government. There will be one standing committee for assessment of tax, finance, accounts and planning.

Block Panchayat consists of population of about 1-2 lakhs. The members, who contest the elections with political party affiliations, will be directly elected from block wards. Block members indirectly elect the president, vice-president and chairpersons of standing committees. There are two standing committees. The first is a Finance and Planning standing committee to deal with related matters including establishment matters. The second is the Welfare standing committee to deal with agriculture, small-scale industries, public health, social welfare, welfare of SCs and STs and public distribution system. The presidents of GPs in the jurisdiction of a block panchayat can participate (and also vote) in the prioritisation of needs only—not to elect the office bearers. The block panchayat does not have provision to mobilise its own tax revenue. A BP is given financial assistance to plan and implement the development activities. The elected members are paid honorarium, sitting fees and travel allowance from a separate grant given by the government.

The **District Panchayat** (DP) consists of up to 25 who are directly elected by eligible voters in the district. DP members indirectly elect the office bearers including the president, vice president and standing committee chairs. There are four standing committees:

- Finance and planning committee to deal with finance, planning, establishment and remaining miscellaneous matters.
- Development standing committee to deal with agriculture, animal husbandry and dairy development, minor irrigation, small-scale industries.
- Welfare standing committee to deal with education, fishing, social welfare, welfare of SCs and STs, poverty eradication, rural development and public distribution system.
- Public works standing committee to deal with housing, water supply and public works.

The DP cannot impose any taxes. It depends on the state assistance for undertaking development activities and for meeting the expenses on salaries and establishment. The salaries to non-elected officials come from the state government. The monthly honoraria paid to the president, vice-president, chairperson of the standing committee and members are Rs. 4000, Rs. 3500, Rs. 2000 and Rs. 1750, respectively, and they are paid meeting and travel allowances.

The **District Planning Committee (DPC)** is set up to scrutinise the plans of local bodies, approve them and prepare the district plan. It also aims to review all the plan and non-plan related schemes. The president of DP is the chairperson, while the district collector is the secretary of DPC. The members (11) come from the DP and the municipalities (1). All the heads of line departments are joint secretaries. The state government nominates a member from either the planning board or from any other department. In addition, the MLAs and MPs are invitees. The meetings of DPC are to be held monthly.

Administrative Decentralization

At the district level, the DRDA is abolished; but not wound up as the body still has assets and liabilities to be cleared. The district collector continues as the chairperson mainly to take care of assets and liabilities. The GoK is contemplating to abolish the functions of DRDA as the decision making body, while retaining the professional aspects of the body in some form or the other. As per the current thinking, the DRDA may be renamed as Poverty Alleviation Cell and may become an integral part of DP with project director reporting directly to the DPP.

Expert Committees. Expert committees were formed by drawing volunteers from the VTC at the district (DLEC), Block (BLEC), municipal and corporation levels. Each expert committee had a non-official as its chairperson. The convenor of DLEC is the collector, while that of BLEC is block panchayat secretary. The expert committees, at various levels, are an advisory arm of the DPC helping the latter to appraise the plans and projects, and on the other hand, a body to render technical assistance to local bodies. The expert committees do not have power to change the priorities set by the local bodies. They only have powers of technical sanction and tender excesses (within certain limits), and have role in plan implementation such as approval of revised estimates, settling disputes in measurement, inspection of all works, verification and approval of performance/completion reports of works (within certain financial limits).

Fiscal Decentralization

As far as sharing of tax revenue is concerned, Vehicle Tax Compensation (VTC) was given to local bodies out of M.V.Tax. The VTC was 25 per cent of the net collection of M.V.Tax and will be distributed among various local bodies as recommended by the Babu Paul Committee. A portion of the income from the sale of court fee stamps will be earmarked for the local bodies. Local bodies were made eligible for 50 per cent of building exemption fee, which may be increased to 100 per cent. Land tax will be doubled, and 60 per cent of the additional income from this tax may go to BPs, and the balance to DPs.

Taxation powers were given mainly to GPs, municipalities and corporations. Building tax, which hitherto was collected by the government, was assigned exclusively to GPs and municipalities. A new method of arriving at rental value of residential buildings was suggested, and minimum half-yearly property/building tax was fixed at Rs. 15 in panchayat area, and Rs. 20 and Rs. 25 in municipalities and corporation areas, respectively. District panchayats are empowered to levy a tax on the sale of immovable property priced at Rs. 25,000 or more at the rate of one per cent of the sale price. Library cess will continue to be collected by local bodies.

The total plan outlay is distributed to rural and urban areas in the proportion of 85 per cent and 15 per cent, respectively. Out of the rural share, 70 per cent goes to GPs, 15 per cent goes to BPs and 15 per cent goes to DPs. Only the local elected bodies have full control on the utilisation of this money.

After the decision to devolve all the financial powers to local decentralised government was taken in 1996, 35 to 40 per cent of plan expenditure is earmarked to plans prepared by the local decentralised bodies. The state government has given all the powers to local decentralised bodies to make their plans to utilise this almost untied money.

Nowhere else in India does the State Legislative Assembly pass budgets for the PRIs. The amount is fixed for each of the district, block and gram panchayats (in Annex 4 of the State Budget). As a result, each PRI knows in advance the funds at their disposal.

Flow of funds

State government releases funds to implement the plans in four instalments. A PRI has to spend at least 75 per cent of the earmarked funds to be eligible to receive the same level of funds in the following year. The DPs and BPs are given funds directly, while the funds earmarked to GPs are released to Deputy Director Panchayats (DD) in each district. The DD will transfer the funds into PD (treasury) account. At this point it becomes the GP's fund. The treasury will honour the cheque only when it is accompanied by the GP resolution.

GoK has broadly earmarked devolved funds as follows: 40% for the productive sector (agriculture, animal husbandry, industry, etc.) 30%, for infrastructure (public works);and, 30 % for services (housing, etc.). GoK has also issued guidelines a 'negative list' of items not to be finance with the resources. If a GP were not able to spend money for the sectors in the proportion specified by the government, the following year's funds would be reduced.

Conclusion

On the whole, the vision of the state government is progressive, and a stepping-stone towards democratic decentralization. Serious efforts are being made to translate the vision at the grassroots level. However there are some outstanding issues in Kerala's decentralization which make the PRI system fall short of local government status.

The decisions such as making one-third of the development funds available to the local bodies, transfer of implementing officials, implementation of work through beneficiary committee, a new beneficiary selection method and the people's campaign are interesting and bold. These have resulted in considerable enthusiasm and interest among the public, and to some extent, helped to raise issues relating to democratic decentralization. However, to some extent the reforms relating to decentralization have suffered due to mystification associated with technical aspects, and to that extent, there is contradiction in the decentralization process.

Decentralization in Madhya Pradesh

Political Decentralization

The three levels of local government are: Zilla Parishad (ZP) at the district, Janpad Panchayat (JP) at the block; and a Gram Panchayat in every revenue village. The representatives of each body are directly elected to a 5 year term, including the Sarpanch (GP President). All PRI Vice Presidents and JP and ZP Presidents are indirectly elected from among members. For GPs, elections are to be held on a non-party basis. At the base is the Gram Sabha--the General Assembly of all voters residing within the

constituency area of the Gram Panchayat. Each eligible voter within in district casts four votes: one for the Panch of his/her ward; one for the Sarpanch, one for the Janpad representative; and one for the Zilla representative. To be eligible to vote one must be on the electoral roll--over 18 years of age and must be a resident of the area. There are reservations for all ZP, JP and GP seats and posts.

Zilla Parishad (ZP). Each ZP consists of directly elected members, and the President and Vice President, who are indirectly elected. MPs and MLAs are voting members (except electing or removing office bearers), and are authorized to send representatives on their behalves. The number of members ranges from a minimum of 10 to a maximum of 35, depending on the population of the district—one member per fifty thousand population.

The ZP functions through committees, and can constitute 5 standing committees: general administration, agriculture, education, communication and works, co-operation, and industry. The general administration committee is comprised of the heads of all other committees and is chaired by the ZP President. The ZP Vice President chairs the Education Committee. The ZP can also constitute other committees with the approval of the prescribed authority (Collector). Committees may co-opt relevant experts to serve as non-voting members or to attend specific meetings.

With respect the their assigned functions, ZPs role is limited to co-ordinating role, guiding, and advising JP and GPs and advise state government in development work. They are not directly involved as service deliverers or managers.

The Janpad Panchayat (JP) is similarly constituted as the ZP, including committees. Members range from 10 to 25, based on a ratio of 1 per 5,000 population. MLAs and MPs are voting members of the JP and are authorized to send representatives on their behalves.

The JP coordinates GP action plans and submits them to the ZP for consideration. The JP also has some regulatory powers with respect to building construction, water use and sanitation, establishment of workshops and factories, environment, and regulation of markets, etc. GPs have regulatory powers over the same areas, with sanctioning powers (approval authority) powers GPs and JPs subject to fiscal thresholds. Like the ZP and JP, the GP has also has standing committees. Senior state officials explain that the JP also has some important functions under integrated rural development, agriculture, animal husbandry, and adult education, primary health and sanitation. It also has the power to transfer class 3 officials within its jurisdiction. However, in the field, the JP emerged as little more than a “clearing house” through which GP plans are passed upwards. Many JP members perceived their roles and the JP as meaningless.

The Gram Panchayat (GP) consists of 10 to 20 Panches. It is headed by the Sarpanch and has an Upa-Sarpanch (Vice President). A GP with 1000 members or less would have 10 Panches. For each GP of more than 1000 population, the number of members depends on the number of wards. The Gram Panchayat is a revenue village. It may cut across more than one traditional village, constitute a cluster of traditional villages.

GPs have been assigned municipal functions such as cleaning drains, street lighting, register births and deaths, and resolving social disputes. They also function as the ground level implementing agencies of all developmental projects (schemes) worth less than three lakhs.

The Gram Sabha (GS) is defined as all the members of cluster of villages that are included in the jurisdiction of the GP. The 1994 PRI Act, and subsequent amendments, stipulate that a GS must be held at least once per quarter, and there one-tenth of the total number of registered voters must be present

to for a quorum—at least one third of all present must women. The Sarpanch can be removed from office for failure to hold GS meetings.

The principal roles of the GS are: (i) to select beneficiaries to qualify for various government schemes, based on scheme criteria ; (ii) set priorities on which GP action plans are to be based; (iii) inspect GP accounts one meeting each year--mandatory under the Panchayat Act.

District Planning Committee (DPC), set up in April 1, 1999 is the state's district government. Membership is drawn from elected representatives of the ZPs and municipalities according to population weights. It includes MLAs and MPs whose constituencies fall with the district boundaries as voting members. The government may also include outside experts as special invitees or to attend specific relevant meetings. The Chairman is a Minister of the State of the government. To provide administrative co-ordination, and the necessary bureaucratic approvals, the Collector has been made member Secretary of the DPC and Deputy State Secretary. GOMP says that the DPC doesn't have its own funds, only sanctioning power, which was earlier exercised from the capital. Furthermore, DPCs are only concerned with functions not in the jurisdiction of PRIs and urban bodies. The DPC is authorized to sanction projects that cost between 15 lakhs and 50 lakhs.

PRI leaders complain bitterly that the DPC has usurped the powers of the ZP in particular and the PRIs in general. They accuse the Ministers of State, Collectors, MLAs, and MPs of ignoring the prioritizations and plans sent from below and making arbitrary selections of which areas will benefit from schemes, based on narrow political considerations.

Administrative Decentralization

According to State Government, district and Janpad officials, and the DRDA, have been placed under the jurisdiction of the respective elected representatives, the ZP and JP. The IAS officer who was previously the DRDA Director has become the CEO of the ZP. All department heads report administratively to CEO of the ZP who plays a "coordinating" role. The CEO ZP holds the rank/post of Additional Collector for Rural Development, and reports to the District Collector who also writes his/her ACR. The CEO ZP writes the annual confidential reports (ACR) of class 2 and 3 civil servants. Prior to the creation of the DPC, the CRs of District Department Heads—District Education Officer, District Health Officer, etc—were written by the Divisional Head—Education, Health etc. Now the Collector writes these ACRs. A similar arrangement exists at the block level. The Block Development Officer is now the CEO Janpad. S/he plays a similar role at the block level as CEO ZP.

A field examination of administrative arrangements revealed that there is in fact very little decentralization of sector services. Except for the Veterinary Services etc. described above, the Education Guarantee Scheme (EGS), and a few health schemes (e.g. anganwadi), sectors remained the purview of state line departments. In the sectors reviewed, primary education, primary healthcare, rural roads, rural water supply, and extension, line department staff at the block level report to the district level, which in turns reports to the divisional level or directly to department headquarters in Bhopal. This chain of command is both administrative and technical. On technical matters, a Block Education Officer would report to a District Education Officer, who in turn would report to the Secretary of Education (Primary) at the state level. The PRIs have no role in personnel matters relating to gazetted staff, beyond complaining about and/or requesting transfers of staff with whom they are dissatisfied. Only state government can promote or dismiss gazetted staff.

For some sectors, notably Veterinary Services, Animal Husbandry and Fisheries Department, the state has declared a "dying cadre". This reform applies only to class 3 and 4 civil servants in declared

departments. Class 3 and 4 under ZPs who retire will not be replaced by the GOMP but by nominees appointed by the PRIs. State government will pay stipends for these new staff, based on a lower pay scale. GP has been assigned a Secretary, who is a low-level government functionary. These functionaries are part of the dying cadres.

GOMP plans to give the power to transfer teachers to the Janpad Panchayat, as well as sanctioning power for pension schemes. The status of these proposed reforms is not clear.

Fiscal Decentralization

As of fiscal year 2000/2001 the budget of the DPC will form a distinct part of the annual state budget. Revenue allocations to the district will be earmarked by major heads (expenditure categories) to allow line DPCs to plan better. The line departments will have very little discretion to reallocate resources across heads but the DPC will such discretion within major expenditure categories, subject to state rules/priorities.

he ZP and JP are entirely dependent upon devolved funds. The GP has some minimal powers of taxation, as well as the authority to levy user charges for services. Field investigations showed that sector fiscal decentralization is minimal and line departments continue to control nearly all resources. Block offices and officers receive their yearly budgetary allocations from their line departments. Since PRIs have negligible own revenues, they do not enter the sector funding equation.

Centrally and State-Sponsored Schemes

In MP the important schemes implemented are integrated Rural Development programme, Jawahar Rozgar Smridhi Yojana (JGSY), Employment Guarantee Scheme, Indira Awas Yojana, Watershed and social security schemes (pension). Beneficiary selection for the schemes is done by Gram Panchayats through Gram Sabha, based on poverty criteria. The resources under development schemes are 'tied' to specific state and centrally sponsored schemes. (JGSY funds are somewhat more flexible.) PRI members are demanding 'untied' resources so as to have enough flexibility to match the people's priorities with development works.

Conclusion

When measured in terms of devolution of powers to PRIs, actual control of political decisions, funds, and staff, for assigned functions, decentralization in MP falls far short. However there are movements in the right direction, and some evidence of positive changes.

The PRIs have emerged with the primary role of beneficiary selection, though the evidence suggests that the District Planning Committee undermines this function. The DPC is an important innovation of state government, which has deconcentrated state government. For the near term, the its has lead to substantial increases in administrative responsiveness to intra-district issues. Bureaucratic turn-around time has been greatly reduced. Collectors, CEOs of ZPs, district department heads, and Ministers of State Government, MLAs, and most other state-level actors are happy with the DPC. In addition, the new district government has been a political triumph for the state, paying handsome political dividends within and without. Other states, most notably UP are keen to adopt and capitalize on the benefits of the MP model. Meanwhile, PRI representatives at all levels bitterly complain that the DPC has usurped them rather than decentralized power, and made a mockery of local planning and prioritization, local development, and local government.

Decentralization in Maharashtra

The State's Vision of Decentralization

Maharashtra has two separate Acts - one for the village panchayat and another for the Panchayat Samithis and Zilla Parishads. Both the Bombay Village Panchayat Act, 1958 and the Maharashtra Zilla Parishads and Panchayat Samithis Act, 1961, were amended in 1994 bowing to the 73rd amendment of the constitution to remove the inconsistencies.

Political Decentralization

There has been an attempt to create linkages between the 3- tiers, by giving representation to the members of the lower- tier in the higher bodies of the panchayats. The Chairman of the PS are given representation at the ZPs, the committee of Sarpanchs find representation at the PSs, thereby bringing in “organic” linkages between the tiers. The Gram Sabhas form the base of the system.

The ZP is comprised of Counsellors (members) elected directly, the President and Vice-President are elected from amongst the members. A Counsellor is elected from a population of 36-40,000, with the stipulation that each ZP should have not less than 50 and not more than 75 members. The Chairmen of all the PSs in the district are also members of the ZP. The elections were held in March 1997, the state is not due to hold another panchayat election to ZPs and PSs until 2002.

Maharashtra uses the “committee system of governance”. There are nine subject committees: finance, works, agriculture, social welfare, education, health, animal husbandry and dairy, women and child-welfare and water conservation. The Chairmen of the subject committees are the members of the standing committee. The ZP Chariman heads the standing committee, which supercedes all the subject committees.

Panchayat Samitis. Like the ZP, the election to the PS is party-based. The elections to the members is direct, and the elections of the Chairmen and Vice-chairmen is indirect. There are two PSs, to every ZP. Each electoral division of the Zilla is divided into two electoral colleges. The population ratio, there by the number of members of the PS are dependent on the ZP. The term of membership is for five years, the President and the Vice-president hold office for a year, on a rotation basis. There are no committees at the PS.

Gram Panchayats. The number of members of a GP ranges from a minimum of 7 and a maximum of 17, elected from multi-member wards. The Sarpanch and Upa-Sarpanch are indirectly elected. The functions of the GP include maintaining cleanliness of the village street lighting, register births and deaths. Several of the development projects are implemented by the GP.

The Gram Sabha (GS) consists of persons registered in the electoral rolls of village or a group of villages within the area of the panchayat. The GS must be held at least four times per year. The GS functions are to: facilitate beneficiary selection for various programmes; approve the audited GP account. Maharashtra also has Ama Sabhas at the block.

Administrative Decentralization

The PRIs are under jurisdiction of the Rural Development Department (RDD). The Secretary of Rural Development and Water Conservation is in charge of both Rural Development and Panchayat Raj.

S/He is assisted by four officers -Deputy Secretary, Monitoring Unit, Joint secretary, (as many as seven Deputy Secretaries for SGSY schemes). All are Class I Officers. In addition to revenues, the Commissioner of Revenue is responsible for rural development.

The ZP staff is headed by the Chief Executive Officer (CEO), who is IAS officer. S/he is exclusively appointed for discharging rural development functions. S/He is assisted by three Deputy CEO's, who are recruited to the ZP from the RDD, by the Maharashtra Development Service Board. The other officers (7 in member) assisting the CEO are from various Line (state) Departments, their appointments and transfers are with the parent body, the salaries are disbursed by the ZP/CEO from the amount allotted as the salary grant. The CEO is also the Chairmen of the DRDA.

The CEO reports to the Divisional Commissioner of Revenue. The other important administrator at the district is the District Collector, who is also an IAS Officer, working under the administrative control of the Divisional Commissioner. He is assisted by a sub-divisional Class I officer at the district and Tahasildar (deemed as Class I) at the block level. The Collector, however, is not responsible for the rural development programmes. His role is regulatory, maintaining law and order and the like.

The Block Development Officer is the Executive Officer at the PS. In the same line of hierarchy, are the Deputy Engineer and Block Education Officer (Class I & II Officers), Agriculture Officers (both class II & III), Extension Officers, one each for Agriculture Panchayat and Social Welfare, Education and Health, and a Junior Engineer and Veterinary Officer. They work with the officers of the district and state departmental officers. DRDA programmes are implemented by 3 Extension Officers—for IRDP, Statistics and Industries.

The GPs are assisted by the Gram Sevaks who are Class II officers appointed by the CEO/ZP. The salary of the Gram Sevak is paid by the ZP, through the BDO. There are as many as 14,007 Grama Sevaks in Maharashtra. The bigger GPs are assisted by the DPO (Divisional Panchayat Officer). The Class II officers are from the State Line Department (Gazetted). Class III & IV are of the district cadre (non-gazetted), appointed by the ZP, transferred within the district by the CEO. They are recruited by the Regional Recruitment Board. The ZP makes their appointments.

The District Planning Committee

In view of the 74th amendment, the DPDCs have been dissolved with effect from 15th March 1999, in order to create District Planning Committees, with the Guardian Minister of the district as the Chairmen and the Collector as the Member Secretary. The main functions of the DPC include preparation of the Draft Plan and the Five Year Plan for the district, monitoring and reviewing of development plan, recommending the sanctioned development plan of the district to the state government. The DPC also discusses and decides on DRDA programmes.

Fiscal Decentralization

The local bodies receive grants from the state and central government for to implement schemes and programmes. The state government releases grant to the ZP, from the ZP the funds are released to the PSs and GPs. The ZPs or the PSs cannot levy taxes directly. The cess on land revenue from the ZPs/PSs "own funds", for which they are required to pass their budget estimates. The Finance Committee of the ZP scrutinizes the annual budget estimates, income and expenditures of the ZP and PS and performs an advisory function.

The GP's have some taxation powers: tax on buildings, pilgrim tax, tax on fairs, festivals and entertainments, professional tax, tax on bicycles and vehicles drawn by animals are some the taxes levied. In addition, a fee on market and weekly bazars, car and tonga stands, for supply of water, for grazing cattles and the like are listed (S.124). The funds collected can be used for purposes of development. The JGSY funds are released directly to the GP's.

The ZP's are given a commission of 5 percent for implementing these schemes which cover Employment guarantee, Natural calamities, Arts and Culture, RD programme, Medical and Health, General Education, Family planning, Crop development, MLA fund, Social security and welfare.

Schemes and Sectors

GOM says that it has transferred Primary education, Primary health, Rural roles, Water supply & Agricultural extension to local bodies. This has been partially done.

Of 64,000 primary schools in the state, 52,000 are under the ZPs and 4,000 under the Nagarapalikas (Municipal bodies). The rest are in Corporation area and /or private schools. If there are no schools in a village with a population of 100 or within a distance of one and a half kilometers from a village, the ZP is authorized to start a school.

In the sector of health, some of the schemes are implemented by the line departments and others by ZPs. Water supply and rural roads are supposed to be under the ZP, but in reality only maintenance. Village and district roads are under the ZP, the rest are the state managed.

Administratively, the PS is the lowest management units, for all sectors. Gazetted staff consider themselves to be working on deputation from the state, not PRIs employees. The administrative portion of their ACRs are written by the BDO and the technical part by the concerned line department heads. PRI representatives have little say in matters relating to the appointment or transfer of officers however their requests can trigger departmental enquiries.

The budget allocations for sectoral programme are through the line departments. The salaries and funds for the programmes are transferred to the RDD as a shadow budgetary provision. From the RDD, it is disbursed to the CEO who facilitates the implementation. Since the local governments do not have their own revenues, they cannot initiate any major works. Funds for major road works are provided by the MLA funds, and channelled through the DPC.

For developmental schemes the funds are given by the center and by the state governments, many of the central government schemes like the IRDP, JRY, EGS, etc are implemented. The First schedule of the act (S. 100) enumerates the subjects – agriculture, animal husbandry & dairy development, education, medical & health, social welfare, and the like, the schemes of which the ZP executes and maintains. The government transfers such schemes to the ZP.

In most schemes, the selection of beneficiaries is done at the GS, say for example for Indira Awaaz Yojana programme, the list is sent to the GP and PS. PS scrutinizes the rules and regulations as prescribed by the DRDA. The Guardian Minister is the final sanctioning authority. The additional CEO, in charge of the DRDA prepares estimates, valuation, releases funds, & supervises the work.

Conclusion

The state of Maharashtra has one of the longest histories of strong PRIs in India. The system has been in existence for more than four decades. The Institutions have been the political training ground, with many from these bodies having entered state politics. From 1962-1972, the state enjoyed a golden era of decentralised governance, with many progressive measures being introduced. People opted to be a ZP chairperson then an MLA.

However, even in a “progressive” Maharashtra, PRI’s are looked as bodies which are responsible for the execution and maintenance of development works and schemes. The state makes no bones about the fact that decentralization is attempted because it cannot deal with all aspects of governance. To this end, the local bodies have become the delivery systems. Most of the core development functions which fall outside of schemes are still implemented directly by officers of line departments.

The state takes the view that it is “transferring” funds, functions and functionaries to the local governments to the best of its ability. Eleven of twenty nine subjects are said to have been transferred. Senior state officials point out that, for e.g. Agriculture as a subject, cannot be devolved to the local bodies, as it is a state subject only agriculture schemes can be devolved.

While better than most in India, Maharashtra’s rural decentralization can best be described as modest, requiring significant strengthening on the fiscal and administrative front to maximize the potential of its PRIs.

Decentralization in Rajasthan

Political Decentralization

This new thrust, according to the officials, is within the idea of such local bodies being suitable agencies for the implementation of development projects--as enunciated by the Committee to Review the Community Development Programme in the 1950s. The constitutional concept of "bodies of local self government" does not go beyond this idea of project implementation in Rajasthan. Schemes of development are designed at higher levels--the union and state governments. Inter-se priorities among them are also decided at these higher levels.

Officials explained that local bodies then are expected to implement them as per norms defined at higher levels. This is expected to improve efficiency. Priority setting, for example, is in ordering projects among villages and within financial parameters, not in choosing across schemes. This is a step forward from the earlier situation in which local bodies had no formal status or role at all.

The GOR set up a High Powered Committee of officials in 1999 under the Chairmanship of the Development Commissioner on Decentralization of Powers. The recommendations of the committee were accepted on 2 January 2000 and orders are being issued to implement the following changes in the line departments:

- In Medical and Health, all PHCs and subcentres to be devolved to the PRIs
- Family Welfare, to be monitored by PRIs
- Administrative control of ayurvedic drugs of category B--to village level--technical control vests with the Department

- Non-conventional energy--street lights, windmills, solar cookers--to PRIs
- Handpump maintenance to PRIs
- Village Forest Committee will be monitored by GP
- Transfer of veterinary sub-centres, with staff, to PRIs
- Fishing ponds, tanks of D category to PRIs
- Agricultural extension workers to PRIs
- SC/ST hostel supervision to PRIs
- Adult and Non-Formal Education to PRIs
- Anganwadi centres to GPs, CDPOs to PS, district level officers to ZP
- Irrigation tanks upto 200 acres to PRIs
- Khadi units supervision to PS
- Allotment and monitoring of fair price shops to PRIs at all levels

Although orders have been issued, officials felt that since government moves slowly it would be reasonable to expect that these new changes will become operational by the next financial year--starting April 1, 2000.

Administrative Decentralization

The existing structure of local administration has been modified to suit the new local bodies. At each level, the elected head--pramukh, pradhan and sarpanch--have been given the authority to countersign cheques of the elected body, along with the administrative head.

At the Zilla Parishad level, the day to day administration is handled by the Additional CEO--often an officer of the Rajasthan Administrative Service [RAS]. He is supervised by the Project Director, DRDA, in his ex officio role as CEO of the ZP. He writes the Annual Confidential Report [ACR] of the ACEO. The PD/CEO's ACR is written by the collector of the district. The Pramukh is to supervise the work of the CEO. With the Pramukh becoming the Chairman of the DRDA, both agencies--GP and DRDA--come under the same elected person. It is for this reason that officials say the DRDA funds the ZP. But the division of powers in the DRDA, officials acknowledge, makes the collector the main decision maker. Given the traditional importance of the collector's office, this is how it should be.

The BDO at the middle level can sign cheques upto Rs 2,000/- by himself. It is only higher amounts that need the signature of the pradhan. The pradhan and the sarpanch have no say in the writing of the ACRs of these officials.

The gram panchayat has a *sachiv*--a secretary--who is a government employee, paid directly by the state government. He works under the sarpanch. Cheques have to be jointly signed by the sarpanch and the secretary.

Fiscal Decentralization

The total money transferred for the agency function --the PRIs acting for the GOR--was Rs 39113.36 lakhs in 1995-96--over 77% of the total amount "transferred" to the PRIs. In 1999-2000, this was 72% of the total amount "transferred". The total figures represented 85% and 71% in 1996-97 and 1997-98 respectively.

The Tenth Finance Commission has recommended--and GOR has accepted--that the money given under this head be used for capital expenditures.

The SFC has recommended that 2.1% to 2.3% of state revenue be devolved to the PRIs. This is given on the basis of Rs 5.25 per head per village per year to the GP on the basis of the 1991 population. For the PS a sum of 0.25 rupees per head per year has been recommended.

In lieu of octroi which has been abolished, a sum of 375 lakhs of rupees per year is to be transferred to the PRIs. This is to increase by 10% per year. The salaries of the staff in PRIs are the same as GOR staff. This is borne by the GOR. There is no proposal to permit local bodies to recruit and pay their own staff.

The budget of the Department of Panchayati Raj, which is the main source for transfer of funds to PRIs, was Rs 900 crores in 1999-2000. Some of the expenditure of line departments is also spent through the PRIs, but the quantum could not be ascertained. This would be classified as state government expenditure in the district, and not as ZP expenditure.

Sectors and Schemes

The PRIs are concerned with the development and social sectors--rural development, education, health, drinking water and the like. Work in each of these sectors is undertaken through different schemes, each with a specific purpose. They are designed and funded by the various ministries of the GOI and sometimes by the line departments of the GOR, which remain responsible to the Assembly on all matters. The vehicle for implementing these schemes is the DRDA. The PRIs are meant to oversee the implementation of these schemes--no more. PRI members can bring to the attention of officials problems that may exist in a specific place where projects are being implemented.

All work at the district level is through schemes--there is no "free" or "untied" money. The District Rural Development Agency was set up in 1980 to implement centrally sponsored schemes. There was a local DRDA council which consists of district level officers--DLOs--with the Collector as Chairman. MPs and MLAs are members of the DRDA. Recently, some eminent local citizens have also been included.

The powers of the DRDA were vested in the Collector as Chairman of the body. For day to day implementation, an Additional Collector [Development]--from the RAS or IAS was appointed to work under the Collector. The DRDA was registered as a society and it received funds directly from the different departments of the Union government and implemented the schemes. It did not have the power to re-apportion funds across schemes.

The difference after strengthening the PRIs is as follows. One year ago the zilla pramukh was made the Chairman of the DRDA. The powers of the body have been vested in a new position of Executive Director, and the Collector has been made the Executive Director of the DRDA. The day to day operations have been entrusted to an official of Additional Collector rank [from the RAS or IAS] who is called the Project Director or PD. Since the PD has also been made ex-officio Chief Executive Officer of the ZP, an Additional CEO has also been appointed for the work of the ZP. The CEO is referred to as the PD/DRDA--it is clear where his main responsibility lies. The Collector continues to exercise all powers under the designation of ex-officio Executive Director of the DRDA. The DRDA is free to choose the body that implements its projects. In this there is no change. Today, the PRIs are an additional implementation mechanism for the DRDA.

Conclusion

Rajasthan met the minimum constitutional requirements after the 73rd amendment by 1995. The new bodies were constituted, but the system has been working more or less as before, with officials at the district and in the line departments functioning by paying lip service to the PRIs. Just as many line departments have offices at the district and sub-district levels, now the Panchayati Raj department too have them. While there are elected PRIs, the basic character of district administration remains unchanged. It is still almost completely managed by the state government.

Decentralization is limited to giving a role to the local bodies in choosing from a menu of schemes, in selecting beneficiaries, and in monitoring the work of local officials on a day to basis-- particularly in terms of attendance. The Gram Sabha meets and selects projects that need to be done in a panchayat area. This began to change a little in 1999 after the change in government. Amendments have been made to the Act, several functions have been officially devolved to these bodies from line departments, and the vision is to accelerate this process. While this is true, the fact remains that change has yet to reach the districts or below.

Decentralization in Uttar Pradesh

Political Decentralization

There are 83 districts in UP, each has an elected Zilla Parishad. There are also 902 Kshetra Panchayats (KP) and nearly 59,000 Gram Panchayats. Each is an elected body with an indirectly elected President and Vice President. Office bearers and members serve a 5 year term. All three bodies have six subcommittees to carry out their work.

The Zilla Parishad is headed by the Adhyaksha (President) who is indirectly elected. The ZP composition is: (i) Pramuks for all Kshetras in the district; (ii) directly elected ZP members, (iii) MPs and MLAs from the district.

The ZPs have been conducting meetings at regular intervals in the districts visited. The Adhyakshas however felt that not much was achieved. ZPs seem to have few decisions to make. Proposals from the lower levels are reviewed, approved and sent to the DRDA for funding. But there is no assurance that the DRDA would then assign the work to the ZP.

The **Kshetra Panchayat (KP)** is the middle tier of the local government system. Its membership includes:

- KP member directly elected from wards of about 2,000 population;

- Pradhans (Presidents) of GPs in the Kshetra; MPs, MLCs and MLA representing constituencies wholly or partly situated in the kshetra area.

The KP will be responsible for executing works such as roads, that fall between different GP jurisdictions, and for block rural development work—primary health centres, the Veterinary hospital and the seed centres of the agriculture department. KPs will also monitor the PDS.

The directly elected KP members want authority to implement projects and are unhappy that pradhans have responsibility for supervising works. They refer to themselves as BDC members--Block Development Council in the earlier system--not as KP members. They resent pradhans, because pradhans

exercise power even in the KP jurisdiction because as ex-officio members of the KP, the pradhans can often outvote the directly elected KP members.

The **Gram Panchayat** is the basic unit at which works are implemented. GPs in UP generally consist of 1 to 2 villages. They are classified into 4 groups: GPs with a population up to 1000 have 10 member; GPs with a population up to 1500 will have 12 members; those with a population up to 2000 have 14 members, and GPs with larger populations have 16 members. In each case the number of members includes the directly elected Pradhans.

In the hill areas, typified by Naini Tal, a large number of persons were "elected unopposed" to the GP--including the pradhans. In these areas there is a traditional "Siana"--a respected village elder, who fulfils the role of judge. If he suggested names for election, then there would be no other candidates. This did not appear to happen at higher levels—KP and ZP.

Accountability is supposed to be through the **gram sabha**. There is not much discussion about the Gram Sabha--the collective of all citizens in a village. Pradhans seem to use the words gram panchayat and gram sabha interchangeably. Two meetings of the gram sabha--the rabi and khariff meetings, are mandatory. In these meetings, accounts of the past six months, and audit comments are to be presented and discussed. This body is also responsible for selecting beneficiaries for different schemes. GS attendance does not appear to be high.

The District Planning Committee

The District Planning Committees (DPCs) are being set up. The state passed the Uttar Pradesh District Planning Committee Act in 1999. The DPC will consist of members elected from the rural and urban bodies on the basis of the population. 1/5th of the members will be nominated by the state government. Nominated members will include:

- One member of the state cabinet--often a person not from the district; the head of the ZP; The head of the urban body in the district headquarters; The District Magistrate (DM); and Co-opted members--the government does the co-opting.

The size of the DPC will vary between 20 and 40 persons. MPs, MLAs, MLCs will be permanent invitees. It is not clear if they have voting rights. The Chief Development Officer (CDO) will be the ex-officio Secretary of the DPC, and the district Economics and Statistics Officer will be the ex-officio Joint Secretary of the DPC. These bodies will operate from the financial year 2000-2001 and will meet every 3 months.

The DPC will have the following functions:

- Determine local needs and planning objectives as part of national and state objectives
- Collect, compile, update data on natural /human resources, prepare block wise maps
- Enlist and ascertain facilities available at village, block and district levels
- Make plans for the maximum/optimal use of natural and other resources
- Consolidate district annual and five year plans in accordance with larger national and state priorities and objectives
- Prepare employment schemes for the district
- Assist in financial planning for the district
- Review, evaluate and provide feedback on schemes being implemented in the district
- Allocate the cost of implementation for sectoral and sub-sectoral projects within the overall structure of the district development scheme

The DPC will co-ordinate the planning process. Each village will be asked to make a plan and send it to the KP, which will prepare an overall KP plan. These will be sent to the ZP, which will prepare a district plan. Together with the plans from the urban bodies, the DPC will prepare and approve the district plan, within the budget approved by the State Assembly.

Once the DPC finalises the plan, funds will be released by the District Magistrate. (The DM has been designated a Special Secretary of the Finance Department for the district).

Administrative Decentralization

Staff at the district level have been “transferred” to the ZP and will work under the control of the CDO, who will write their ACRs. The ACR of the CDO will be written by the DM, with comments of the president of the ZP being recorded without change. This seems to be a significant step forward in terms of empowering the local bodies.

On matters outside PRIs’ jurisdiction, such as DRDA projects, the civil servants are accountable to their departmental seniors. Financial approvals remain as before, the change being that the elected official must co-sign cheques. Conduct and disciplinary rules remain unchanged for civil servants. The elected officials have no role in this process.

The DRDA continues to exist. However, the Adhyaksha of the ZP has replaced the DM as the Chairman. The chairs of all the ZP committees, and the pramukhs of one-half of the KPs--in rotation for one year--have also been made members of the DRDA. The CDO has replaced the District Magistrate as the Executive Director of the DRDA. However the state has delegated powers to the ED not the DRDA Chairperson. Through the CDO in his double capacity the bureaucracy retains control over the DRDA.

At block (KP), staff report to the BDO, and the BDO to the pradhan. But the line departments are also at work, and the KP has no executive role with regard to sectoral functions. Though they may monitor projects in their area. The GP pradhans can complain about local civil servants and exercise some authority over them, but the KP members feel powerless.

Junior employees of 4 departments--[1] basic education, [2] medicine, health and family welfare, [3] women and child welfare and [4] Livestock Development-- have been transferred to gram panchayats, as a multi-purpose worker (VDPOs), one in each village. In larger villages, there may be 2 VDPOs--one appointed by the GP as secretary. The number of departments to be covered by the multi-purpose worker is to be increased gradually. GPs complain that VDPOs are of low quality.

In the next phase GoUP plans to transfer workers of other 12 departments to the GPs. There will be no further recruitment by the state in these areas. GPs will recruit and contract, and GoUP will provide an honorarium of Rs 2250. [The average salary received now is Rs 7000].

Fiscal Decentralization

The earlier UP Act empowered ZPs to collect taxes on weekly markets--and they do so. But the 73rd amendment gives this power to the GP--which cannot now collect this tax as the ZP is already collecting it for many years.

The KP does not get funds it can spend on projects. It has enough for its office, and the officials stationed at this level are paid by the state. The BDC members resent this deeply. They are aware that

they have some powers to levy tax--they say people are too poor to pay tax, and this is not an option they consider relevant. They want a devolution of funds that they can use for patronage. If MLAs and MPs can get such a fund, why not us they ask. Then we could make the pradhan listen to us!

Further, GPs with a 7 km radius of a municipality have a problem. If they have land that could be used for commercial purposes—e.g. shops--the permission for such use is given by the ZP. But the development charge that is levied on the shop-keepers goes to the municipality. The GP gets nothing but are asking for at least 50% of these receipts. The state had promised to give 25% of stamp duties to the GP in which the registration took place but so far has not. GoUP argues is that this money goes into a divisible pool from which GPs get a share according to the finance commission recommendations.

Conclusions

UP's decentralization process is in flux. There are lots of plans but not much has been implemented. Most of is envisioned if effectively implemented would go some way towards strengthening decentralization to PRIs. In particular, the decision to include a non-changeable comment on the performance of staff in their ACRs that is written by the PRI head of the level is a useful first step/innovation in providing some incentives for civil servants to respond to PRI needs. Yet this may not be sufficient. More fundamental administrative reforms, and fiscal devolution can further strengthen the UP rural decentralization.

I. Decentralisation in Andhra Pradesh

1. INTRODUCTION

With the introduction of the 73rd and 74th amendments to the constitution, the Panchayati Raj System, which emphasises on people's participation in the process of development and governance, has gained considerable importance in India. The amendment mandates a three-tier elected structure at the district, block and village level, there by bringing administration close to the people. Ensuring reservations to the earlier marginalised groups of women and oppressed caste-SC, ST and Backward Community, are attempts made to create a just and participatory society. The experiments with Panchayati Raj Institutions in different states have been different, while considerable power and functions have been developed in some, it has been restricted in a few. Whatever the degree variance, local self governance are here to stay and cannot be totally ignored.

The state of Andhra Pradesh attracts attention owing to its declaration of reviving PRs Institutions, in recent times. It has formed a cabinet sub-committee to look into this. Andhra Pradesh has also been in the forefront, with enormous attention being placed on technology and infrastructural initiatives, as well as various programmes for development.

This paper on Andhra Pradesh is one of the set that includes 6 other states in India, and has been based on secondary sources of information and visits to Andhra Pradesh in December 1999. The visits included field work in two districts which were selected in consultation with the GOAP. In each district, two Mandals were selected and a total of seven Gram Panchayats were visited. Separate meetings were held with the elected representatives as well as officials of state government, at the three administrative tiers. At the state capital, discussions were held with the officials to elicit the vision with which the state has attempted decentralised governance.

The paper is organised as follows. Part 2 deals with the state vision of decentralisation. This has a sub-section which looks into the state's vision of development, considering the uniqueness of Andhra Pradesh in introducing various measures, other than decentralised governance in achieving development parameters. This is necessary to place PRIs in context. Part 3 looks at sector decentralisation and various development schemes of different sectors. Part 4 looks at the Zilla Parishad. Part 5 deals with the role of the Mandal Parishads. Part 6 deals with the Gram Panchayat and the Gram Sabhas. Part 7 presents the overall conclusions. In each section, the discussion is along three main aspects of decentralisation - administrative, political, and fiscal. In this, the factors of political control, flow of funds, staff control and accountability are looked at.

2. THE STATE'S VISION OF DECENTRALIZATION

Following the 73rd Constitutional Amendment, the Government of Andhra Pradesh introduced the Andhra Pradesh Panchayat Raj Act, 1994. This Act repealed the Andhra Pradesh Gram Panchayat Act, 1964 and Andhra Pradesh Mandal Parishads, Zilla Praja Parishads and Zilla Abhivrudhi Sameeksha Mandals Act, 1986. The present constitutional mandate of a three-tier structure was in existence earlier, as the previous Act, like the present one, specified a three-tier structure, with the Zilla Parishad at the

District and Gram Panchayat at the village level, the in-between tier of blocks were replaced by the smaller units of Mandals (three Mandals to every one block), for purposes of creating more accessible administration. Apart from reservations of 1/3rd seats for women and 1/3rd for the BCs, the main difference between the two Acts is in the introduction of direct elections to the three-bodies of panchayats. This, it is said, has resulted in the removal of "organic" (structural) linkages between the three-tiers. There is consensus at all quarters, the state bureaucrats as well as the elected representatives of the three-tiers, that this should be rectified. At the time of field work, the AP Legislative Assembly had adopted a resolution to remedy this, which was submitted to the GOI, seeking amendment to the constitution.¹

The state's approach to decentralisation, with reference to the political, administrative and fiscal aspects is briefly discussed below:

Political Decentralisation

The elections to PRIs were held in March 1995, bringing into picture 20 ZPs (elections to two districts - Vishakapatnam and Khazilabad were not held), 1093 Mandal Parishads and 21,800 Gram Panchayats in Andhra Pradesh. The 73rd Constitutional Amendment stipulates that the elections to all the three-tiers of the local government is direct. In AP, the electorate casts his/her vote to the Ward (panchayat) member, Sarpanch --the President of the Gram Panchayat, the Mandal Parishad Territorial Constituency Member and the Zilla Parishad Territorial Constituency Member.

The AP Government has opted for party-based elections, to the first two-tiers. The amendment allows for state's discretion in holding elections to the ZP and MP on party-basis, while insisting on non-party based elections to the GP. At the base of the structure is the larger unit of Gram Sabha encompassing all citizens of a revenue village.

According to the Act, for every 200 population, a ward member is elected, each Gram Panchayat will have 5 to 21 members. The Gram Panchayat is headed by a Sarpanch, elected directly, the ward members elect the Upa-Sarpanch from among themselves. The Mandal Parishad Members (called as MPTCs) are elected by the people with one member for every three to four thousand population. They elect the Mandal Parishad President and Vice-President, MPTCs range from 15 to 23. Every Mandal in the District constitutes a Territorial constituency of the Zilla. The ZPTC members elected by the people chose a chairperson by holding elections. The Vice-Chairperson is also chosen by them.

The Act specifies that the Sarpanchs are permanent invitees to the Mandal Parishads and the Mandal Parishad Presidents are permanent invitees to the ZPs. The Collector is an invitee to both the bodies. They can participate in discussions but have no voting power. The MLAs and MPs are ex-officio members of the ZP and MP. Two members from the minority community are co-opted to the ZP, one to the MP. The co-opted members have voting rights. The Chairperson of the Agricultural Marketing Committee and the Chairman of the District Co-operative Bank are the permanent invitees of the Mandal and the Zilla Parishad respectively.

There are reservation of seats to all the three tiers, with 1/3rd seats reserved for women. Depending on the population, seats are reserved for SC/STs, with not less than 22.5% for SCs and 6% for STs and 1/3rd for BCs. This principle applies to the Presidents of all the three tiers. The term of membership is for five years.

¹ It has been reported in the newspapers that there has been an Amendment to this effect, allowing flexibility to the state governments. The changes this would bring remains to be seen.

The ZP functions through the Standing Committees. There are seven Standing Committees, viz., Planning and Finance, Rural Development, Agriculture, Education and Medical Services, Women Welfare, Social Welfare and Works. The Act specifies that the ZP Chairperson heads four Committees and nominates ZPTC members for two, with the seat of Women Welfare Committee being reserved for women. The Vice-Chairperson heads the Agriculture Committee. There is election among the ZP members for each of the Committees. The MLAs, MPs are also a part of some of the Standing Committees, with voting rights.

There are no Standing Committees at either the MP or GP. But, at the GP, there are four functional Committees: Supervision of Health and Sanitation, Agriculture, Women & Child Welfare and SC/ST and BC Welfare.

The functions of the ZP includes examining, apprising and distributing funds of MP; co-ordinate, consolidate and supervise the MP plans, advise government on matters relating to developmental activities and maintenance of services in the district, among other things. The ZPs look into secondary education, also vocational and industrial schools, water schemes, maintenance of ZP buildings and roads, women and child welfare. Execution of these functions involve all aspects, planning and implementation too.

The MPs deal with primary education, community development programmes, rural sanitation, maintenance of the MP buildings and roads. Maintenance of civic amenities, providing water, resolving social disputes, are the functions assigned to the GPs.

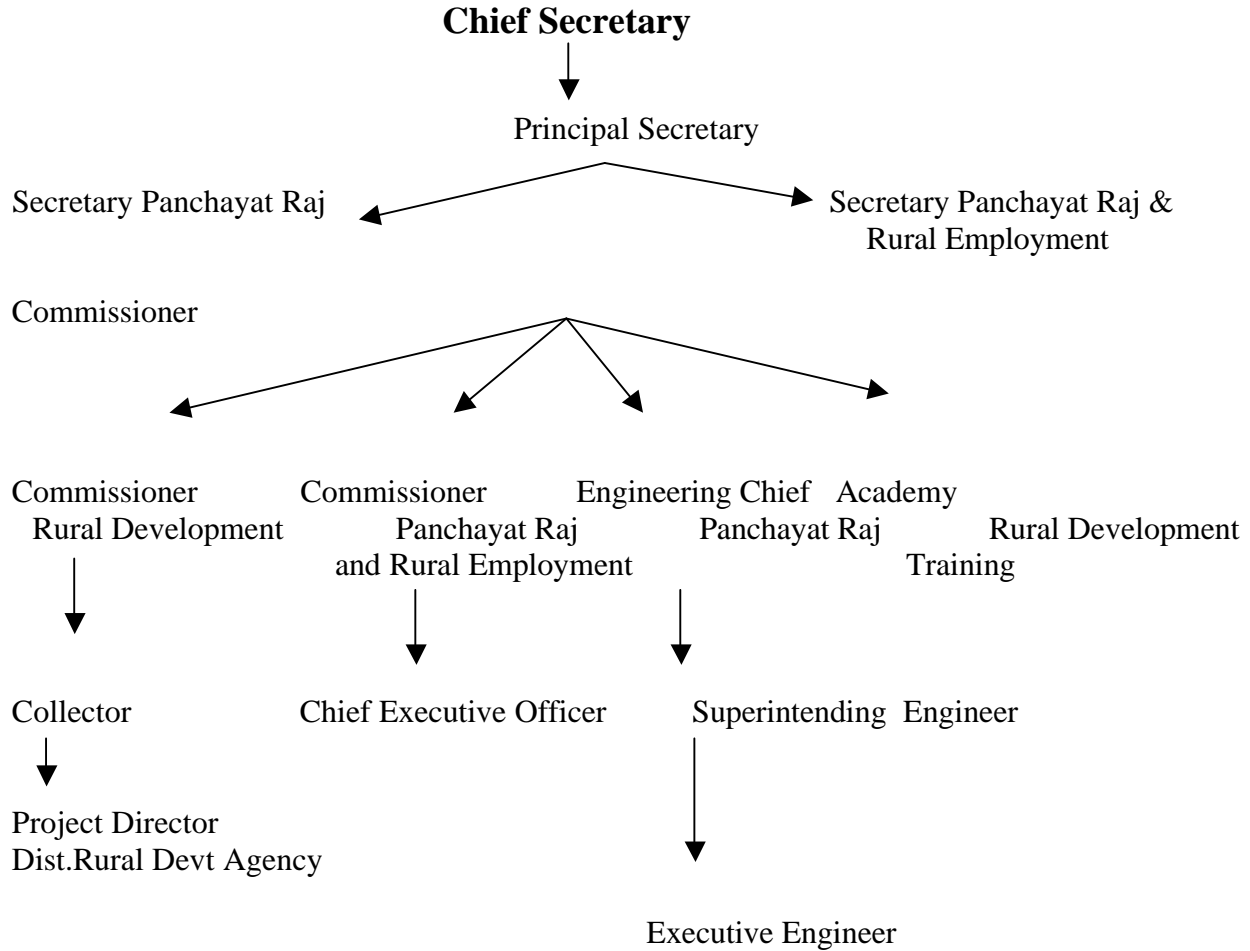
Section 6 of the Act specifies Gram Sabha to consist of all persons who are included in the electoral roll of the GP. Gram Sabhas are to be convened at every village, two times in a year. The Act does not specify a quorum. The accounts of the GP are to be read at the GS, as also the administrative report. The Sabha facilitates in beneficiary selection for various programmes, helps in imposing new taxes, etc.

Administrative Decentralisation

In AP, the Rural Development and Panchayat Raj departments have remained separate. The reason given for this is that special mechanisms are needed for implementing rural development projects.

The Chief Secretary is in-charge of the administration at the State, there are three officials of equal rank, who are designated as Special Chief Secretaries. A Special Chief Secretary is assisted by two Secretaries - Secretary, Panchayat Raj and Principal Secretary, Rural Development and Rural Employment. At the Directorate, there are four heads of departments, viz., Commissioner for Rural Development, Commissioner for Panchayat Raj and Rural Employment, Commissioner for Andhra Pradesh Academy of Rural Development and Engineer in Chief, Panchayat Raj. APART is involved in conducting training to the elected representatives also.

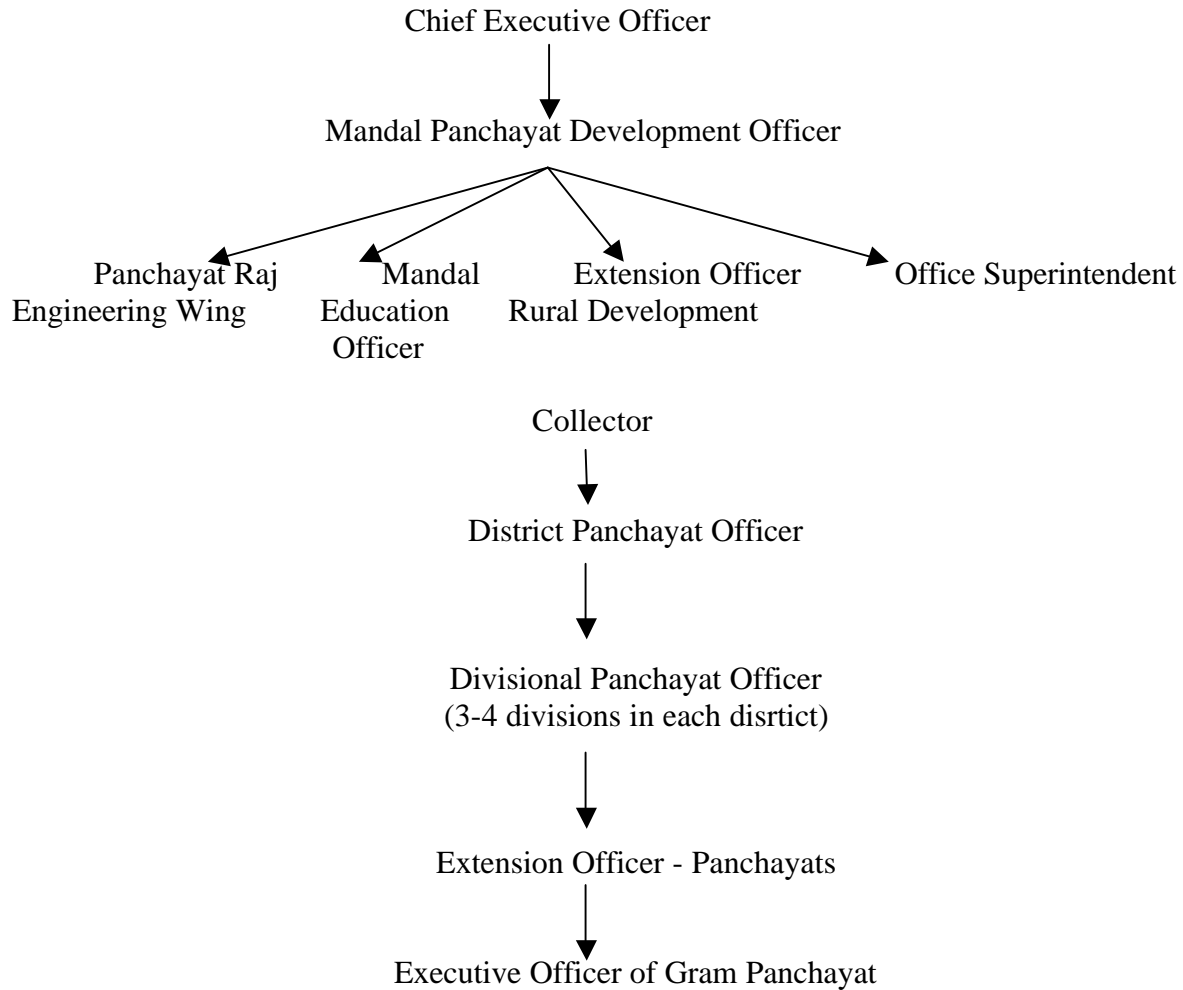
At the District, the Collector is the Chairman of the DRDA, he is assisted by the Project Director, DRDA for implementation of Rural Development Programmes. The Collector is of the IAS cadre, and is answerable to the Commissioner, RD. At every Zilla Parishad, there is a Chief Executive Officer (CEO), who is a Class I Officer, to assist the ZP in the implementation of the resolution passed by the ZP and to supervise the work of Mandal Parishad Development Officer (MPDO). The PR engineering works at the district is taken care of by the Superintendent Engineer.



At the Divisional level, there is a Panchayat Officer who supervises the work of GPs. The DPO is under the administrative control of the Collector at the District and Commissioner of PR & RE at the Directorate. He is helped in administration by the Divisional Panchayat Officer, Extension Officer, Panchayats (one for every 3-4 Mandals) and by an Executive Officer at the notified Gram Panchayats. In non-notified GPs, the Sarpanch performs the role of the Executive Officer. GP's with insufficient resources and population are marked as non-notified GP's.

The MPDOs -- Class II Officer, is supported by PR Engineering Wing, Mandal Education Officer, Extension Officer (Rural Development) and is assisted by an Office Superintendent (and Staff).

DISTRICT & BELOW:



Fiscal Decentralisation

The ZP and MP are dependent on the state government for their funds. The amount transferred to the PR bodies from the state is as much as Rs.494407.98, from 1996-99. This includes both plan and non-plan amount (Annexure I). The non-plan amount totals to Rs.33,7673.77 and the plan amounts Rs. 15,6734.21, for the same years.

The GPs have some powers of taxation. The amount collected by a GP can be used for its own works. The GP also receives funds directly from the Government. The 10th Finance Commission funds, JGSY scheme funds are given to the GPs. The GPs accounts are locally audited. They are to be presented at the Gram Sabhas.

Accountability Mechanisms

The Act specifies some guidelines for accountability:

- The elected members are disqualified if they do not attend meetings for three consecutive terms (S.20).
- The Sarpanach is removed from Office on grounds of non-performance and misconduct, by the Collector.
- That the Executive Officer is subordinate to the Gram Panchayat [S.30(4)].
- S.19 (3) states that a person having more than two children shall be disqualified for election or for continuing as a member (two children after 1994).

It is clear that the accountability mechanisms are very limited. The line of control is divided between DRDA and local bodies, thereby also restricting accountability. The mechanisms for administration remain separate, seeking accountability only from the higher-ups in the hierarchy. Also, there is no control exercised by the elected representatives. The only extraordinary feature seems to be one of not having more than two children.

The State's Vision Of Development:

The State of Andhra Pradesh has a Vision. The Vision is to create a 'Swarna' [Golden] Andhra, in the next twenty years. Vision 2020, a Government of Andhra Pradesh programme, has set its goal on building dynamic rural organisation, both structured and others.

To achieve its Vision, the Government of AP has incorporated various programmes and policies in its agenda, many of which have gained fame and momentum over the last three years. Janmabhoomi programme, creation of stake- holders groups, (with special emphasis on Self Help Groups), and the like, are some of the programmes which have been envisaged. In the general scheme of things, where do Panchayati Raj Institutions fit-in or more precisely what role do PRI's have in achieving this Vision? Is democratic decentralisation looked at as one of the programmes for achieving this goal or are they considered separate? Which of the schemes form the broader base? These are some questions which are important to us. To understand this, it is necessary to look into one of the main programmes attempted by GOAP - that of Janmabhoomi.

In what follows, the programme of JB is briefly looked at, its origin and the principles behind it, the funding and staff pattern, the mechanisms through which it functions. This discussion is especially important, as was made evident in the field. The SHG's are also looked at closely, as we were given to believe that they form a mass movement, which could later be tapped to be incorporated into the panchayats.

Origin & Principles of JB

The JB programme originated in January 1997, the reason for this being the "non-success" achieved by the local bodies in delivering goods, to the extent expected. Andhra Pradesh has remained below the national average in several key indicators, such as per-capita income, literacy and health status. The development indicators of AP shows a dismal picture, with 31.7 percent of the population living below the poverty line (1987-88). The literacy rate is 44.1, lower than the national average of 52.1 (1991). Female literacy is lower, 32.7 per cent. 41.3 million in rural areas and 5.4 million in urban areas

do not have access to sanitation facilities. 9.1 million in rural and 1.8 million in urban areas do not have access to drinking water (Source: Janmabhoomi Operational Guidelines,p.29)).

Janmabhoomi is taken to mean as "a people centered participatory development process"^{FN}. The programme has been conceived with the intention of reducing the dependency of people on governmental programmes, the earlier programmes reduced the role of people in development from being active participants to passive beneficiaries. The JB programme is said to be based on the Korean concept of taking administration to the people, and Prajala Vedeku Palana, introduced in 1995 November, in Andhra Pradesh, which stresses on the same concept.

Janmabhoomi is based on the principle of: (i) people's participation which would involve people to prioritise and plan for the better use of resources; (ii) transparency in all transactions which would establish a trust between all institutions and people; (iii) accountability of the Institutions which would recognise its responsibility and obligations to people and (iv) sustainability in order that the use of resources is judicious. People's participation, transparency, accountability and sustainability are the very same principles on which local self - governance is based, the main difference being the democratic ingredient of elections in PRI's.

Funds and Functionaries:

The core area of JB is community works - emphasising mainly on providing basic minimum services to the people. The key to meet its goal and achieve success is by ensuring people's contribution, the Government provides a grant of 70% for every project/programme undertaken by the people, who would contribute 30% (for SC/STs it is 15%) either in cash or kind. People's contribution, it is claimed, distinguishes JB programme from other programmes. There is a separate JB revolving fund, which was the earlier Shramadhan fund. Some of the funds allotted to various programmes like DPEP, etc are also considered as the Government's contribution. The funds of PRI tiers are also channelised through JB, as the proposals of community works received as a part of JB are placed before the tiers of Panchayati Raj by the Nodal Officer.

* (FN: All information, in this Section, on JB is from the Operational Guidelines of JB, GOAP).

The JB fund at the District level is operated by the District Collector, and the accounts are maintained by the Chief Planning Officer. The funds released by the local bodies as matching contributions is treated as the government's share. The schemes like EAS, rural water supply, rural road maintenance, schemes funded by Tenth Finance, education, rural water supply and even JGSY are noted down as schemes of JB.

JB also has "institutional" arrangements, briefly, it comprises of a volunteers team, with two social animators in every habitation who motivate and mobilize people for participation in the core area activities - a government officer designated as the habitation ward level officer, a Nodal Officer at the block/mandal level. The District Development Review Committee reviews the JB programme, the State Council of Ministers will review and monitor the implementation of core area activities under JB at the State level and the State level monitoring cell at the Planning Department assists the Ministers.

Mechanisms of JB:

The JB functions also through its Committees, which are set up, for different purposes, by the concerned departments. One of the main components, by which the principles of JB is sought to be achieved, is by creating user groups by organising the community around specific interests, such as women thrift and credit groups, youth groups, Vana (forest) Samrakshana Samitis, Water Users Associations, Watershed Development Committees, Village Education Committees. The Committees

would reach the goal of ensuring equity and equality, the groups are expected to cut across different class, caste and religious barriers, as claimed in the guidelines.

There is a JB round conducted once every quarter, in a year, in the months of January, May, August and October. It is a week long intensive campaign held during the first week of the month, the detailed programme is communicated to all concerned by the Planning Department. A team comprising of all Mandal level functionaries, a District or Divisional Officer from the area are involved in conducting this programme, along with the district level Chief Planning Officer who assists the Collector. The rounds emphasise on covering a Mandal with 18-20 Gram Panchayats, roughly 25-30 villages. The round of JB are also referred to as the Gram Sabhas. So far, 10 such rounds have been completed. January 1, 2000 will witness the 11th round of JB, this time the emphasis would be on micro-planning. The 10th round dealt with the issues of women. The JB rounds are also looked at as mechanisms of accountability.

Promotion of grass roots people's institutions, also is a part of JB programme. The Government of Andhra Pradesh has laid special emphasis on the theme of women's empowerment as one of the main agenda to tackle rural poverty and to deal with socio-economic issues. SHG's are considered to be a way to achieve this. In addition to encouraging formation of SHGs, the DWACRA [Development of Women and Children in Rural Areas] self-help groups, started in 1982-83, as thrift and credit groups of 10-15 women members, have also been rejuvenated. A fund amount of Rs.44 crores in the budget (GOI) and Rs.6 crores as State's matching grant towards matching assistance to DWACRA groups (1998-99) have been provided. Various capacity building exercises, training programmes, and assisting women, through special programmes in marketing their products (DWACRA Bazars at the District) are envisaged. The intention of the State Government is to encourage at least one SHG in a habitation. SHGs are supported by DRDA, however, the services of the staff of Women and Child Welfare, Panchayat Raj, and a few other departments, are also enlisted.

As on 31st March 1998, there were 1,16,299 SHGs -- DWACRA groups 58,519 and SHGs 57,780. The total amount saved was 825573082 (92.38%). The members of SHGs/DWACRA groups with a minimum of one year's experience are brought under the umbrella of MACS - Mutually Aided Co-operative Society, thus also encouraging the co-operative movement. An SHG with a saving of Rs. 10,000 is extended a loan of Rs 25,000, which is a revolving fund of MAC, and charged an interest of Rs.2/-. The amount with MAC is also more than with individual SHGs, enabling them to avail better loans from the banks. The Collector co-ordinates the SHG's.²

Another programme worth mentioning is that of **micro-planning**. The government proposes to plan for each of the habitation (67,505), by involving students and universities, in identifying the infrastructural facility/lack of it. This would be placed before the Gram Sabha, where it would be prioritised and sent for approval to the Gram Panchayat and to the other two tiers. The co-ordination work would be done by the DDRC/DPC. The state visionaries recognise the importance of the training GP members to take-up this "task" of aiding planning from "below". How successful this would be remains to be seen.

To conclude, the source of information on the State's overall vision is two-fold: (a) the documents of the Government (b) the interviews with high level bureaucrats. It is worthwhile mentioning here that on the aspect of the placement of PRI's in the overall context, there is a contradiction. While the documents clearly state that the PRIs are looked at as one of the programmes of JB, the State vision

² The information is based on DWACRA and Women's Empowerment, A Success Story of Self Help Movement in Andhra Pradesh, Panchayat Raj and Rural Development Department, Government of Andhra Pradesh.

presented specify that JB and other programmes were initiated to "rejuvenate" the dead panchayats and would later be merged into it, thus considering panchayats to be the broader framework. However, the JB guidelines clearly mention that strengthening of local bodies as one of the interventions, to achieve the goals of JB. This is to be achieved by increasing the powers and devolving funds to the PRI's. Building up participatory planning with an emphasis on decisions taken at the Gram Sabhas, which are considered to be the units of planning, as also monitoring and implementation units, are steps taken to bring life into panchayats.

There has also been a cabinet sub-committee formed to look into fiscal and administrative aspects of panchayat. There have been press statements indicating interest in giving more powers to panchayat.³ But, as of now, one can state that JB provides a larger framework within which the democratic institutions of the people work, this - along with the grassroots people's institutions, the facilitating agencies, and people - all of whom are considered to work as equal partners. The PRI's thus form only a component in the State's Vision of development.

Area Selection & Field Report

Area Selection

For purposes of this study, the districts of Nalgonda and Guntur were chosen, Nalgonda, because of its freedom and bhoodan Movement and Guntur, because it is a coastal district.

In Nalgonda, two Mandals – one relatively poor, and the other rich were selected. Nidamanoor Mandal, with 9013 rural families has 69% people (6177 number) living below the poverty line. Kodad Mandal, with 12,883 rural families has 6015 people (47%) below the poverty line. In Kodad, Kodad Gram Panchayat where a lot of development activities are said to have taken place, in Nidamanoor, Shakapura and Lakavaram were chosen.

Based on similar parameters, in Guntur, Peddakani and Nizam Patna Mandals were chosen. Aaduvaladevi and Kunchinapudi are the Gram Panchayats which are a part of Nizam Patna and Venigonda and Duggirala of Peddakani MP were selected for this study.

Field Report

The state's vision of development was verified at the field. In what follows the findings based on the field study are presented.

3. SCHEMES AND SECTORS

The GOAP decided to devolve powers in 29 subjects on PR Local bodies, out of which 15 have been transferred. Agriculture, including agriculture extension, education, including primary and secondary schools, drinking water has been devolved. Primary health, though listed, has not been devolved.

The sectors

The sector service delivery assigned to the PRIs in AP is negligible. The particular sectors studied - Primary Education, Primary Health, Rural Roads, Water Supply & Extension, are with the line

³ The Hindu, November 22, 1999

Departments, except Water Supply and Rural Roads. So far, the functions and responsibilities to the PRIs pertaining to agriculture extension are restricted to the selection of beneficiaries to various agricultural implements at the Mandal. There are no funds developed for this purpose.

Administratively, the Mandals form the lowest management unit, for all sectors. The Administrative Officer (MPDO), is appointed either directly or through promotional channel (30 & 70%). The staff are promoted, on scrutiny by the Departmental Promotion Committee. The administrative control is exercised by the concerned line departments. The administrative portion of the CR is written by the CEO at the Zilla, the technical part is done by the higher ups in the line department. The ZP, MP and GP representatives or the Chairpersons have no role in matters relating to the gazetted staff. They can only question them, at the time of their meeting, and also request for a departmental enquiry. They can request for transfer of staffs, if they are dissatisfied. The ZP Chairperson can get the MPDO transferred from one district to another. The MPP can request for a transfer of teachers, whom the ZP recruits, from one block to another.

Funding

The budget allocations for sectoral programmes are through the line departments. The salaries are also paid by the line departments at the state level. The concerned officials manage the amount disbursed, the CEO at the ZP and the MPDO at the MP are the drawing and disbursing officers, who facilitate in implementing the scheme which are bound by guide lines. Since the local self governments do not have their own revenues, there is no scope for them to take any major work on their own. There is no cost recovery schemes in any of the sectors, including the health sector.

Political Accountability

The 3-tiers have no major role in service delivery, except beneficiary selection. All the decisions are taken by the state government. The centrally sponsored and state sponsored schemes are implemented, based on guidelines.

The Schemes

There are no special schemes taken by the line department for development purposes. The salaries and establishment cost forms significant proportion of the total budget. Approximately 80% is spent on salaries and establishment maintenance, the remaining 20% is what is “available”. The DRDA schemes are centrally sponsored, the state schemes are undertaken by the line departments. It is interesting to note that the concerned department officials, when contacted said that the only programme they have is giving staff salary, TA & DA. None of the departments have taken up any scheme/s. Only the Corporations - the SC corporation, ST corporation and various other corporations take up different schemes. The line departments are involved in assisting the corporations. Upliftment of SCs-Mundodagu programme, upliftment of STs-Chaitanya, minorities upliftment-Roshani are some examples of schemes undertaken by some of the corporations. These are implemented by the Collector with assistance from MPDO.

In education, the main emphasis is placed on adult literacy programmes. Andhra has a unique scheme, in primary education, where a girl child is encouraged and supported by the MPDO to join school. This scheme is one year old, all guidelines for this are given by the collector. The PRIs can only review. In the field of health, women development, childcare and family planning programmes are undertaken. In women development programmes, the maternity benefits are provided. This is a centrally sponsored scheme, implemented by the MPDO. PRIs are not involved. The ICDS programme has a

separate CPDO officer, for every 3 mandals. There is Mother's Committee/s formed at the villages, this has no linkage with the panchayats. No funds are channelised to MP for rural roads and water supply . Only some funds are given to the ZP. The Collector decides, in consultation with the local MLAs, on where roads have to be built. The MLA involvement is a deliberate inclusion, since there are no MLA funds made available from the last two years, due to the financial crisis that the state suffers from.

4. THE ZILLA PARISHAD

At the top of the three-tier structure is the Zilla Parishad, located one in each district. The Zilla Parishad Members - ZPTCs (Zilla Parishad Territorial Constituency) - are elected directly from every Mandal. The ZP also has a list of permanent invitees - MPPs, Collector, Chairmen of various local level bodies. MLAs and MPs, and two members from the minority community are also its members.

Political Decentralisation

The elections to the ZPs are held on party lines. Elections on party lines is advantageous, if the party ruling at the ZP is the same as the ruling party. The State Government policies get implemented easily, there would be uniformity in decision-making also. The elected members of both the districts, however, prefer a non-party based elections to avoid confrontations and conflicts.

The ZPTCs are also against allowing participation of MLAs and MPs. The ZPTCs contribution to decision-making gets reduced in the presence of the MLAs/MPs. The ZP Chairpersons are, however, not averse to this idea. They are now given the rank of the Minister of State by the Act, and are paid an honorarium and other benefits equivalent to that of the Minister. The Chairpersons do not consider this to be anything extraordinary. They consider their present positions as stepping stones for becoming members of the Legislative Assembly.

The main grouse expressed by the ZPTC members relates to the direct elections, as they consider their jurisdiction to overlap with that of the MPP. The conflict is due to the fact that there is no clear cut role specified for the MP Presidents and the ZPTCs. The ZPTCs represent a bigger constituency, yet have no chair or office at either the district or at the mandal.

In both the ZPs visited, Nalgonda and Guntur, the members confided that they meet once in 90 days, may be on the 89th day! They reason out that since there are not many functions that need to be discussed, they see no reason why they should meet more often than what is made mandatory. This clearly indicates the low importance placed on the system. The Standing Committees meet once in two months, and review the functioning of various departments.

ZPTC members, women among them, when spoken to, confided that there is an increase in the level of their (women's) awareness- on the way in which the administrators functions etc, the women have developed the ability and boldness to question the bureaucrats. In order to increase the effectiveness with which they participate in the decision making process, they consider a more "pro-women" attitude by the bureaucrats to be essential. Also, special funds which are earmarked to reflect women's priorities could ensure better participation - their priorities of water, latrine (hygiene), electricity, loan for purchase of machines (like for e.g., tailoring-) which are different from that of men, would get better reflected.

Administrative decentralisation

The RD and PR departments have been kept separate. The unofficial sources reveal that the reason political one, the forces of power would shift from the MLA's to the local representatives. Also, the administrators do not aspire for too much of interference, which the local representatives, they allege, tend to exercise.

The Chairperson of ZP exercises administrative control over the CEO for purposes of implementation of resolution of ZPs or any Standing Committee thereof [S. 193(ii)]. The CEO, in the instance of Andhra Pradesh, is a Class I Officer, who is not accountable to the Collector of the district. He is subordinate to the Commissioner PR in the administrative hierarchy. In the interactions observed at Nalgonda, between the Chairperson and the CEO, it was clear that the Chairperson has a greater role to play in decision making. This could be because of two reasons [a] that the Collector, a senior IAS officer, exercising regulatory powers, is not involved in matters relating to the ZP, thus reducing the inherent subservient attitude/s and [b] the Chairpersons, because of their political links, have become authorities to be respected. The CEO can represent the resolution passed by the ZP, if against the law, to the state government. Otherwise, the ZP's decision has to be heeded to.

It is said that the postings, promotions and transfers of all the staff of PRIs, working under the control of the ZP and MP are done by the ZP. The ZP staff, however, includes the clerical and other office attendants, like the typists, junior and senior assistants, stenographers, etc. as well as drivers, sweepers, watchman and gardeners, teachers & engineering department staff are the only "qualified" personnel listed in the information provided by the government.

Teachers appointed by ZP, are paid through the ZP the total emoluments for the 50,920 staff positioned amounts to Rs.14,33,914. The selection of teacher is done at the district level, by the district recruitment board, with collector playing a major role. The appointments of teachers are done by the DEO (line department). This should have, however, been through the CEO for better coordination. The DEO seeks the approval of the Chairman of the ZP in matters of transfers, to avoid political conflict.

The salaries of the staff of the PR engineering establishment, under the technical and administrative control of the line departments, are paid through the ZP. It is clear that the ZP has no technical staff which can support or aid any development work.

The coordination work of the ZP is limited to reviewing the Mandal work. The ZP, however, has no link at all with the GP. The question of approving the plans/priorities of the GPs, which is the general trend elsewhere, does not arise at all. The line of control to the GP is direct and is exercised by the Collector.

The functions which are supposed to be entrusted to the PR Department are being executed by the line departments. The line departments have a separate organisational set up from the State to the lower levels. The PRIs have no control over the line departments, except for reviewing their work in ZP General Body meetings. Only when the ZP meetings are held, all the officials participate. The line of control remains different and the coordination between the two - weak.

The District Planning Committee

There is no District Planning Committee formed in AP, though the 74th Amendment specifies for the formation of one. Further, the Chief Planning Officer is working under the control of the Collector and not under the ZP. The ZP, therefore, is not involved in planning at all. The CPO consolidates information collected from the Mandals, ZPs and various line departments and submits it to the Collector.

Only a data base is created. The district does not function as a planning unit. More importantly, there is no consolidated plan of all departments, for the district, with funds and priorities specified. Various departments, however, have their own plans. The CPO coordinates the JB programme.

District Development Review Committees are in existence at every District, each of the committee is headed by the Minister, all MLAs, MPs and the District-level Chairpersons of different organisations like Co-operative Banks, etc are members. The Collector is the Member-Convener, he is assisted by the CPO. There is no specific function and power given to this body. It reviews all departmental work. The projects worth executed Rs.5.00 lakhs are approved by the Collector and DDRC approves of projects above Rs.5 to 50 lakhs.

The DDRC is nowhere related to the PRIs, except to give representation to the Chairperson of ZP. The Chairperson of ZP is made the Vice-Chairman of the Committee, thus giving him a place, yet ensuring that his "authority" is reduced. In the presence of the Minister, MLAs, MPs, the ZP Chairpersons decision making capacity and importance gets reduced. The DDRC, however, looks into the work of JB.

Fiscal Decentralisation

All the schemes that the ZP implements are that of the State Government. The CEO prepares a budget, in consultation with the Chairman, following the government guidelines. This is placed before the General Body which can approve or modify it. The budgets, however, are scheme bound. The "adjustments" are confined only to the priorities, within the framework drawn by the schemes. The ZPs have no financial autonomy, as they still depend on the state government. Income from the rented out buildings and commercial complexes, if constructed by the ZPs, is collected by them and used as general fund. However, the government rules specifies a guideline which has to be followed, both in terms of work priority and the target group. This also applies to the cess, surcharge on stamp duty, per capita grant, entertainment tax which are collected through the Treasuries. The fund requirement is ten fold than what is available, according to the elected representatives.

It is also said that the fund flow from the State to the ZP depends on the political party affiliation. We have no details on this.

It was revealed that 400 crores of rupees were released in 1996-97 as additional amount to all the three-tiers and urban local bodies as grant for provision of drinking water and other amenities like drainage, etc. This amount was Rs.350 crores in 1997-98. This year, Rs.300 crores has been released for construction of toilets, etc. This is released through the State Finance Department to the ZP, from there it flows to the MP. [Source: Secretary, Finance].

There is a separate fund earmarked for ZPs, this is different from the budget that flows from the state government to the MPs through ZPs. The funds relate to road construction and water supply schemes and are given directly to the Engineering department of PR (at ZP) from the State government, thus strengthening the Engineering department. The Engineering department prepares the estimate and executes the work. In principle, it is said that the planning and implementation is assigned to the ZP, the members also are authorised to revise the proposal/s. The Engineering department is headed by a divisional level officer, who in rank, is lower than that of CEO. The reason for such a flow is not clear, the Engineers may have strong political linkages. The CEOs are not in favour of this. The Engineers are not under the administrative control of the CEO/ZP but to heads of their department. They however work under the Secretary, PR & RE department.

The PR engineering Department accounts for a large proportion of the total amount, nearly half of it (See Annexure II). There has been no expenditure incurred on discretionary services.

Zilla Parishad -Expenditure

	Amount in Rs.									
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Gen. Admn	1697232 (49.82)	2088406 (48.33)	2442745 (38.82)	2897022 (54.04)	3383592 (50.04)		4231217 (46.84)	4448031 (32.55)	5013711 (29.42)	5082568 (24.93)
Exp. On Obligatory & Discriminatory Services	353800 (10.38)	763000 (17.66)	967400 (15.37)	787085 (14.68)	820085 (12113)		1642687 (18.19)	2893887 (21.17)	3114087 (18.27)	3425495 (16.80)
Exp. On Devpt Grants	1355401 (39.79)	1469567 (34.01)	2882248 (45.80)	1676617 (31.28)	2558526 (37.83)		3158781 (34.97)	6324852 (46.28)	8912938 (51.13)	11881699 (58.27)
Total	3406433	4320973	6292393	5360724	6762203		9032685	13666770	17040736	20389762

Amount transferred to the PR Bodies

The following is an analysis relating to the figures furnished the Commissioner of PR, relating to the amounts transfer to the PR bodies. (Annexure 1).

Both non-plan and plan amounts are transferred to the PR bodies, the non-plan amount is a twice as much as the plan amount. Of the total non-plan amount transferred, the maximum amount is spent on salaries. This, along with TA/DA/ Honorarium grants and pension grants in any one year, take-up as much as 30.8%, of the total amount transferred (1998-99). This has varied in the other years. 17.08% in 1996-97 and 14.87% in 1997-98. The total for 3 years amount to 18.57%. The non plan amount covers per capita grants, which amounts to 0.14% of the total (1998-99). The total amount has shown in increase over the years, except from 1997-98 to 1998 to 99. The reason for the decline is however not known.

Figures relating to the amount transferred to the PR bodies as “planned” throw light on interesting aspects. The plan total covers rural water supply and sanitation, as well as rural roads, both of which are under the engineering department, which forms a separate wing with a different line of administration and accountability as made evident in the above section.

The basic minimum needs programme is covered by the PRI's, some of it are under the control of line departments. Decentralised is also been included, planning has remained outside the purview of decentralised governance in AP.

The plan amount also covers JB programme, which is a government programme. The fact that the governments contribution to JB scheme is accounted for, in the amount transferred to PR bodies leaves much to desired. Prajalvaddaku Pallika is again a government programme with the JB programme. As mentioned in the section on the states vision of decentralisation, the JB funds draws from all sources / programmes and acts as a revolving fund released by the Collector, whenever a delay arises in releasing any of the scheme funds. In the figures mentioned above, although the JB amount is shown as what is released to the PR bodies, in reality, it is released directly to the Collector, who in turn, releasses it to the Nodal officer.

The JRY funds, the states contribution of 20% to the funds released by the centre, are channelised and implemented by the PRI's but this is with DRDA, collector has the power to release the amount. The other relevant point is that the JRY, renamed JGSY, funds are released directly to the GP from 1999, the other two tiers are not involved in this.

The question than would be what is PR body? The government seems to be doing creative accounting, by channelising funds to other sources through PRIs, with the result that the PRIs appear to be having much more funds than what is specified.

Accountability Mechanism

The accountability mechanism is limited. Under the head 'Miscellaneous', the Act specifies that the Chairmen or the Vice-Chairmen of the ZP can be removed by half of the total members, by passing a no confidence motion, after they have served in office for two years.

The other accountability measure cover the power of the Government- to cancel or suspend resolutions passed by the ZP; to take action in case of default; issue directions to the ZP to implement resolutions; remove the chairmen, dissolve the body, and so on, clearly indicating that the line of control is bureaucratic and that the authority is "above", and must be seen in the context of discussions above. These measures of accountability is applicable to the other two bodies too.

5. THE MANDAL PARISHADS

The middle-tier of the Panchayati Raj system, the Mandal Parishad, is smaller than the block, with a ratio of three Mandals to every block. The MPs are elected bodies with a member from a population of 3000 to 4000. The Parishad President's election is indirect, s/he is chosen by the members among themselves. Each Mandal Parishad has a co-opted member from minority committee, all Sarpanchs of the area, Chairperson of the Market Yard are permanent members of the MP. ZPTC members are also the permanent invitees. There are no Standing Committees at the Mandal. MLAs and MPs are the ex-officio members of the MP (& ZP).

Political Decentralisation

The Act specifies that the meetings are to be held at least once in 90 days. The Mandals follow this, meeting more often is not considered necessary as there are no sufficient functions (and funds) that need to be discussed.

Elections to the MP are held on party lines. Majority of the MPTCs are not in favour of party-based elections. They are also opposed to what is termed as "the 6-tier system", with direct elections, as their (MPTC's) role and jurisdiction overlap with that of the Sarpanch. MPTCs are permanent invitees at the GP meetings. However, they feel that their voices are not heard as the Sarpanch rules the Gram Panchayat. They also reason out that the Sarpanchs, who are members of the MP, are in a better position, and are given due importance even at the MPs as s/he is the final implementing authority at the village level. He is also the Chairperson for the JB Habitation Committee, and Chairman, Village Education Committee. The effectiveness with which the MP functions, while implementing programmes, necessarily depends on the Sarpanch's consent.

In Kodad, an MPTC member said that they were like post-men who would carry the messages/resolutions passed at the GPs to the Mandal and the details of schemes etc decided at the

Mandal to the GPs. In instances where the Sarpanch is ineffective/weak, due to gender or caste or both, then the MPTC has a greater role. In the specific case mentioned, the MPTC has convened a way. He said that he would not pass on the information gathered at the MP meetings on availability of loans etc. to the Sarpanch/GP, if he is not given due importance. The MPTC is from the higher caste and has "links" (caste and economic) with the village kingpin maker.

Since the elections are held on party lines, some of the decisions are ultimately ruled by the party. In Kodad, the MPP resigned six months ago, bowing to the decisions taken by the party office (TDP). The members had no role in this.

Majority of the Members are against the presence of MLAs amidst them. Some, however, view this positively and consider their presence to be necessary to over-rule the Sarpanch's domination, if any, at the GPs.

Women representatives concede that they would never have thought of being a part of the political system, if not for reservations. Their representation has allowed them to become more aware, and independent.

Administrative Decentralisation

The Act specifies that the MPDO, who is the Executive authority at the Mandal Parishad, should work under the administrative control of the Mandal President. The MPDO also is the executive authority DRDA and for various other programmes - sectoral components for the weaker sections. The MPDO is more often implementing the DRDA programmes, as there are more funds than what is available with the MP. The MPP, more often than not, do not object to this preferential treatment that the MPDO's show, as the electorate do not consider the works to be different and the MPPs either way get the credit. There are instances where the MPP insists on the ZP/PR work to be given the first preference. The relative bargaining power between the MPDO-MPP depends on their political pulls, their education level, and such other factors.

The MPDOs (Class III Officers) coordinates all the developmental work - from various line departments and the PR. S/He is overburdened with work, with inadequate staff supporting him/her. Since there is no role clarity, there is conflict between the MPDO and the MPP. The line of control for the MPDO rests with the CEO (of ZP), however since DRDA is headed by the Collector, who is the supreme authority in a district, his orders are to be obeyed too!

There are four sections at the MP Office, Engineering headed by AE, Development Wing Extension Officer - Rural Development Wing, Primary Education Wing headed by Mandal Education Officer, Accounts and Office Administration Wing headed by the Superintendent. The other Extension Officers like Agriculture, Animal Husbandry, Industries, Social Welfare, Social Forestry, etc., are under the line departments.

The Schedule II Act of the Act (Section 161) clearly specifies powers and functions of the MPs. The four main functions being: Community development, Agriculture and allied matters, Animal husbandry and fisheries and allied matters and Health and rural sanitation. None of these have been devolved to the MPs so far. Community Development remains with the DRDA, Co-operatives, etc. Agriculture, Animal Husbandry and Health and Rural Sanitation remain a part of the line department.

As of now, the Mandals are looking into Primary School Education, laying and maintenance of Mandal roads, construction of school buildings, which were earlier entrusted to the Mandal Parishads are now with the Village Education Committees.

The primary schools are supervised by the Mandal Education Officer, who in turn reports to the MPDO. The primary school building maintenance, transfers of teachers appointed on the MP, are done by the MP. School upgradation is also done by the MP (a proposal to this effect should be sent to the DEO). The functions of MP are very limited. The control rests with the administrators than the with the elected representatives. The MEO supervises the work of teachers at the Mandal, as well as at the GP.

As in the case of ZP, MPs, the clerical staff out number the others. The details provided by the government lists, senior and junior assistants, typists, record assistants, drivers, attenders, sweepers and teachers. VDO's MEO's , MCRDO's (now designated as Extension officers), women and child welfare officers are also listed as staff of MPs. Except the VDO's who work under the MPDO all thers like the MEO's, women and child development officers work in the line department. The MP's have some "technical staff", but only those from the education department. It is clear that this tier of government has no capacity to carry out any development programme.

Committees at the Mandal:

There are three main Committees at the Mandal level, JB Committee, the Education Committee and the Health Committee, none of them are a part of the local governance. But in all of them the MPP and/or MPTC's are assigned a role. The JB committee is headed by the MPP, the Nodal Officer, Class I officer (of the Assistant Director cadre) is the Member-Convener, with MRO, MPDO, ZPTC as members. MLAs are the ex-officio members. This Committee is expected to meet once every month to supervise the JB activities. It was revealed in the field that the MPPs are often dominated by the Nodal Officers, thus even reducing the small role the former has been given to perform. However, concrete "development" work is being done and shown as JB programme, the MPPs are therefore not averse to being a part of the Committee. In fact, they are pleased to be associated with the JB programme, which they consider to be better than their own programme/s. The reasons given out for this are many and are explained in the section on GP.

The Mandal Education Committee, with 16 members, headed by the Mandal Presidents, also has representation from the Head Master, Union Members, MPTCs, Sarpanchs, NGOs, etc. This Committee is the configuration of all the village education committees, which it monitors. However, it is the smaller VEC's at the village level which are said to be working more effectively.

The Health Committee is given an amount of Rs. 5000/-, which is released to the joint account held by the MPP and the Medical Officer, which is used for the purchase of hospital equipment, boards, lights etc. It is believed that people's needs get reflected by the MPP - in items to be purchased, etc, and the MPP is able to convince the people on shortcomings, shortage of funds, etc. thus reducing the brunt that the Medical Officers face at times.

The SHGs, as explained in the section on vision, form MAC - Mutually Aided Cooperative Society. The State Government (DRDA) releases a revolving fund of Rs.25,000/- for groups with savings of Rs.10,000/-, with low interest rates. In Nidamanoor Mandal, 18 SHG groups of 5 neighbouring villages with 222 members, have formed a MAC society. Interaction with some of the women revealed a few interesting points. The women, when questioned on their ability and interest to contribute the amount accrued to them to the JB programme, answered in the negative. They reason out that individual interests and needs weigh more, thus deterring them from contributing monies to the JB programme. To the query

whether they are motivated to contest the forthcoming PR elections, the answer was also in the negative. They consider their participation in SHGs to be less problematic, the family members do not object to this. The interactions with men/officers is for a limited period of time only. The situation would be different for an elected representative. This clearly indicates that the SHGs cannot be looked at as mass movement motivating women to participate in the process of decentralisation.

Fiscal Decentralization:

The MP funds include (a) per capita grant (b) land cess (c) surcharge on stamp duty (d) revenue from remunerative enterprises. The salary of the officials is borne by the State government. The MP cannot levy taxes, but if endowed with rich resources, then it has a better financial component. Per capita and establishment grant flow from the state to the ZP and are released to the Mandals.

The JGSY allocation of 15% was earlier (prior to April 1999) given to the Mandals also. This was to be used by them, in consultation with the GPs. From this year onwards, the money flows directly to the GPs.

The Mandals, like the ZPs, have no flexibility in using the funds. Even the funds collected by them are to be used based on certain guidelines which are prescribed in the Rules (of the Act). 30% for maintenance of school building, 15% for SC welfare, 6% for ST welfare, 15% for women, 9% for emergency drinking water purposes, 16% office maintenance, 4% unforeseen contingency, fairs, etc.

Mandal Parishads

Amount in Rs.										
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Gen. Admn	4011028 (86.51)	437528 (87.62)	4792075 (88.46)	5220094 (87.37)	6049788 (89.55)	6156600 (90.99)	7230902 (91.94)	7832594 (92.27)	10556366 (92.51)	11787412 (93.49)
Exp. On Obligatory & Discrimina-tory Services	304140 (6.56)	295423 (5.92)	278852 (5.15)	285419 (4.78)	412187 (6.10)	419259 (6.19)	426739 (5.43)	434652 (5.12)	634963 (5.56)	634963 (5.04)
Exp. On Devpt Grants	321238 (6.99)	322697 (6.46)	345882 (6.38)	469230 (7.85)	293422 (4.34)	189982 (2.81)	206710 (2.63)	221449 (2.61)	219310 (1.92)	185367 (1.47)
Total	4636406	4993548	5416809	5974833	6755397	6765841	7864351	8488695	11410639	12607742

The percentage allotted for development grants at the MP show a dismal picture, clearly subscribing to the view of “non-importance” expressed by the elected representatives.

The salary grant accounts for the maximum amount of money. Many of the works are done at the MP office, the salary amount also underlines this. But the MPDO coordinates the work of DRDA, as well as the JB work .Also , the staff of the MPs are with JB the line department.

Accountability Mechanism

The mechanism prescribed in the Act is similar to what has been explained in the earlier section on ZP. The MPP has no power to appoint or transfer the MP staff who do not work directly under their control.

The case of Shivaparvathi Devi narrated below highlights that there is limited accountability mechanism. In effect, enforcement of this, may even lead to other repercussions, which may harm the elected representatives.

A school teacher, was visiting the Mandal Panchayat office of Nizam patna-, frequently, instead of attending to his work. This came to the notice of the President of Mandal Panchayat, Shivaparvathi Devi, who questioned him. The teacher, upset on being interrogated, took refuge with the local MLA. This triggered off a series of events.

Shivaparvathi Devi was elected as the President of the Mandal Panchayat, due to the infight between two TDP contenders, of equal status and power. The votes could not be divided between them, as there were 9 TDP members, a shift would have allowed the Congress party members to lead, as there were 7 of them. At the time of the Presidents election, Shivaparvathi Devi took the opportunity and sought the MLAs support, who failing to reconcile the fight between the two members, motivated the elected Mandal representatives to support her. This Presidentship lasted for 2 years and 9 months, after which direct and indirect pressures were brought to remove her from office. When the initial threats did not heed the required results, an allegation of misuse of funds was sighted against her, by purchasing the support of the members. By this time, the TDP members decided to support one among the two earlier contestant who now heads the MP. Atrocious behaviour of the present MPP, to outset her, was also narrated by her. Shivaparavathi Devi regrets that she questioned the school teacher.

The case also illustrates the political forces at ply at the Mandal Panchayat.

On the whole, it can be said that the functions of the MPs are limited. The members do not consider their role to be important, they are disinterested in attending the meetings. They are disinclined to attend the GP meetings too, to which they are permanent invitees. They resent the intervention by the ZPTC members and also MLAs. The MPPs have no control over their staff. It is said that the splitting of the Blocks into Mandals has allowed for a closer monitoring. The question now seems to be monitoring of what? This especially becomes relevant considering that there is no measure of accountability of any sort. The Nodal Officer assigned with implementing JB is more powerful than MPDO and MPP, who are expected to usher in democratic decentralisation. The Mandals perform limited functions of constructions of roads and drainage, and repair of school buildings.

6. THE GRAM PANCHAYAT

There are as many as 21,800 GPs in Andhra Pradesh, covering 28,245 number of villages. Because of their large number, and because they form the platform to implement schemes/programmes and the base on which the above two tiers are built, the GPs attract enormous attention.

A GP is constituted for a population of 500 and above. A GP may have a minimum of 5 and a maximum of 21 members, referred to as ward members. The Sarpanch -- President of the GP - is directly elected. The MPTC is a permanent invitee to the GP, an invitation which is not found palatable either by the panchayat members or by the MPTCs.

In order to understand the functions performed at the GP, the different actors who arrive at political decisions and wield power, the funds and staff which facilitate the process, and measures of accountability and the dynamics therein, six GPs were visited in the districts of Nalgonda and Guntur. In what follows, some of the issues that emerge prominently are discussed.

Political Control

The elections to the GPs are contested on non-party basis. This is the guideline placed by the 73rd Amendment, which is followed in AP, but every ward member has affiliations to a political party - TDP, Congress, Community Party of India, CPI (M). The party affiliation remains the unseen hand exercising control, not only at the time of contesting the elections but always.

At the GPs, the Sarpanch stands out separate from the other elected members. While the ward members form one group, the Sarpanch is always considered as a separate entity. When on field visits to the GPs, a request for interaction with the panchayat members ran the risk of holding Conversational Interviews with only the Sarpanch. This may be because the Sarpanch is directly voted to power. This could also be because the Sarpanch has been the centre of all eyes for a long time. There have been deliberate attempts in AP, aimed at diminishing the political control and power that the Sarpanchs exercised, emphasising this point. Did the sarpanchs wield so much power earlier? Were they a force to reckon with? These questions remain unanswered.

An unique feature in AP, is the Union formed by the Sarpanchs. This is of recent origin, 1996 and has had the positive effect of pressurising the Government to devolve 15 out of 29 functions. Further details on this are lacking. Though the field interactions confirm the existence of the union, inputs on its present status and functioning is insufficient. One could safely now conclude that the furore with which the union worked earlier has waned.

The Sarpanch often marginalises the importance and the decision-making capabilities of the ward members. The roles played by the ward members are not clearly specified in the Act. For non-performance, the Sarpanch is held accountable (however limited) and not the ward members. The decisions of the ward members have to be approved of by the Sarpanch. The other way round may not hold good. The ward members do not consider its right to impinge on each others territory - that of a ward - when decisions are to be taken. We thus have small blocks within a village as units of governance!

Ramamma is the Sarpanch of Advuladevi Gram Panchayat, her husband was the Sarpanch for 2 terms, a person from OC (Other Caste) succeeded him. The seat is now reserved for BC women, hence her representation.

A case of misappropriation of funds has been raised and submitted by the members of the GP against her. The allegation is that she had contracted some of the GP works, in which, they claim that she had managed to make money for her "own" benefits. The woman obtained a stay order, the court passed the judgement empowering the Collector to decide the validity of the case. She has requested for time of 3 months to collect the receipts from the contractor, which would be submitted to the Collector, so that she may be proved innocent. The villagers insist that GP is non-performing, the members allege that this is so only because of the pending case against the Sarpanch.

In the discussion that ensued, where a large number of villagers were allowed to participate, some interesting issues emerged. It was cleared that the villagers did not think that the GP body, in its "entirety", was accountable for any misconduct or misuse or non-functioning, only the Sarpanch was signalled out. More importantly, they did not consider it essential to rectify matters, by atleast ensuring

that individuals who could perform well could be elected during the next round. Choosing different representatives, according to them, would not make any difference, as the elections are one based on party affiliation and other “kinds” of pressures. The question of women's representation was also a matter of debate and concern. The woman Sarpanch was forced to be on the GP body by her husband, who even participated in the meetings. She was placed there to reflect her husband's aspirations. When cornered, the woman who was quiet, burst out that it was his fault that she was in the present position, her self respect was at stake. She did not like this. The woman is innocent to proved guilty. But, she was not supported by her husband who insisted on her becoming a member to further his political career, the villagers who elected her to the GP, the ward members who voted her to be the Sarpanch.

The GP decisions, as laid down by the Act, are arrived at by a simple majority vote of members. The GP meetings are held once in 90 days, occasionally earlier, and the decisions are almost always arrived at by reaching a consensus. When the priorities are the same and the demands of the ward members remain equal, how is consensus on who should get the first preference, given the resource constraints, arrived at? The Sarpanch, at one of the GPs visited, confesses of going by his knowledge of the wards. He sees no reason why any of the members should oppose or even object to "his" decisions, as he is confident of always being heard. The fact that he holds a senior position in the political party in this case - the TDP, and that there are no opposition party members in the GP only helps. This reduces the decision making capacity of the other members, literally dismissing the body, reinforcing the authority of an individual.

The Sarpanchs bowing to the decisions and control of the "elders" in the village is not uncommon either, the elders from higher caste and class wield considerable power and authority in the village. More often they occupy prime positions in the political party. They are the "kingpin makers" who choose candidates to contest elections, thereby undermine the decision making responsibilities of the Sarpanch/GP.

This is especially the case when the Sarpanch is from a low caste/class group. The dominance of the village headmen is accepted and articulated in a reverent manner. Given the caste/class characteristics and its reinforcement over years, this perhaps is inevitable. Reservation of seats for the economically and socially backward caste groups in the local self-governing bodies, is a step taken in breaking this pattern. But this should be given time to settle down before more fruitful results are witnessed.

In areas where the SCs- the socially and economically most backward, are numerically preponderant, they have a better say in the decision-making processes. We found a case where an SC convert - converted to Christianity - did not want to disclose his religious identity for fear of losing out privileges of reservation, being a Sarpanch. His name, the fact that he attends the Mass every Sunday and the way in which the children address his wife, became clear indicators of his religious affinity, which were revealed when we visited his house. This defeats the very purpose of reservations. This is however, true in other spheres also.

The preferential treatment meted out to the SC is resented by some of the other caste groups, who are also placed in the lower economic rung. In one of the MP meetings at Peddakani where a large number of people and many Sarpanchs were encouraged to participate, the argument centered around the fact that some of the backward caste people (Naidus, etc) are worse-off than the SCs economically. This brings into picture the much debated issue of giving due weightage to the economic criteria (also) when seats are reserved, in any of the spheres.

There are sub-caste divisions within the SCs, into the right and left divisions, which reduces their solidarity in fighting upper caste dominance. The politicians are accused of further accentuating this

division for political gains. The SCs, on the whole, form a sizeable proportion of population, and are generally looked at as "vote banks". This allegation was also highlighted during the group discussion mentioned above.

An SC women confesses of gaining a sense of self-respect and pride, with her election to the post of Sarpanch, and being able to "perform" well, ensuring road and drainage construction to the village. However, she considers it impossible to contest the forthcoming panchayat elections on her own, without the support of the elder(s) of the village. This is to be expected in a village set-up, where she is placed in the lowest rung of the caste hierarchy, and is dependent, as a daily wage earner, on the landowners. The patron-client relationship is further accentuated when there is dependency on the village elder/s for earning a livelihood.

Venkataramamma is the Sarpanch of GP Lakkavaram, of Nalgonda district. The seat of Sarpanch is reserved for SC women. To get to this position, Venkataramamma was supported by the village elder, Balwanta Reddy, a rich landlord from higher caste, who has been the Mandal Panchayat member for three years before opting to be the Chairman of Single Window Scheme. Both he and Venkataramamma are members of Telugu Desam Party.

Venkataramamma is 50 years old, and works as a coolie-wage earner on agricultural field. She finds employment, at times, with Balwanta Reddy, thus making her dependent on him. Decisions regarding the day-to-day running of the panchayats, especially those related to the development works are taken by her, in consultation with Balwanta Reddy. She does not even consider it unnecessary to involve other -than-panchayat members, in decision making processes.

Venkataramamma lists a number of programmes, which were implemented during her tenure as the Sarpanch, the important one's being the construction of roads and drainage in her village. But, despite her "efficient" performance, she does not consider standing for the next round of elections on her own, without the support of Balwanta Reddy and the party members. Otherwise, the chances of winning elections, are remote. It is thus obvious that the forces apply to win elections and occupy prime positions, are other than efficiency and good performance.

Administrative Control

There are no functionaries in the non-notified minor gram panchayats (23), the work of maintaining accounts and the like, is done by either the Sarpanch or a 'Karobar', part-time employee. In notified GPs (1336), an Executive Officer of Class III rank is supported by the office staff. The Divisional Panchayat Officer (DPO) is generally found to be in-charge, supervising the work. The karobar is paid an honorarium of Rs.300 to Rs.500/- and is selected by the GP members. The EO's are recruited by the state government, the GP's do not have any say in this matter.

The Executive Officers are assisted by various staff. The GP's functions of maintaining cleanliness, collecting taxes and registering births and deaths are duly supported by the staff of sweepers, scavengers, draincleaners, Canal watchers, night soil pickers, birth and death registrars, bill collectors, senior and junior assistants. Some of them are contingent employees, with no regular payment being given to them. The GP has no administrative support which can carry on development work.

The striking feature in AP is that the administrative line of control for GP is direct and is different than what is exercised to the MP and ZP. The Executive Officer of the GP works under the Extension Officer, Divisional Panchayat Officer and District Panchayat Officer, who are answerable to the Collector. The other two bodies are administered by the CEO. The argument put forth in favour of this is

the necessity to have such a line of control, due to the large number of GPs. However, this argument does not hold substance considering that the GP's form the power base, on which political parties are built.

Committees at the GP:

The PR Act [Sec.45] specifies that the GPs perform the duty of providing civic amenities, maintenance of GP roads, construction and maintenance of drains, cleaning of streets, etc., sinking and repairing of wells, etc. Sec 40(1) of the Act specifies the formation of Committees - "Beneficiary Committee" for the execution of the works of the GP - members, other than the GP members, can be co-opted for this. Sec.40(2) specifies formation of functional committees for agriculture, public health, water supply, sanitation, family planning, education and communication, and for any other purpose of the Act. None of these Committees are operational.

However, there are very many Committees, at least one Committee in each village. There has been no political initiative to revive the committees of panchayats, instead many committees - stakeholder groups, to be more precise, have been formed under the JB Scheme. The Committees are of recent origin, - formed after 1995, after the panchayat elections, and are considered as ways of promoting people's institutions at the grass roots.

The widely found Committee in AP is the Village Education Committee, started in 1998, as a result of AP Education Community Participation Act, every school has a Village Education Committee. All parents of the children in a School are the members, from among them they elect a Chairperson and three others, one of whom should be a women and one SC/ST. The Committee meets every month and looks into various aspects of school education, like improvement of infrastructure, the standard of teaching, etc and also ensure 100% enrolment. Although one hears of instances of conflict between the Headmaster and the Chairperson, on who should hoist the flag on Independence Day, and the like, the VEC is said to have brought in some degree of accountability and improvement in the functioning of schools. Over 60,000 Committees have been constituted.

The funds for construction of school buildings are also released to the School Education Committee, to monitor and ensure good quality, and timely construction. The Committees are also in charge of the purchase of teaching and learning material. Rs.2,000 is given to the Committee for this. For secondary schools, the amount is Rs.45,000/- in addition, an amount of Rs.15.97 crores has been sanctioned to enable the School Committees to engage 52,000 Vidya Volunteers.

For a group of VEC's, a Panchayat Education Committee, is formed. In this, the Sarpanch finds representation. The Mandal Education Committee at the block is headed by the MPP but this is not very active. There are 16 Zilla Committees also, which are not very active either. These three Committees are assigned only the task of monitoring.

There are Health Committees formed at the village, mandal and district level. The Committees function, as of now, as advisory bodies, and encourages community participation in the functioning of health institutions. The Advisory Committee for Health Sub-Centre (Primary Health) is headed either by the Sarpanch or the President of a SHG, representatives of SHG, Anganwadi worker, Chairperson of VEC are members. The Primary Health Centre, has the MPP as the head and involves ZPTC. The Community Health Centres and Hospitals at the district level involve MPP, ZPTC, Sarpanchs, and is headed by the MLA. As of now, the Committees have had the positive effect of creating accountability mechanisms, and have brought about an improvement in efficiency.

Mothers Committee (formed in 1995), in each of the Anganwadi, is in existence in most of the villages. Vana Samrakshana Committee (1997) (in villages with forest area), Watershed Association (1997 in dry land areas), Water Users' Association (1997) (in irrigated land) are some of the other user group Committees which are operational. There is a committee for youth also (CMEY, 1997).

The Elections to the Committees are facilitated by different Departments - Women Welfare Department conducts elections for Mother's Committee, Education Committee for VEC, Forest Department for Vana Samrakshana Committee, and Revenue and Irrigation for Water Users' Association.

The Habitation Committee, also known as the JB Committee, at the village level is also headed by the Sarpanch. The other members include MPTC, SHG leader, CMEY leader, president of different stakeholders committees, ngo representatives, etc. members of the GP are also invited. (Ref. Operational Guidelines, JB). The functions of this Committee includes mobilising contributions in cash and kind, creating an awareness among people in different governmental programmes, selection of beneficiaries for various schemes, and the like. The State officials reason out that the role played by a Sarpanch, and therefore PRI bodies, is not reduced but enhanced, as the Sarpanh heads the configuration of the Committees. This is not true. The Nodal Officer controls the Committees.

The widely heard comment about the representation of various groups in the Committees is that the Government is creating "political employment" to many at the village. How gainful is this employment, more importantly the political motive behind creating these is questionable. The deliberate attempt to include Sarpanchs as chairpersons of some of the committees reflect the government's move to ensure their non-opposition; if in opposition party, subsequently support.

The comment is also on forming too many Committees. The stakeholders are different, the needs are different, and cannot become a part of the decentralised governance, contrary to the State's picturisation of this. This has resulted in the spurting of too many politicians, instead of one Sarpanch accused of wielding power, there are many. Also, it is noticed that the decisions taken at the Committees are controlled by the bureaucrats.

SHGs

The other Committee which is formed at every village in the self-help group(s), started with the primary intention of inducing savings and initiating collective bargaining. MACS are formed which aid women in availing loans, which are hitherto difficult to obtain from the banks.

There are many comments on SHGs too - that they spurt only in reaction to the Governmental programmes/guidelines, etc. However, the SHGs are considered to be working effectively, within their limited sphere. In a village in Guntur, with 1300 HHs, there are as many as 40 SHGs. The point of relevance for us is to see if these women members of SHGs are "motivated" to participate in the larger body of panchayats. The State's vision as presented in Hyderabad, insist that the SHGs are being supported and encouraged in order that they form the "base" wherein the women are "trained" to enter the political arena.

However, cross-checking this with women of SHGs in various villages, we found that this is far from true. The members do not consider themselves to be sufficiently equipped or motivated to join political parties or contest elections. The forces at ply for such decisions are obviously varied. The involvement at the SHG is on a low profile, with limited interaction with officials/men, contrary to membership in the local bodies.

The concept behind forming the committees is said to be to empower people. In later years, the idea is to give them more powers - budget making as well as control. Whether the PRI institutions are to be included in this as delivery mechanisms remains to be seen.

Control of Funds

The funds available to the GP to implement the rural development programmes are the JGSY funds and funds from the 10th Finance Commission. These schemes are implemented through the DRDA. The income and expenditure figures, for the panchayat shows that house tax, and salary grant, form the major source of income and staff salary and JGSY form the major expenditure heads. There is no flexibility in using the funds, as they are scheme bound. The GP members can only decide on the priorities, given the scheme.

In Nalgonda, the income source of all the GP's in 1998-99, from the three categories of - own resources, JGSY, 10th Finance- were Rs. 4,80,98000, Rs. 7,15,00,000 and Rs. 4,38,00000, JGSY forms the major source. Shakapura is another example, metal roads costing Rs. 10,220 and special repairs costing Rs. 13,000, have been undertaken, both are JGY funds. In addition, Rs. 28,455 has been spent on road repair, from 10th Finance Commission Grant (1998-99).

The GPs are expected to raise their own funds, by levying taxes. In some of the villages, taxes have been collected, which is a positive sign. Though there are some constraints, in Shakapur GP, for e.g., the estimated house tax is Rs.36,000/-, Rs.25,000/- has been collected. The tax amount collected is used for any developmental work, as decided by the GP, by following the prescribed guidelines.

In some of the "rich" GP, though the inflow of funds is on the higher side -the expenditure is also more. In Kodad, Rs.31,361,69 is collected from "own" sources, half of this is spent on maintenance and salary of the employees. It receives Rs. 43,30862 as grants-in- aid. The population of the GP is 33,828(1991 Census).

The detailed budget figures have been collected for two GP's of Venigandla and Duggirala for three years. This allows for a glance between a rich and a moderate GP. (See Annexure III). House tax, water tax, profession tax, building fees, land cess and registration fee are the taxes raised which is common to both the GP's. Entertainment tax is also levied. This is more or less reflected in the data collected for other GPs too(for which data for one year is available), except that in smaller GP's, house, entertainment and profession tax are listed and not the others.

The bigger GPs- like Duggirala -has more revenue collected from other sources too. Also, the MP grant, the allocation of which is left to discretion of the MPs, is flowing in here. As mentioned above, the 10th finance grant and JRY grant, are common to all the GP's and form major sources of income.

The expenditure particulars indicate that the JRY and 10th finance funds which flow in are not spent in the corresponding years, nor do the figures match. The reason for this is to be probed, it could be that it is coming in late and is given in instalments.

The salaries and establishment costs, as mentioned elsewhere, make up for a good proportion of the expenditure. If we assume that panchayat works are development works and road works are attempted with the GP fund, then this is the only amount shown in the GP's as having been spent on development. The amount spent on road works in Duggirala, over three years, is as much as 13% of the total expenditure incurred. Similarly the panchayat work in Vennigandala is 32.5% (of the total expenditure).

Both the GP's show expenditure on JB though small, there is no receipt shown for this.

The income and expenditure figures of some of the smaller GPs eg. Lakkavaram indicate that the main source of own income of the GP is the house and entertainment tax, followed by stamp duty and professional tax. The expenditure is incurred on salary and establishment maintenance. Street lighting and Sarpanch's honorarium are also on the higher expenditure side. The net amount that remains is little and sufficient only for purposes like purchase of bleaching powder. At the most, construction of drains is the only development work that seems to be possible.

Venigandla village has devised a unique way of raising funds. For every quintal of cotton grown and sold in the village, Rs.5/- is collected by the education committee which has been functioning since 1980's. So far, Rs.10.00 lakhs has been collected. The amount is used for paying salaries for the teachers (over the last two years), building maintenance, salary of the watchman, electricity bill, etc. for all the 5-schools located in the village. The villagers are very clear that if more funds are raised, in due course of time, they would continue to invest in education.

The revenue and expenditure tables for GP throw light on some interesting facts and figures(Annexure II, Tables 1-6).

The general administrative costs, which includes the salary of the panchayat staff, terminal benefits, maintenance of assets and others: accounts for 12 to 17 percent of the total expenditure of the GP. The expenditure on Development grants includes the grant from the state government which is used for purposes of salary, TA and DA, the centrally sponsored JRY is scheme bound and is used for specific purpose. The GP's have no control over this, unlike the TFC grants which allows for a reasonably fair amount of discretion.

The expenditure on obligatory services match the functions assigned to the GPs. The expenditure on obligatory and discretionary services and TFC grants are, in reality, with the GP. This amounts to 22 to 55% of the total.

Expenditure of Gram Panchayats

	Amount in Rs									
	1990-91	1991- 92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Gen. Admn	248805 (12.69)	273543 (12.94)	293846 (12.15)	393151 (12.35)	414016 (16.48)	380626 (17.08)	434194 (12.55)	503394 (17.48)	714870 (16.86)	750501 (16.23)
Exp. On Obligatory & Discriminatory Services	437378 (22.31)	706396 (31.23)	729536 (30.16)	852832 (26.79)	979950 (38.84)	1196544 (53.69)	1376022 (39.79)	1571832 (54.57)	1712489 (40.40)	1841982 (39.84)
Exp. On Devpt Grants	1274364 (65.00)	1281819 (56.67)	1395596 (57.69)	1937260 (60.86)	1128754 (44.74)	651209 (2.921)	1648335 (47.66)	805166 (27.95)	1811647 (42.74)	2031258 (43.93)
Total	1960547	2261758	2418978	3183243	2522923	22288379	3458551	2880392	4239006	4623741

Development work has taken place - roads, drainage and hand pumps have been installed. In one of the GPs, there are many works which are under construction, school building, Mini Water Supply, Anganwadi building - under DPEP, RWS & ICDS schemes respectively, all of which are however categorised under DRDA.

Some of the physical targets of the villages like roads and drainages have been met because of this, but this has been limited and pales into insignificance when compared to the achievement(s) of the JB

programme. Wells, water tanks, cement roads and the like are the eye-catching targets which have been achieved by the JB programmes. JB invites people's contribution in cash or Shramadhana (physical labour) of 30%, the rest is met by the JB funds. The most severe comment heard is that this aspect is not new, but has been covered in the panchayat Act. As seen in the Section on Vision, the JB revolving funds are from various programmes. Also, the scheme funds of panchayats are channelised through JB. The JB programmes show tremendous results and are identified by these "targets", which are achieved.

There are many shortcomings in the JB programme too, the main accusation being that people's contribution, the vital point of JB programme, is often not met. Contribution(s) are at times made by individuals. In Kodad GP, for eg., a water tank with a capacity of holding 2 lakh litre water, costing Rs.10 lakhs has been built. Rs.3 lakhs i.e. 30% of people's contribution has been subscribed to by one individual! There are many more accusations. It is beyond the scope of this study to discuss this. But, for our purposes, it is suffice to say that the Sarpanch, even those belonging to the opposition party, are interested in identifying themselves with this programme. The main reason for this is the "visibility", the infrastructures constructed - which show, thereby getting them the credit of having worked for the development of the village. They reason out that there are more funds available, there may be Rs.1.00 lakh or more available as JGSY fund in a term of five years which is nothing compared to as much as Rs.10.00 lakhs or more of JB. Programmes like JGSY take a longer time to be implemented, unlike JB which has less procedure/s to be followed. The work (of JB) is not piece-meal either but executed continuously, and at a quicker/faster phase. The Sarpanchs of Congress party reason out that the electorate identify the execution of the programme as being done under their regime and not so much with the programme.

The VEC's are also given some amount directly by the Education department for purposes of purchase of black board, etc. In one of the villages visited, it was found that the (women) chairperson of the VEC was unaware of the exact amount received as the headmaster of the school maintenance the accounts.

The VEC - popularly called the Vidya Committee - also collects Rs.1/- from every parent. The amount is used for the welfare of the children/School. The other positive aspect of the Education Committee is the conscious effort made by the parents to elect members who are relatively better educated.

Accountability Mechanisms:

There are some measures of accountability introduced, that of holding teachers responsible, the tasks of which are assigned to the different committees, which are a part of the JB scheme. In fact, Accountability – recognising the responsibility and obligation of the institutions to the people is listed as one of the principles of JB.

The PRI act specifies a few measures of accountability:

- The authority to remove a Sarpanch on grounds of non-performance, corruption charges, rests with the Collector.
- The members are disqualified, if they do not attend three consecutive meetings continuously. Their absence is referred by the District Panchayat Officer to the Commissioner.
- Grama Sabhas are not considered to be bodies which can scrutinise the performance/non-performance of the GPs.

The Gram Sabhas

The word Gram Sabha spells confusion in Andhra Pradesh, as GSs are held under the JB programme also. The ambiguity and confusion stems from the very definition adopted in the Operational Guidelines of JB. The Operational Guidelines of JB quotes from the PR Act of 1994 and defines GSs as "consisting of all persons whose names are included in the electoral rolls for the Gram Panchayat" [S.6(2)]. Thus there is no distinction between the JBGS and PRGS. However, the similarity ends there. The Operational Guidelines goes on to specify that the GSs are to be convened once every quarter, the PR Act mandates this to be twice a year. Both the guidelines and the Act, consider the Sarpanch or the Executive Officer to be responsible for holding the GSs. The guideline specifies that the Nodal Officer at the Mandal level should coordinate the GSs and conduct it as per the schedule/programme prescribed.

The JBGS act as platform where the action taken earlier is presented and grievances are collected. What is interesting is the specification in the guideline which calls for the audited figure of GP to be read at JBGS, clearly rating the two GSs in terms of their importance, as seen by the policy makers.

To the question whether the GSs are held regularly, the answer is always an YES, in the field. But this GS refer to the JB GS which are held regularly. It is not clear whether the PRGSs are held once in 6-months, and if held, what transpires there. Apparently, these are not considered necessary or important at all. The PR Act also does not lay much emphasis on GSs, except to specify that the annual statement of accounts and audit report, report on the administration of the preceding year, and plans for new programme of the GPs are to be placed before it. The Act does not insist on a quorum either. The GS is to be convened by the Executive Officer, and presided over by the Sarpanch. The Sarpanchs are vague about who convenes the GS's. Many, including the Sarpanchs of some of the GPs, are even ignorant of the necessity to distinguish between the two GSs.

7. COMMENTS AND CONCLUSIONS

The main disquiet heard in Andhra Pradesh is relating to the 6-tier structure, which is said to loosen the "organic" linkages. The constitutional amendment to this (87th amendment bill, 1999) is aimed at bringing direct elections to the ward members, who in turn elect the Sarpanch. MTCs are elected from among the Sarpanch and so on. The kind/s of changes that this would bring about remains to be seen.⁴

The PRIs as they stand now are weak. There is low importance placed on the system. Limited functions and limited authority to execute the function seem to be the hall mark. There has been no devolution in the five sectors studied. There is more concentration, than devolution. There has been no transference of schemes either. PRIs remain in the domain of bureaucrats, the control exercised by the line department is strong. The rural development department has remained separate. There is no planning from below either. The three bodies are not adequately supported by staff which can carryout any development work. This aspect has to be specially taken note of while attempting to build the capacities of the PRIs. The funds "devolved" to panchyats relate to the tied funds. The amount transferred from various departments are channaised as PR funds.

The measures of accountability are limited. The Gram Sabhas of JB programme are held more diligently, the PR Gram Sabhas are not given much importance.

⁴ Details in **Threat to Grassroots Democracy** by George Mathew. The Hindu, February 16, 2000

The emphasis placed on PRI has also been varying. The state visionaries confirm of attempts to rejuvenate the PRs. While there is talk of rejuvenating the PRIs now, there were definite efforts to throttle it in the mid-90s. Introduction of "populist" measures like that of JB have been justified on grounds of non-performance of the local bodies. But a closer look at this programme reveals that its concept and approach is identical to that of decentralised governance. The question then would be, why were no efforts made to strengthen PRIs? There are two views on this, one is that this was done deliberately to squash the panchayats, thereby reduce their power. The Legislative Assembly elections were held in August 1995, the panchayat's were already in place since March 1995. The newly ushered – in government, under the charismatic leadership of Chandrababu Naidu, adopted a political strategy of introducing various measures to throttle panchayats, at the same time attempted to build a political base, by creating parallel structures through JB and its various committees. The other view is a positive one, which credits the politicians with genuine interest of building the capacity of the new stake holder groups, in order to facilitate their inclusion with PRIs and thereby revive them. JB now forms the broader base.

The officials connected with the PR department however are clear that the JB has weakened PRIs. That the funds of PRIs are also channelised through JB is an indicator of this. The emphasis placed on PRI now, formation of cabinet sub-committee, involving the panchayats in micro-planning and the like, are also considered as strategies, as the second round of assembly elections held in 1999 did not ensure a marked success for the ruling party. Local bodies always provide a strong and broad political power base.

Whether the numerous committees formed under JB have empowered people, needs a different study. It is suffice to say that the various committees cannot be brought under one umbrella, the stakes are different. The committees are said to have ushered in confusion and political employment, than efficiency. The Sarpanch's representation in various committees has not given them added importance but has proved effective in winning win them over or at least quieten them (if from the opposition.). The formation of SHGs, are taken up as a mass movement in Andhra Pradesh, to build group pressure and capacities of women, in order that they get incorporated into PRIs remain restrictive.

It is not out of context here to recommend that any initiative in Andhra Pradesh should draw from the existing committees, without creating new ones. This would be more meaningful.

SUMMARY TABLE

Summary Table of State Decentralization for PRIs/Sectors/Schemes, By Dimension of Decentralization			
PRIs/Sector/Scheme	Decentralization Dimension	State Vision	Field Assessment
DPC/DDRC	Political	Yet to form DPC. The earlier DDRC exists with the Minister as the Chairman, MLA, MPS, as Members. The ZP chairman is made the vice-chairman, the state claims this as giving due importance to the PRIs	The ZP is assigned a role, the chairpersons authority and decision making power gets reduced in the presence of minister, MLAs and MPs
	Administrative	Collector is the member convener, assisted by the CPO. Reviews all departmental work.	Nowhere related to the PRIs. Also reviews the work of JB.
	Fiscal	Sanctioning body for project worth Rs.5 to 50 lakhs	-
	Accountability	-	-

Summary Table of State Decentralization for PRIs/Sectors/Schemes, By Dimension of Decentralization			
PRI/Sector/Scheme	Decentralization Dimension	State Vision	Field Assessment
ZP	Political	<p>MLA's and MP's are ex-officio members but have no voting power.</p> <p>Opposed to 6 – tier system Direct elections of ZPTC members, overlaps the MPP's jurisdiction</p>	<p>The elected representatives are not in favour of MLA, MP representation in any capacity</p> <p>Similar to the state vision</p>
	Administrative	<p>Rural development & PR have been kept separate. RD needs special mechanisms</p> <p>The postings, promotions & staff of PR with ZP, under the control of ZP.</p> <p>Coordination work</p>	<p>The MLA's would have no role that is why the RD & PR are kept separate. Administrators are also not in favour of RD being a part of PR.</p> <p>Bureaucratic line of control, technically qualified staff non-existing, teachers are selected by the collector, PR & engg. Department with the line dept.</p> <p>Reviewing Mandal work. GP's are looked after by the collector</p>
	Fiscal	Funds are transferred to the PR bodies. The ZPs can exercise their discretion in using them.	Dependent on the State and Center, funds are tied, scheme bound, no autonomy. Funds to the engg. Section directly.
	Accountability	Limited measures, the CEO is accountable to the ZP chairperson.	Line of control bureaucratic, the authority is from "above"
	Committees	7 standing committees, to deal with various subjects	The standing committees have very limited scope. Reviews the functioning of various departments.
MP	Political	<p>MPTC role & jurisdiction overlaps with that of the Sarpanch</p> <p>MLA's are non-voting members</p>	<p>Same as in vision</p> <p>Majority against their presence, some consider it necessary to overrule the Sarpanchs presence</p>
	Administrative	The MPDO to work under the control of MPP.	MPDO executes the DRDA programmes, MPP's support this.

Summary Table of State Decentralization for PRIs/Sectors/Schemes, By Dimension of Decentralization			
PRI/Sector/Scheme	Decentralization Dimension	State Vision	Field Assessment
		<p>MPDO is answerable to the CEO</p> <p>Many wings with MPDO the functions of MP are consuming Development. Agri. and allied matters, Animal Husbandry, Health & Rural sanitation</p>	<p>MPDO is indirectly answerable to the collector.</p> <p>Majority like Agri. Extension etc. are with the line dept., community development with DRDA.</p>
	Fiscal	The funds are released to the MP	Dependent on the State / ZP for fund flow. Tied funds, to follow prescribed guidelines, very little amount for development work.
	Accountability	MP has power to appoint staff	Limited power, cannot exercise any measure of accountability.
	Committees	<p>No standing committees at the MP.</p> <p>SHG's, MAC's would motivate the women to join the political process</p>	<p>Three committees at the mandal level – JB, Education & Health committee, all have the MPP as the chairperson Nodal officer has major role.</p> <p>SHG's have limited applications, cannot look at as mass movement, motivating women to participate in the process of decentralisation</p>
GP	Political	<p>Non party based elections, as per the amendment</p> <p>The GP functions as a body</p>	<p>All elected representatives have political party affiliations.</p> <p>The Sarpanch is equated with the body.</p>
	Administration	<p>Large number of GP's, makes it necessary to have a different line of control</p> <p>The EO's and Sarpanch work in harmony</p>	<p>The collector controls the GP's as they form important power ways.</p> <p>The Sarpanch would prefer to appoint the EO's, who are now appointed by the state.</p>
	Fiscal	GP's have taxation power, funds also flow from center and state	True. But need follow guidelines even for their funds. Difficult collect taxes, whatever is collected is

Summary Table of State Decentralization for PRIs/Sectors/Schemes, By Dimension of Decentralization			
PRIs/Sector/Scheme	Decentralization Dimension	State Vision	Field Assessment
			insufficient to do devpt. Work spent on salaries etc. most of the amount relate to JGSY and 10 th finance commission
	Accountability	GS forms the base, acts as accountability to GP	GS held as JBGS, even the GP audited figures are read here. Non-clear whether PRGS are given due importance.
	Committees	<p>The act specifies for the formation of beneficiary committees and functioning committees. Civil servants of PR conceded that they are not working.</p> <p>The Sarpanch finds representation in JB committees, thus strengthening their role.</p> <p>The various committees empower people; can be clubbed together to become a part of decentralised governance.</p> <p>Women of SHG's trained to enable them to contest the panchayat elections</p>	<p>Very true, many committees at the village, as a part of the JB programme.</p> <p>The Sarpanchs do not have a major role; the nodal officer is in charge of the committees.</p> <p>Too many committees, created political employment, stakeholder are different, cannot be brought under a single umbrella.</p> <p>The SHG members do not think so.</p>
Sectors	Political	15 subjects transferred to the PR body.	Restricted to beneficiary selection.
	Administrative	Transferred personnel from the state	Line of control with the line departments.
	Funds	Budget allocations through the line dept.	True
	Accountability	Decisions by the PRI	Decisions by the state. Center & state sponsored programmes
Schemes	Political	Spl. Schemes through panchayat and JB	Schemes through the corporations & JB PRI's only review.
	Administrative	The only programme is to give salaries.	True, control by line departments.
	Funds	Scheme bound	True.
	Accountability	To follow guidelines	True.

Total Revenue and Expenditure - Zilla Parishad, Mandal Parishads & Gram Panchayats

Amount in Rs. Projected

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
ZP Rev.	3176233	4090473	6191493	5520724	6649612	7477368	9124369	13922087	17296721	20609682
Zp Expn.	3406433	4320973	6292393	5360724	6702203	7674972	9032685	13666700	17040736	20389762
MP Rev.	4531543	4875490	5237261	5779474	6448314	6541911	7576532	8183646	11049801	122146643
MP Expn.	4636406	4993548	5416809	5974833	6755397	6765841	7864351	8488695	11410639	12607742
GP Rev.	2298228	2614488	2654270	3292304	27117215	2340923	3705478	2880392	4239006	4623741
GP Expn.	1960547	2261758	2418978	3183243	2522723	22288379	3458551	2880392	4239006	4623741

Source: Office of the Commissioner PR, Hyderabad. 1999.

The revenue and expenditure figures show that the expenditure is on the higher side, in the beginning of the last decade(except in 1993-94) for the ZPs. There has been a reduction in the last four years,1996 onwards. How does the ZP cope up with the additional expenses incurred? If the state government supports the ZPs, given that the ZPs have no source of their own, is there a repayment criteria? More importantly, in the last four years, the expenditure has been less than the receipts, leaving a surplus. This is in contradiction to what was revealed during the field investigation, where lack of funds has been sighted, as a constraint.

The amount for MP, in all the years, show the expenditure to be exceeding the receipts. The GPs present a contrast, with the revenue in excess, from 1990-91 to 1993-94 and in 1996-97. The income and expenditure figures tally for the three years, 1997 to 2000. the reason for this is not known. For three years, the grants-in- aid seem to floe in and floe out as expenditure (See Annexure II). In other years, the additional expenditure cannot be accounted for.

If the trend visible in the years 1990-91 to 1993-94 is appropriate, the GPs have a surplus amount. The GPs, unlike the other two tiers, have their own resources but this amount is considered insufficient for development works, after deducting the salary and establishment costs. This cannot, in anyway, account for the surplus. The probable reason could be that the GPS are unaware of some of the amounts released.

ANNEX II

INCOME & EXPENDITURE OF DUGGIRALA GRAMA PANCHAYAT FOR THE LAST THREE YEARS

Sl. No.	Particulars of Receipts	1996-97	1997-98	1998-99
1.	Land Cess	14,854.00	-	7,517.00
2.	House Tax (Arear)	6,652.88	64,863.75	67,927.35
3.	House Tax (Current)	2,36,380.81	2,96,842.29	3,72,004.47
4.	P.T. Staff	2,500.00	2,840.00	2,320.00
5.	Profession Tax Grant	16,000.00	28,810.00	42,000.00
6.	Entertainment Tax	18,452.00	23,327.00	21,592.00
7.	Group Insurance	1,485.00	1,620.00	2,850.00
8.	G.J.A.P.	35.00	-	-
9.	J.R.Y.Grant	1,79,329.00	86,634.00	-
10.	Management Receipts	4,340.00	3,680.00	3,831.00
11.	C.M.Relief Fund	1,223.00	-	-
12.	G.P.F.	600.00	3,000.00	1,200.00
13.	Encroachment Fees	9,484.00	8,229.00	8,229.00
14.	Library Cess (Arear)	529.68	5,187.60	5,440.32
15.	Library Cess (Current)	19,280.50	23,128.00	29,161.24
16.	Special Tax (Arear)	3,459.03	12,972.69	393.52
17.	Special Tax (Current)	46,822.05	6,148.00	-
18.	Building Fees	8,334.00	13,887.00	20,649.00
19.	Old News Papers Auction	580.00	637.00	-
20.	Old Iron Auction	1,365.00	650.00	-
21.	Old Iron Auction	175.00	385.00	-
22.	Grass Sales	24,680.00	28,935.00	27,550.00
23.	License Fees	40,113.75	87,513.75	42,510.25
24.	Belated Fees	562.50	406.25	450.00
25.	Registration Charges	1,27,310.00	1,34,252.00	1,04,601.00
26.	Avenue Plantation	800.00	925.00	500.00
27.	Salaries Grant	3,87,000.00	3,98,000.00	6,07,900.00
28.	Population Grant	3,900.00	-	-
29.	Deposits	57,985.95	41,487.25	45,185.75
30.	Advances	7,000.00	15,000.00	27,000.00
31.	Advances Refunds	600.00		
32.	Audit Recoveries	1,253.33		
33.	Development Charges		700.00	
34.	10 th Finance Grant		1,49,728.00	
35.	Contributions		4,500.00	
36.	Statutory Grant		3,740.00	
37.	Grass Sales (Arear)			670.00
38.	G.I.S. to Retd. Sweepers			20,423.00
39.	M.P.Grant			25,000.00
40.	Capital Grant			28,080.00
	Total Receipts	12,23,080.48	14,47,929.35	15,14,985.40
	Opening Balance	2,11,026.93	1,99,277.33	2,50,436.93
	Total Amount Including Opening Balance	14,34,116.41	16,47,206.68	17,65,422.33

**INCOME & EXPENDITURE OF DUGGIRALA GRAMA PANCHAYAT FOR THE
LAST THREE YEARS**

Sl. No.	Particulars of Expenditure	1996-97	1997-98	1998-99
1.	General Establishment salaries	1,36,756.00	1,42,926.00	1,33,198.00
2.	Collection Est. Salries	46,976.00	67,566.00	80,260.00
3.	P.H.Est. Salaries	1,71,763.00	2,12,483.00	1,77,898.00
4.	Sanitary Inspector Salaries	41,455.00	44,726.00	53,245.00
5.	P.H.Miscellaneous Expenses	21,200.00	-	38,173.00
6.	Switch Board Allowance	840.00	630.00	700.00
7.	Tube well Mechanic Salary & Miscellaneous	9,000.00	10,700.00	13,900.00
8.	Part time Staff Salaries	20,400.00	17,700.00	19,900.00
9.	P..Part time Staff salaries	55,620.00	29,543.00	64,949.00
10.	P.H.Part time staff salries	55,620.00	29,543.00	64,949.00
11.	Group Insurance	1,485.00	1,620.00	1,650.00
12.	Professional Tax	2,500.00	2,840.00	1,320.00
13.	C.M. Relief Fund	1,223.00	-	-
14.	Executive Officer G.P.F.	600.00	3,000.00	600.00
15.	G.J.A.P.	35.00		
16.	Management charges	22,166.00	24,308.00	54,539.00
17.	Pension contributions	14,434.00	7,556.00	-
18.	L.F.Books & Forms	5,468.00	6,102.00	6,880.00
19.	Advances	5,000.00	28,500.00	16,000.00
20.	Advances Refunds	600.00	-	-
21.	Travelling Allowances	3,286.00	6,858.00	6,396.00
22.	Road works	1,63,970.00	95,119.00	2,78,500.00
23.	Stationary	12,528.00	11,996.00	16,169.00
24.	Law charges	200.00	600.00	2,250.00
25.	Electrical Consumption charges	47,826.00	53,465.00	1,05,915.00
26.	Electrical Items	77,675.00	77,168.00	39,705.00
27.	Education	1,290.00	-	-
28.	Maintenance of park	12,235.00	1,420.00	11,192.00
29.	P.H.Items	32,007.00	28,719.00	28,777.00
30.	J.B.Expenditure	10,000.00	14,150.00	8,750.00
31.	R.C.C. Pipes	9,664.00	5,670.00	10,601.00
32.	News Papers	10,752.00	10,570.00	10,541.00
33.	Tube well spare parts	33,023.00	-	73,176.00
34.	J.R.Y. Works	1,94,375.00	1,54,552.00	-
35.	Contributions	500.00	-	1,500.00
36.	Deposits	46,650.08	53,538.75	42,413.25
37.	Library Cess Refunds	12,957.00	10,000.00	-
38.	Drain Cleaner & Bulk cart Salaries	-	-	-

Sl. No.	Particulars of Expenditure	1996-97	1997-98	1998-99
39.	J.R.Y. Grant Expenses	-	27,461.00	-
40.	G.I.S.Grant Refunds		87,155.00	20,423.00
41.	Gram Panchayat contribution to 10 th Finance grant works		-	1,23,170.00
42.	Computer Expenditure			20,000.00
43.	M.P.Grant Refunds			25,000.00
	Total Expenditure	12,34,839.00	12,47,041.75	15,06,990.25
	Balance	1,99,277.33	4,00,164.93	2,58,432.08
	Including of Balance Amount	14,34,116.41	16,47,206.68	17,65,422.33

P.Suryanarayana
Executive Officer
Gram Panchayat, Duggirala

ANNEX III

RECEIPTS AND CHARGES STATEMENT OF GRAM PANCHAYAT VENIGANDLA PEDAKAKANMANDAL GUNTUR FROM 1996 – 97 TO 1998 – 99 RECEIPTS

Sl. No.	Particulars	1996-97	1997-98	1998-99
1.	House Tax	83,320.75	1,13,506.38	1,12,195.23
2.	Library Cess	6,625.52	9,031.30	8,919.09
3	Registration Sucharge	2,58,245.00	6,72,402.00	4,99,825.00
4	Salary Grant	90,000.00	1,32,000.00	1,29,000.00
5	Management Receipts	2,108.00	1,184.00	595.00
6	Profession Tax	180.00	32,640.00	21,180.00
7	Water Tax	-	-	22,283.00
8	Deposits	11,299.50	16,074.50	42,612.00
9	Advances	17,700.00	1,900.00	2,300.00
10	Building Fees	992.00	60.00	280.00
11	Uda Development Charges	3,342.00	-	-
12	J.R.Y Grant	1,14,377.00	55,256.00	96,707.22
13	Sales	1,156.00	-	-
14	P.W.S. Deposits	61,000.00	-	-
15	Group Insurance	7,279.00	-	-
16	Land Cess	2,498.00	-	-
17	Passbook Difference	18,112.00	-	-
18	License fees	2,242.00	-	-
19	10 th Finance Grant	-	1,00,672.00	79,833.00
20	Population Grant	-	1,300.00	14,160.00
21	Tap Fees	-	1,60,110.00	1,27,350.00
22	Tap Transfer Fees	-	1,000.00	1,600.00
23	Contractor Registration Fees	-	75.00	-
24	Excess payments	-	-	59.00
25	Incentive Allowance	-	-	5,000.00
	Total Receipts	6,80,477.31	13,21,671.38	10,67,191.41
	Opening Balance	3,12,217.49	3,55,837.80	9,38,758.68
	With opening Balance Total	9,92,694.80	16,77,509.18	20,05,950.09

EXECUTIVE OFFICER
Gram Panchyat Venigandla, Pekakani Mandal

PAYMENTS

Sl. No	Particulars	1996-97	1997-98	1998-99
1.	Gen. Estt. Salaries	1,46,229.00	1,39,578.00	1,57,691.00
2.	P.H.Estt. Salaries	38,250.00	42,108.00	47,284.00
3	Part-time Estt. Salaries	22,800.00	22,333.00	33,800.00
4	P.W.S. Estt. Salaries (Contract Basis	-	29,150.00	31,800.00
5	News Paper Supply	14,551.00	15,146.00	19,407.80
6	Office CC Charges	-	1,595.00	2,808.00
7	Street Lights CC Charges	-	15,049.00	64,693.00
8	Street Lights Spare Parts	59,703.00	19,092.00	31,565.00
9	Library Cess	6,626.00	6,625.00	9,031.00
10	P.H.Contingencies	24,874.00	200.00	6,519.00
11	Advances	12,000.00	2,000.00	4,500.00

12	Management Expenditure	24,950.00	1,120.00	8,100.00
13	Stationary	1,400.00	5,000.00	-
14	Panchayat Works	68,259.00	1,39,379.00	6,67,948.00
15	J.R.Y. Works	1,70,015.00	79,601.00	51,369.00
16	P.W.S. Contingencies	-	1,89,014.00	-
17	V.G.T.	-	-	3,342.00
18	Travelling Allowance	1,130.00	-	-
19	Pensions	11,620.00	11,299.00	11,808.00
20	Dist. Sports Council	500.00	500.00	500.00
21	Masionary Drains	13,804.00	-	-
22	Fairs & Festivals	500.00	250.00	-
23	Books & Forms	2,000.00	2,475.00	1,286.00
24	Groups Insurance	7,369.00	-	-
25	T.V. Maintance	200.00	-	-
26	Profession Tax	260.00	-	-
27	Deposits	7,575.0	3,196.50	27,264.00
28	License Fees	2,242.0	-	-
29	Advertisment Expenditure	-	800.00	1,250.00
30	Switch Board Operator Allowance	-	240.00	240.00
31	J.B. Expenditure	-	13,000.00	10,500.00
32	10 th Finance	-	-	1,36,314.00
33	P.W.S. CC Charges	-	-	28,591.00
34	P.W.S. Scheme Maintance	-	-	2,460.00
35	Telephone Charges (DLP Office)	-	-	4,700.00
36	Contribution	-	-	2,000.00
	Total Expenditure	6,36,857.00	7,38,750.00	13,15,402.30
	Closing Balance	3,55,837.30	9,38,758.68	6,90,547.79
	With Closing Balance Total	9,92,694.80	16,77,509.18	20,05,950.09

EXECUTIVE OFFICER
Gram Panchyat Venigandla
Pekakani Mandal

II. DECENTRALISATION IN KARNATAKA

1. INTRODUCTION

For over a decade now, the decentralisation experiments in Karnataka have been going on and these have received attention from both within and outside India. Karnataka had passed a 'radical' act on decentralisation in the mid-1980s⁵. The current wave of decentralization efforts in the state, thus, began much earlier. They have also been extensively studied⁶. There have been official reviews as well⁷. There is a base, in fact, for Karnataka to claim that it is, in terms of decentralisation, a "mature State" in India.

But the process of decentralisation has not been smooth. There have been numerous amendments over the years to the basic act, and the system has never really been allowed to settle down⁸. Each time elections were due, for one reason or another they were postponed--even when the law said they could not be. Between the two regimes of panchayati raj--1987-92 and 1994-99--there was an era of administrator's rule⁹ for over a year, when civil servants were in charge. The current Minister of Rural Development and Panchayati Raj [Shri M.Y. Ghorpade], when he last held the post, resigned from the Government on the issue of postponement of elections to local bodies. Clearly, panchayati raj has not been a matter of consensus and overall agreement in this state.

The state witnessed elections for the Gram Panchayats (GPs) in 2000 for the third time after 1983 Act was passed¹⁰, and under improved frame conditions such as reservations to the disadvantaged groups and constitution of finance commission. Thus, the case of Karnataka, is one of long experience with decentralization¹¹. The process has seen many ups and downs over this period--reflecting the various forces that impinge on decentralisation in India. It may offer quite a few insights and issues for discussion. This paper seeks to analyze the extent to which political, fiscal and administrative decentralisation has taken place in Karnataka at all the levels of local bodies.

The next section of the paper discusses the vision of the state on decentralisation, as explained by the state officials, while the third section analyses the sectors and schemes. The political, fiscal and administrative decentralisation, based on field observations at the levels of Zilla Panchayat (ZP), Taluk Panchayat (TP), and Gram Panchayat and Gram Sabha will be examined in the next three sections, respectively. The last section concludes the paper.

⁵ B.K. Chandrasekhar, (1984). Panchayat Raj in Karnataka: Janata Initiative in Decentralisation. **Economic and Political weekly**, 19 (14) for an excellent statement.

⁶ For example, the well-known works of James Manor who has argued that Karnataka's was one of the most extensive cases of decentralisation in the world. James Manor, *The Political Economy of Democratic Decentralisation*, World Bank Washington DC, 1999./ And Vinod Vyasulu, *Decentralisation from Above: Panchayati Raj in the 1990s*, Centre for Budget and Policy Studies, Bangalore, March 2000.

⁷ Expert Committee to Review the Panchayati Raj System, [Chairman: Dr K.S. Krishnaswamy], Govt of Karnataka, Department of Rural Development and Panchayati Raj, Bangalore 1990. There is the Expert Committee to suggest amendments to the 1993 law--the P.R. Nayak Committee 1995. A note of dissent by the Member Secretary--the Secretary for Rural Development and Panchayati Raj is a part of this report.

⁸ The latest change takes away the power of the state election commission to reserve seats and positions, and gives this power to Deputy Commissioners of districts.

⁹ Anand Inbanathan, "Panchayati Raj Under the Administrators" Institute of Social Studies, Bangalore 1994.

¹⁰ However, unlike in many other states, the elections have been broken up into parts. Further, elections to the GPs have been delinked from those to higher levels--the elections to the TPs and ZPs were held in June 2000.

¹¹ It has been a case of decentralisation being pushed from the "top". There has been no local demand in the form of movements etc for decentralisation in Karnataka. This is relevant in understanding the processes underway.

For the collection of data and information, the following methodology was adopted. The Team has had discussions with the state level officials from the departments of Rural Development and Panchayat Raj, Health, Education and planning to obtain the vision of the state on decentralization. The relevant data were also collected. Based on suggestions of these officials, the Team visited the districts of Bellary and Mysore to obtain the data and information on the local bodies in these two districts. In each of the districts, the Team has had discussions with the Chief Executive Officer (CEO) of ZP and heads of line departments at the district level. The team visited the ZP, two TPs and two GPs in each of the districts to have discussions and collect the relevant data. The Team also attended a ZP meeting. The fieldwork was done in January/February 2000.

2. THE STATE'S VISION OF DECENTRALISATION

The Panchayati Raj System has been in existence in the state for a long time. The report of the Balwantrai Mehta Committee (1957) contributed to the enactment of the Mysore (Karnataka) Village Panchayats and District Boards Act in 1959. This Act continued to be in force until 1983. During this period, the Panchayat Raj Institutions (PRIs) did not function very well for a number of reasons (an important one was inadequate devolution of powers) and the elections were not conducted regularly.

In 1983, according to officials, when the new Janatha Party government came into power, serious thought was given by Chief Minister Ramakrishna Hegde and Rural Development Minister Abdul Nasir Sab to bring in new legislation on PRIs. There were several reasons. First, the development administration was found to be less accountable to the public, and hence, there was need to make it more accountable. Second, there was a strong tendency for the development administration to get compartmentalised [probably due to the green revolution]. This resulted in strong hierarchy in a department and an absence of inter-departmental communication and coordination. Third, the government felt that during this regime, the village level officials were the sole decision making authority on selection and prioritization of beneficiaries and distribution of state benefits. No process of consultation with the people was considered necessary.

In general, the bureaucracy was not considered to be sensitive to the problems of the poor by this government. The report of the Ashok Mehta Committee [set up by the Morarji Desai government] inspired¹² the new government to formulate the Karnataka Zilla Parishads, Taluk Panchayat Samitis, Mandal Panchayats and Nyaya Panchayats Act in 1983.

The Act, which came into effect in 1987, provided for a two-tier structure (with Taluk Panchayat as purely co-ordinating body), reservation of 25 per cent of the seats to women and 18 per cent for SCs and STs, and for an institution called gram sabha. The Act gave the President of the ZP the rank of a Minister of State, and he wrote the Annual confidential report of the head of the district administration, then called the Chief Secretary of the district. The delegation of powers and responsibilities was to the district level. The Act also provided for a coordinating body at the taluk level, consisting of members from the other two elected levels, and, a state finance commission to recommend the devolution of state funds to these bodies. The Act also made provision for Nyaya Panchayats, which would function as local courts. This was, however, never implemented.

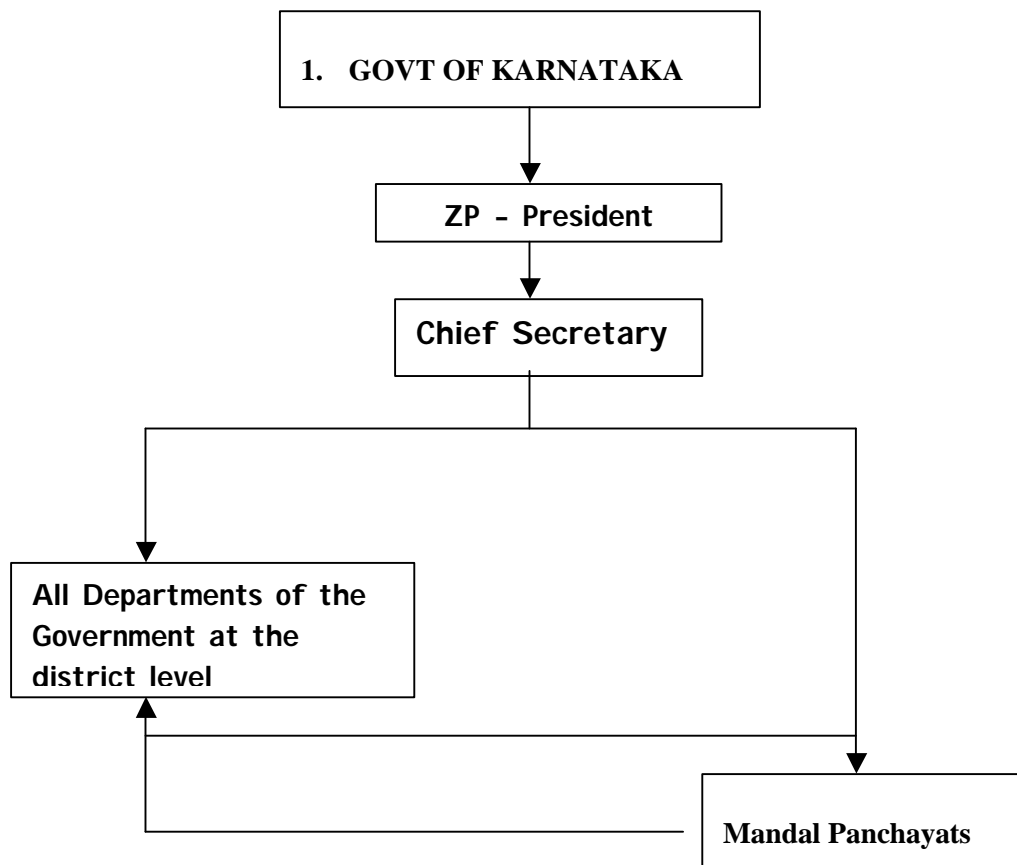
¹² There was also the political motive: to show the Congress government of the Centre that the opposition leaders jailed during the Emergency did in fact have better democratic credentials--and this law seemed the best way to demonstrate it.

The first elections were held in January 1987 and the PRIs completed one full term. The holding of elections was then postponed for a couple of years. According to the state officials, by then the central government was making efforts to bring in 73rd and 74th Constitutional Amendments and the state government wanted to conduct elections only after confirming to the constitutional amendment¹³.

Soon after the 73rd and 74th constitutional amendments, the new act called Karnataka Panchayat Raj Act came into force from May 10, 1993. The new act was different from the old one, at least, in two respects. First, the percentage of seats reserved for women went up from 25 to 33. Second, the new act provided for a three-tier structure with Taluk Panchayat becoming an elected third tier. After the new Act was passed a committee under the chairmanship of P.R.Nayak was constituted to suggest amendments to the act. The committee made the following recommendations, which have been accepted. First, a rotating system for the Presidency and Vice-presidency of the ZP, with a limit of 20 months on the term of office, so that more people can get a chance to exercise powers in the system. Second, changes in the system of administration from the earlier one – the chief secretary is now designated as chief executive officer.

These changes apart, the decentralization efforts ushered in by the state in 1987 have been institutionalized. The DRDA is merged with the ZP. The ZP has a full complement of staff under its control. Finances are released on a regular basis. The ZPs across the state have had experience of preparing decentralized plans now for the last 13 years. The implementation of the most development projects is the responsibility of ZP. In terms of funds, functions and functionalities, Karnataka has effectively decentralized. So, perhaps, this is what makes the senior state level officials to feel that this system is continuation of the one introduced in 1987 notwithstanding the 1993 Act conforming the 73rd and 74th Constitutional Amendments.

CHART - 1



Political decentralization

The 1993 Act provided for a gram sabha with a three-tier structure of local government. The **gram sabha** is the foundation of the structure, and seeks to enable the people to evince keen interest in the development of their village. It consists of all the voters in a village, and meets four times in a year on January 26, May 1, August 15 and October 2. The functions of gram sabha are a) to review the accounts and performance of the GP; b) considering the development programmes proposed by the GP; and c) identification of beneficiaries for poverty alleviation and development programmes.

The **Gram Panchayat**, the lowest tier, has a population ranging, in general, from 5000 to 7000. All the members are directly elected. The average number of members in each GP in the state as a whole was 14 (in the recently concluded GPs, the total number of members was 80627 in 5640 GPs). The functions of GPs include:

- Preparing annual plans for the area and also the annual budget
- Promotion of agriculture and horticulture.
- Promoting animal husbandry, dairying, poultry, and fisheries.
- Afforestation.
- Rural and cottage industries.
- Maintenance of drinking water schemes.

- Distribution of house sites.
- Promoting non-conventional energy schemes.
- Selection of beneficiaries for poverty alleviation programme through gram sabha
- Promotion of adult literacy, ensuring full enrolment and attendance in primary schools.
- Maintenance of rural sanitation.
- Monitoring the public distribution system.

The **Taluk Panchayat** is also an elected body; each of the members is elected on the basis of one member for every 10,000 population. The members of TP include the elected members, presidents of GP selected on random basis and MLAs in the area, who do not, however, have voting rights. The state has 175 TPs. The main functions of TPs include:

- Preparation of an annual plan that should include the plans of GPs relating to JRY and other government schemes. The TP's plan is submitted to ZP.
- Preparation of annual budget to be submitted to the ZP.
- Promotion and development of agriculture.
- Training and extension for farmers.
- Construction and maintenance of minor irrigation works and implementing community and individual irrigation works.
- Maintenance of animal husbandry schemes.
- Rural water supply schemes. Improving water supply schemes so as to reach 40 litres per capital per day.
- Promoting social forestry.
- Construction and maintenance of public roads and means of communications.
- Poverty alleviation programmes.
- Promotion of programmes for health, family welfare, development of women and children.
- Reporting on the functions of GPs in the taluk particularly with reference to the meetings of GS and functions listed above.

The **Zilla Panchayat** (ZP) stands at the apex of Panchayat Raj System. The membership of ZP comprises of a) elected members – one for 40,000 population in general; b) members of parliament and State Legislature; and, c) Presidents of TPs in the district. The MPs and MLAs do not have rights to vote in the election of office bearers and in the no-confidence motion, if any. The main function of the ZP is to prepare the district plan. Further, ZP integrates the plans prepared by TPs and incorporates them into the district plan. Once the GoK informs the ZPs the overall size of its plan, they have autonomy to allocate the resources to areas, which in its view command priority.

The other important functions of ZPs are:

- Construction and maintenance of roads, bridges and other buildings.
- Establishment and maintenance of agricultural, horticultural and commercial farms.
- Construction of rural water supply works.
- Co-ordinating implementation of poverty alleviation and rural employment programmes.
- Watershed and wasteland development programmes.
- Establishment, maintenance and management of secondary schools.
- Management of hospitals and dispensaries.
- Public distribution system.

The tenure of ZPP is for 20 months, and the post rotated among members. This is done to provide chance to more number of ZP members to become president.

The 1993 Act, drawing on the provisions of the 74th amendment, provides for the **District Planning Committee** (DPC). The DPC consolidates the plans formulated by Zilla, Taluk, Grama and Nagar Panchayats and Municipalities in the district. Based upon this integration, the DPC is expected to prepare a draft development plan for the district as a whole. The DPC comprises of:

- MPs and MLAs representing the district.
- President of ZP
- Mayor/president of the municipal corporation/municipal council of the headquarters of the district.
- Not less than 80 per cent of the total members of the Committee are to be elected from among members of ZPs and municipal bodies in proportion to the rural and urban population in the district.
- The president of DPC is Adhyaksha, while the secretary is CEO.

After the PRI system was put in place after elections, the DPC was constituted in the state.

Administrative decentralisation

In 1987, the staff belonging to various line departments were sent to the ZPs on deputation. The staff position and the number of standing committees are discussed below.

The secretary, who is a government servant, heads the staff of GP. In addition, each of the GPs will have three standing committees. **Production committee** undertakes functions relating to agricultural production, animal husbandry, rural industries and poverty alleviation. **Social justice committee** is concerned with the promotion of educational and other interests of the SCs, STs, backward classes and welfare of women and children. **Amenities committee** undertakes functions relating to education, health and public works. Each of the committees will have a minimum of three and a maximum of five members, and has powers to co-opt other members, if needed.

The staff of TP is headed by the Executive Officer who is appointed by the GoK and is a Group A officer. Functioning essentially as the secretary of TP, s/he monitors all the development activities and advises the TP with regard to the inconsistency of any proposal under the provision of the Act. The TP has three standing committees. **General Standing committee** deals with establishment, buildings, communications, rural housing, calamity relief, water supply etc. **Finance, Audit and Planning Committee** undertakes functions relating to preparation of budget and issues relating to revenue, small savings and development planning. **Social Justice Committee** is concerned with the welfare of SCs, STs, backward castes and welfare of women and children. The maximum number of members in each committee is six including the chairperson.

The staff of ZP today is headed by the Chief Executive Officer (CEO), the rank of whom is not below to that of Deputy Commissioner. [In the earlier system this officer was designated the Chief Secretary of the ZP and was senior to the deputy commissioner--often an officer with about 15 years of experience]. The staff of line departments such as health, education, agriculture, women and child welfare, etc. is on deputation to PRIs. The heads of line departments are considered as technical advisors to the ZP. The deputation implies that the ZP pays the salaries of officials from the schemes that are provided to PRIs at different levels (see the section on sectors and schemes for more details). The officials are made accountable to the CEO who will exercise disciplinary powers and gives sanction for leave.

The ZP has the following five standing committees.

- General Standing committee
- Finance, Audit and Planning Committee
- Social Justice Committee
- Education and health Committee
- Agricultural and industry committee

Each of the committees will have five members from among the members of ZP. The Adhyaksha (president) of ZP is the chairperson of the second committee, while the Upadhyaksha (vice-president) of ZP is the chairperson of the first committee. Other committees will elect their own chairpersons.

Fiscal decentralisation

Only GPs have powers to impose taxes. The sources of revenue for GP are: i) taxes on buildings, markets, water, entertainment, etc. ii) share of cess on land revenue levied by the government; iii) annual statutory grant of Rs. 2 lakhs to every GP to be utilised for specified purposes such as meeting electricity charges, water supply schemes, sanitation and other welfare activities; iv) allocations under JRY (the amount varying between Rs. 1.5 and 2.5 lakhs); and, v) grants from the GoI under the award of Tenth Finance Commission. The vision of the state government is to ensure adequate financial resources to each GP. In 1998-99, the total amount earmarked for all GPs in the state was Rs. 179.95 crores including the statutory grants, JRY, 10th Finance Commission, etc. The average revenue to each of the GPs worked out to be Rs. 3.17 lakhs.

The TPs do not have power to impose taxes. Their sources of revenue are i) grants from GoK to cover establishment expenses; ii) discretionary grants, also from GoK iii) surcharge on staff duty, which is apportioned among TPs. In 1998-99, the total amount earmarked under plan for TP schemes works out to be Rs. 660.12 crores, including the funds from 10th Finance Commission, additional stamp duty, JRY, etc. The average amount of devolution works out to be Rs. 3.77 crores to each TP.

The ZP also does not have powers to impose taxes and its main sources of revenue are: i) establishment grant from GoK; ii) grants for plan and non-plan schemes from GoK; iii) grants for EAS, JRY, IRDP and other schemes from the centre and state governments; and, iv) allocation under award of the 10th Finance Commission.

At all the levels, the cheque signing authority is vested with the president and CEO/EO/Secretary.

The planning process

The planning process, as described below, was discussed and decided in 1986. The details of this process have been outlined in a government order (GO No. PD 3 PRU 86, December 19, 1986). The following discussion is based on this government order and discussions with officials from the Planning Department. According to the officials, this planning process has been adopted in the state since 1986. Only a few minor changes were brought about to accommodate the requirements of TPs when they were formed following the 1993 Act. Thus, the GoK has been using the same rationale as was outlined in the GO of 1986. Further, the district plan size was fixed in 1987-88 by identifying the sectors and fixing allocations to each of the sector. An official from the planning department remarked that “afterwards the allocations to each sector were made depending on state’s resource position and plan size”. Let us now discuss the planning process as visualised in 1987-88 and as being followed in the state since then.

When 1983 Act was passed in Karnataka, the stated intention was to progressively decentralise decision-making powers on all vital developmental matters affecting people's life. It was stated that planning process was an instrument to translate this objective into reality.

The GoK states that for formulating meaningful and integrated development plan based on local resources, the PRIs should have freedom to determine their priorities. For this purpose, they require unused or free funds with no tie-ups. In the early 1980s, the GoK tried out several alternative methods (such as lumpsum allocation, sector wise allocation and minor-head wise allocation) in its search for finding out a method of providing free funds to PRIs as well as to bring district priorities in conformity with the state priorities. But, in practice, while finalising the district plans, the scheme wise outlays already decided at the state level were given highest consideration. In the process, the District Planning exercises turned out to be plans imposed from the state.

Hence, the GoK decided to assign a free outlay in the form of lumpsum allocation for ZPs and GPs (which used to be called as Mandal Panchayats at that time). This lumpsum allocation includes not only outlay from state plan schemes but also the outlay from Centrally Sponsored Schemes (CPS) and Central Sector Schemes (CSS) like IRDP, JRY, Western Ghats Programme, family welfare, etc. However, scheme wise allocation of funds will be resorted to only in the case of state level schemes, which do not come under the purview of PRIs at the district and village level. The plan formulation against the lumpsum allocation had to be done based on functions assigned to each of the PRIs. The planning function at the state level will essentially be confined to the formulation of state level schemes by taking the priorities of PRIs into consideration.

The GoK identifies that there are two difficulties in allocating plan funds in the form of lumpsum allocation. First, the norms for different schemes prescribed at the state level are likely to undergo modifications. Second, PRIs at different levels may adopt different norms when new schemes are implemented. With regard to the second, it was decided to allow for changes in the norms, if any, so long as the schemes are formulated after assessing the local conditions and requirement. However, this will not apply to centrally sponsored schemes and central sector schemes.

Other point that came for discussion is whether the PRIs will conform to the priorities of state government. Hence, it was decided "to earmark outlays from the lumpsum for certain programmes which the state government thinks are important. Planning department will indicate this while indicating lumpsum allocation for plan formulation. Even at the time of release of funds earmarking will be resorted to as per Planning Department's allocation" (GO No. PD 3 PRU 86, December 19, 1986).

How is the plan outlay allocated? Annex 1 gives details on the criteria adopted in allocating plan funds among ZPs. The GoK states that these criteria are akin to Gadgil's formula and will achieve balanced development in the state. The criteria evolved sought to give half of the weightage to population, and another half to backwardness of a district in various parameters such as agriculture, industrial, and infrastructure development. Some weightage was also given to backward castes and agricultural labourers. Recently, the State Finance Commission (SFC) recommended that lump-sum allocations should be on the criteria of population (33.33 per cent), area of the district (33.33 per cent), illiteracy rate (11.11 per cent), length of roads (11.11 per cent) and hospital bed strength (11.11 per cent). However, the GOK has not accepted this recommendation. Widespread perception among state level officials is that 1986 criteria is comprehensive, and should be retained.

The lump-sum allocation given to ZP will be distributed among TPs as per the criteria given in Annex 2. Funds are to be distributed on the basis of population (50% weightage) and on the basis of area, literacy, SC and ST population, dry land area and agricultural labourers.

A certain proportion of the funds allocated to ZPs will be earmarked to GPs. The distribution of these funds will be on the basis of population (50%), area of mandal (15%), dry land area (15%), agricultural labour population (10%) and per capita resources raised (10%). A 10 per cent weightage is given to resource mobilisation keeping in view the need to encourage GPs to perform better in this area.

As far as **calendar of planning** is concerned, state's draft plan is sent to the planning commission usually in October/November every year. ZPs are responsible for formulation and implementing district plans. If district plans are to be meaningfully integrated into the state level plans, these have to be prepared well in advance. Although the GOK does not come to know the exact size of the budget by June/July (ideal starting time for district plan exercise as per Annex 3), it will indicate a tentative allocation to each ZP. Based on this, the ZPs will prepare the plans. To facilitate this process, Planning Department at the district level is treated as nodal department for dealing and guiding any of the planning functions concerning ZPs, TPs and GPs.

Reports from the Field

3. SECTORS AND SCHEMES

In the parlance of the planning department, district sector refers to PRIs. Both the central and state governments contribute funds to PRIs or district sector. In other words, from out of the total plan outlay of state and central governments, a proportion is allocated to PRIs or district sector.

The total plan outlay for the state increased from Rs. 1132 crores in 1987-88 to Rs. 7087 in 1999-2000. On the other hand, the district sector plan outlay increased from Rs. 365 to Rs. 1528 crores during the same period. The rate at which the district sector outlays increased was lower than the total plan outlay. This is further corroborated by a decline in the proportion of district sector outlay to total outlay from around one-third in the late 1980s to one-fifth in 1990s (Table 1).

Both state and central governments contribute to the total plan outlay and district sector plan. During the period 1987-8 to 1999-2000, the contribution of the central government to the total plan outlay increased from Rs. 215 crores to Rs. 1199 crores, while the same to the district outlay increased from Rs. 144 crores to Rs. 736 crores. This suggests that the growth rate of the latter was relatively higher than the former. The proportion of district sector outlay to the total contribution of the central government fluctuated around one-half to one-third during the period 1987-88 to 1999-2000 (Table 1). Thus, the central government continued to repose faith in the PRIs in the form of continued support to the district sector.

The total plan outlay of state government increased by over five times during the reference period, where as district plan outlay increased only by less than four times. There has been a steady decline in the proportion of district plan outlay to the total state plan outlay from around one-fourth in the late 1980s to around 16-17 per cent in the early 1990s and to 13-14 per cent in the late 1990s. In fact, the district plan outlay was stagnant at Rs. 732 crores during 1996-97 to 1998-99, while the total plan outlay increased by Rs. 1000 crores during the same period. This suggests that the importance given to district sector by the state government had gradually declined. To put it differently, the state government preferred to incur

development expenditure through line departments rather than through the decentralised government. On the other hand, the central government continued to trust PRIs to spend its plan outlay (Table 1).

The district plan outlay is spent through schemes. There are three types of schemes; state schemes, centrally sponsored schemes (wherein the contribution of central government is 100 per cent) and Central sector schemes. The contribution of the central government to central sector schemes is 75 per cent, while the rest comes from the state government (but, this formula has been changing over time). In general, there are 443 schemes in each district (Table 2); but, the actual number may vary from district to district. These schemes are divided into salary schemes, beneficiary schemes and other schemes. About 87 per cent of the schemes belong to the state and they include those relating to primary and secondary education, medical and public health, rural water supply, welfare of SCs and STs, welfare of women and children, forest, rural employment and roads & bridges. The central schemes form the rest. The most important central schemes are rural employment (JRY) and rural water supply, which account for two-thirds of the district outlay from the central government. In general, the proportion of state schemes is higher at the ZP and TP levels, while central government schemes dominate at the level of GPs.

Table 3 on sector-wise plan allocations of the district plan outlay further corroborates this. The allocation on primary and secondary education fluctuated between 8 and 13 per cent in the latter half of 1990s. The allocation for rural health has been very low, and it has been declining. The rural water supply gained some importance over the reference period. Of all the sectors, it has been the rural employment, which has maintained its importance as the single largest component all through the period of the late 1990s. If one were to give ranks to various sectors based on allocations during the period 1994-5 to 1998-9, rural employment will get the first rank, rural water supply the second rank, and primary and secondary education will get the third rank.

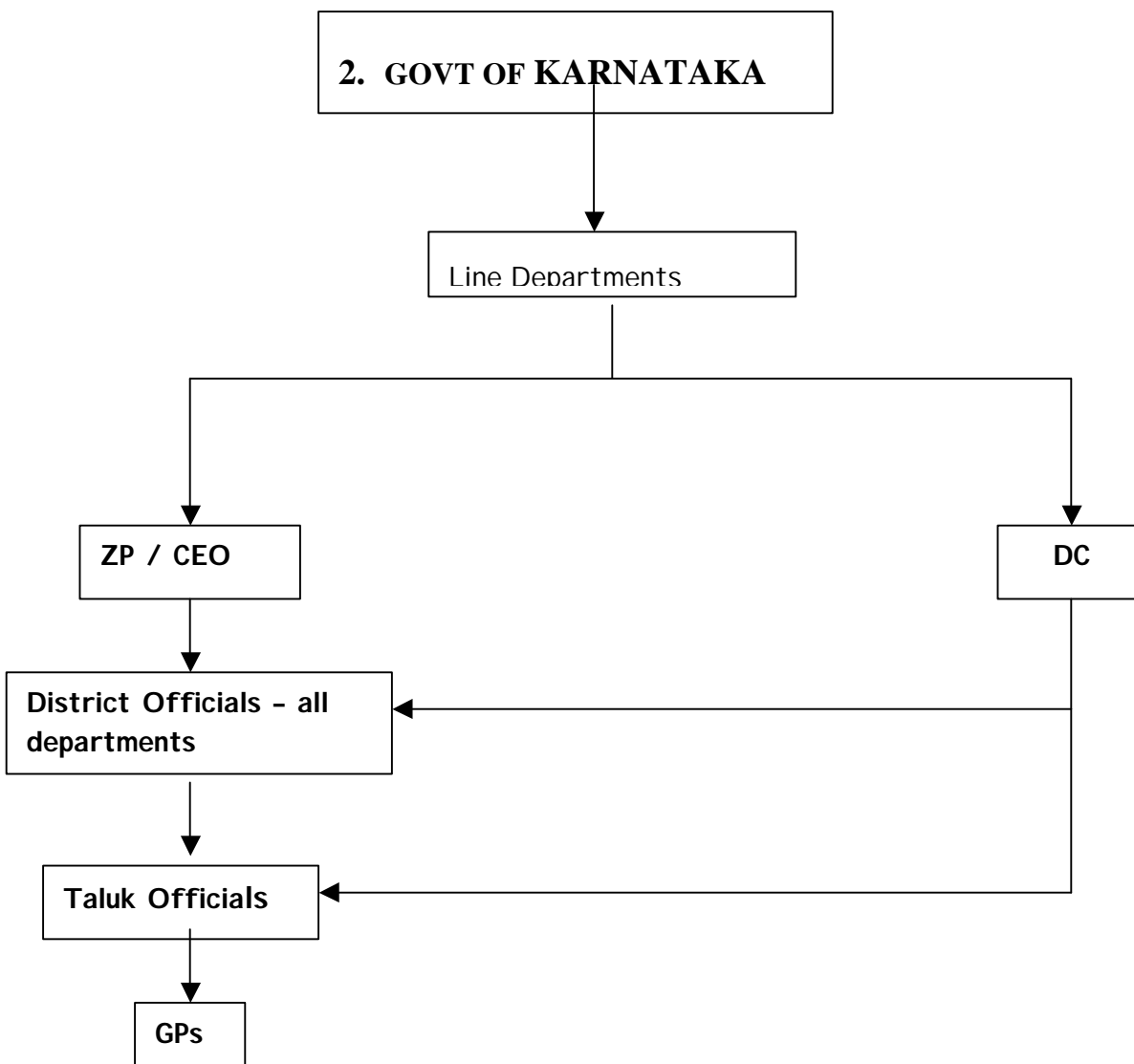
These three sectors maintained their importance because of the support that they have got from the central government (Table 4). In general, the share of central government in the budget for service provision by PRIs has been lower than that of the state during the period 1994-5 to 1996-7. However, the relative share of central government varies between the economic and social services – generally higher in the case of the former as compared to the latter. Even in the case of economic services, the contribution of the central government is very high in the case of rural development. Among the schemes on rural development, JRY scheme has been very important. Similarly, the central government resources to social services are routed through schemes. For example, housing services are provided through Indira Awas Yojana (IAY). Thus, the budget for these sectors (namely rural development, water supply and education) remained high in the second half-of the 1990s. The reason for this was the importance given to them by the central government in the form of schemes.

Appendix 4 shows that the state or central government depending on whether it is a central or state scheme prepares the guidelines for both ZP and TP beneficiary schemes. The selection of beneficiaries can be done by officials or gram sabha and officials or by only gram sabha. Appendix 4 shows that the officials do the selection of beneficiaries in the case of most of the schemes.

As far as the flow of funds is concerned, the funds earmarked to ZP and TP schemes come to ZP. Subsequently, the ZP transfers funds to TP. The PRIs have some control on this money. Only some control as line departments do the planning for these schemes (see next section), and some of them are salary schemes. On the other hand, the funds earmarked to state and central schemes (non-ZP schemes) come from state departments to the District Collector (see Chart 2). The line departments have full control on the state and central schemes. Mention should also be made that the funds relating to special programmes like Hyderabad-Karnataka Development Board (in Bellary) directly come to DC. In the context of a decline in the proportion of district sector outlay to the total outlay (Table 1), this implies that the quantum of funds

directly coming to DC is becoming significant as compared to that directly coming to PRIs. The administrative structure for these funds is as shown in Chart 2.

CHART - 2



There is widespread feeling among the officials that schemes, in general, should continue. One official remarked that "the elected leaders want to get things done and allocate larger share to their constituency by hook or crook. Schemes are good in this regard. The guidelines protect us".

The heads of line departments at the district level give higher preference for the state schemes for the following reasons. First, they note that it is very difficult to be accountable to the elected leaders. One head of a line department remarked that, "it is very difficult for us to be accountable to the elected leaders. It is best to route the money through the DC". Second, the target fulfilment can be done better. One official remarked that the targets are difficult to be achieved if the scheme happens to be ZP one because of different pulls and pressures. Another official remarked that the funds earmarked to ZP schemes are directly released to TPs and EOs do not directly report to the line departments. This causes problems to monitor the progress of schemes. Hence, state schemes are preferable. Third, meaningful development cannot take place. Because the funds are distributed equally among the elected leaders and small quantum is spent for each of the constituencies, the works undertaken are patchy in most of the cases. One official belonging to Engineering Department noted that "because of the practice to distribute money equally among TP members and spending it for the construction/repair of link roads in their constituency, each of members can only construct/repair a small length of road. As a result, not even a single road in the taluk is good now".

The elected leaders, on the other hand, emphasise the need for untied money. According to one of the elected leaders, "the officials prefer schemes so that they can wield considerable power and authority. They prefer state schemes because they need not be accountable to the people". Another elected leader remarked that 'administrators rule the ZP'.

A large number of schemes is adversely affecting decentralisation in the state as the elected leaders have very little say in the formulation of guidelines, selection of beneficiaries, scheme implementation and monitoring. Above all, they cannot demand accountability from the officials as it is widely felt that when it comes to schemes the officials are accountable to the higher officials in the line departments. Secondly, most of the development budget in the states comes through central government schemes and programmes. One senior official at the state level remarked that "priorities of the central government do not match with that of a region/state. Biggest chunk of money comes from the Department of Rural Development at New Delhi. This department is killing the decentralisation initiatives in the state".

To conclude the section, the state government has been showing preference to incur expenditure through the line departments rather than through decentralised government in the last 10 years or so. On the other hand, the central government continued to repose faith in PRIs to spend a bulk of its plan outlay. Neither situation is likely to strengthen PRIs in the state for the following reasons. First, the district sector plan outlay, which formed around one-fourth of the total plan outlay in 1999-2000, is to be spent through a numerous (nearly 443) and different types (salary, work oriented, etc.) schemes. This implies that this money is tied. One state level official, closely associated with planning process at the state level for a long period, remarked that "now, 99 per cent of the money going to ZPs, TPs and GPs is tied, and that they have freedom only in the selection of beneficiaries in some schemes and works". Another senior ZP official stated that "ZPs have very small amount of untied grants" and "practically, we take all the decisions". Thus, the decision making is done by line departments (see also discussion on planning process in Section 4) and PRIs do not have much role in this. How is this possible since the Act specifies that fixing plan priorities and allocation of plan outlays is to be done by the standing committee on Finance and Planning at ZP and TP levels. An answer to this lies in the mystification associated with schemes, and guidelines and rules associated with these schemes. Secondly, the central government schemes do not provide much room for manoeuvre for the elected leaders to change the allocations and area where the schemes are to be implemented. Thus, development of sectors through schemes is not only marginalising PRIs but also, as one of the officials remarked, 'killing the decentralisation initiatives'.

4. ZILLA PANCHAYAT

Two ZPs are visited for analysing the extent to which democratic decentralisation has taken place at the ZP level. In Mysore district, out of 43 members, 29 belonged to Janata Dal, 13 to congress, two to BJP and one was an independent. Out of 43 members, 16 were women. In Bellary district, of 33 ZP members, a majority belong to Janata Dal. In both the districts, the current opposition party – Janata Dal – was in power in February 2000.

Administrative decentralization

The vision of the state government is that if the line department officials are made accountable to CEO, they will, in turn, be accountable to the ZP as the CEO is the secretary to ZP.

The officials from line departments are accountable to the CEO in both the districts. It is the CEO who writes the CRs of heads of line departments, and reviews the CRs of the staff below the district level (The CEO in Bellary writes the CRs of 18 heads of departments, and reviews the CRs of officers below the line department heads). The applications for leave, travel bills, loan on general provident funds, etc., will go to the CEO, and s/he will take the decision. The heads of line departments are also accountable to the District Collector and their own parent department. The Child and Women Development Officer stated that the CEO sanctions her leave and writes her CR. But, she is also accountable to her department at the state headquarters. The head of department on Backward Castes and Minorities noted that the Director of the department (stationed in Bangalore) decides about his promotion, and writes his CR. He notes that he is accountable to both his Director and CEO; but, the accountability is more towards the former as he is responsible for appointments (of C and D group of officers) and promotions. In the case of Health department, the District Health Officer (DHO) is monitored by CEO, DC and Health Directorate. According to him:

- CEO is the immediate local boss for casual leave, long leave, and financial matters. For all the practical purposes, he is the boss.
- The DC is the boss when certain epidemics break out in the district.
- The Directorate provides technical guidance and supervises his work. The role of Directorate is to provide training and guidance to DHO. The Directorate is also responsible for promotions and other service matters of the DHO. The DHO reports to the Directorate.

This information suggests that there is some confusion among the officials with regard to whom they should be accountable. One official noted that this causes problems to them at times. Another official noted that even when they apply for leave, a copy of that is to be sent to his boss in the line department. This is because his boss should be aware of his availability in the district, if he chooses to visit the district for inspection or when he accompanies a minister. But, quite a few of the officials noted these problems are now sorted out as they will avoid applying for a leave or meetings at the state headquarters on the days of important meetings relating to ZP. The CEO is also playing an important role to minimize the problems relating to simultaneous accountability.

Are elected leaders controlling the staff? The vision is that since the CEO is accountable to the ZPP, the officials will also become accountable to the elected leaders. Some of the officials at the state level and the CEOs claim that the officials are under the control of the elected leaders.

The elected members note that they do not have powers on officials. With most of the departments, the role of ZP is only marginal. It cannot appoint, transfer or suspend officials. ZP can send

a report on Class I officer and write that her/his services are not required. But, it does not have powers to suspend and dismiss the official. They can only build up pressure for transfers. It can only ask for initiation of inquiries which, in any case, have not resulted in an action in the past 10 years. According to ZP members, "administrators rule the ZP".

Why is that state vision of elected leaders gaining control over the staff through the CEO has not materialized in practice? This is mainly because the CR of CEO is not written by the ZPP but by the departmental heads. This has been the change effected as a part of the 1993 act. Secondly, the CEO is not so senior as it used to be in the past. As a result, the CEO's accountability is more to the state level officials rather than to the elected leaders. With regard to the question on how does a CEO brief to the ZPP, one of the CEOs noted that this takes three forms; informal, only on files and as & when required. This suggests that the relationship between the ZPP and the CEO is not institutionalized. With regard to a question how the conflicts are resolved between the elected leaders and the staff, the officials at the district level noted that the CEO 'convinces' the ZPP. On the question of who actually takes the decision on district plans, most of the officials and elected members stated without even hesitation that it is the CEO.

This discussion suggests that the vision of the state that officials will be accountable to ZP through CEO has not materialized. The officials are accountable to CEO, who, in any case, seems to be controlling ZP affairs.

Political Decentralization

The district level officials expressed problems in working with the elected leaders. First, the elected leaders intervene in the working of officials. In the specific context of Women and Child Welfare Department, this intervention is in the appointment and removal of anganawadi workers, management of anganawadi centres, etc. Second, the elected officials visit the anganawadi centres, hospitals, etc., to ask for records, reports, etc. The heads of line departments resent this. They note that the elected leaders should only bring the problems to the notice of heads of line departments who, in turn, will take action on non-functioning.

One of the CEOs noted that he exercises informal powers and 'persuasion' to change money from one sector to another. The CEO will continuously be getting requests/demands directly or indirectly from various quarters. Because he has some control over central government funds, he will see to it that some requests or activities are fully completed with convergence of funds. If he thinks that certain demands can wait, he will convince the members of ZP to wait for some time.

The ZP members raise questions in general body meeting on the performance of the departments such as asking for how a particular scheme is implemented in each of the constituency, etc. There was heated argument in one of the ZP meetings on the merits to assign the work to an NGO by a line department. In this district, one of the NGOs was assigned to undertake implementation of a central sector scheme on the grounds that the people's participation is possible if specialized agency such as NGO is involved. But, the ZP members questioned why ZP officer or department could not take it up. But, the problem was that this issue was raised 6 months after the project was actually sanctioned to the NGO.

Similarly, the issue of a department overstepping its authority was discussed in the general meeting of ZP in one of the districts. The engineering department could take decisions on project costing not more than Rs. 1 million. But, it took decision on a project costing Rs. 1.9 millions without informing to and taking consent from the ZP or general body. The members in the meeting objected to this and demanded a review of the decision. Whether this will ultimately be done is the question?

The elected leaders also raise this question. The feeling among the elected leaders is that they do not control the administrators. According to them, the general body meetings have become farce, and only money is spent for travel and daily allowance. They also note that it is the general body where they can voice their objections, opinions, demands for accountability, etc. But, they are not sure of what authority the general body has. In their opinion, the general body has limitations and it is functioning only as awareness creating body.

The ability of ZPP to wield political power depends on education, ability to comprehend the discussions, respect that s/he has from officials, articulation skills and importantly political links. The Act vests political powers in the ZPP and the elected members. The widespread feeling among the officials is that some presidents (having the above characteristics) could exercise political power, while others could not. The practice of rotating the executive head of ZP once in 20 months may have provided chance to many members to occupy the executive positions. But, this practice weakened the position of the president and strengthened the role of officials. In one of the ZPs, the president, a woman, was found to be having difficulties in handling the questions of members. Whether this was because she was woman or whether this was because of lack of training (in the context of rotation of presidentship the training assumes an added significance) is difficult to judge. But, since she comes from a family with political background and educated, lack of training may not be an important reason.

To conclude, limited administrative decentralization is coming in the way of elected leaders exercising the political control. The Act *per se* is not able to provide enough space for the elected leaders to gain control over the officials. An example to this is the lack of powers to write confidential report on the officials. In the absence of such enabling conditions, it also depends on personal attributes of the elected leaders, and political links that they have.

Fiscal decentralization

The data on allocation of budget, and expenditure in one of the districts is presented to analyze aspects relating to fiscal decentralization. The total amount allocated to the ZP has increased from Rs. 4904 lakhs in 1994-5 to Rs. 5280 lakhs in 1998-9 (Table 5). In real terms, thus, there is not much of an increase. The distribution of the amount allocated to different sectors roughly follows that of the state level allocation. In general, the amount allocated to rural development programmes is quite high (Table 6) all through the period. In Tables 5 and 6, we need to treat JRY, IWS and EAS as the rural development programmes. The allocation to these programmes varied between 43 per cent in 1997-8 and 30.9 per cent in 1995-6. Thus, a significant proportion of the budget is allocated to rural development programmes for the reason mentioned earlier that these are essentially central government programmes, and the funding is assured. The allocation to social welfare has increased from 8 per cent in 1994-5 to 16.9 in 1998-9. The budget allocated to education fluctuated; but, on the whole higher than that allocated to health and rural water supply.

What was the budget amount actually released to ZPs? How much could the ZP spend from out of the allocation and on which sectors? These two questions can be answered with the data from Table 6. At the district level, the amount actually released as a proportion of the amount allocated varied between 85 per cent in 1994-5 and 99 per cent in 1998-9. Again at the district level, the amount actually spent as a proportion to the total out lay varies between 82 per cent in 1994-5 and 100 per cent in 1997-8 (Table 6).

The amount released and spent as proportions to the total allocation varies again between one sector to another. The proportion of amount released for rural water supply was much more than the amount allocated. The expenditure was much less than the amount allocated in the case of sectors such as

education, health, social welfare and agriculture and allied activities. We have noted that the amount allocated to social welfare increased in the last half of the 1990s; but, the amount released and spent on the activity has been so low that the increase is almost nullified. On the other hand, the utilization rate is relatively better in the case of JRY, IAY and EAS (Table 6). These variations in the budget allocated, released and utilized across various sectors result in a change in the distribution of total amount across the sectors (Table 5). For instance, the proportion of amount allocated to rural development was 43 per cent in 1997-8; but, as per the utilization, the proportion goes up to 47 per cent. The obverse is the case with rural water supply.

As per the vision, some quantum of amount is allocated to each ZP for plan preparation. We have noticed that the amount actually released to ZP has been lower than the amount allocated; who takes such decisions? On what basis, a reduction in the amount is effected? Similarly, we do not know what happens at ZP level after the money is released? We also do not know why the expenditure as a proportion to allocation is high in some sectors, while it is low in others. But, who actually takes decision with regard to how much is to be fixed as budget for ZP and how it is to be allocated between various sectors at the district level? This question is sought to be answered by the following discussion on the planning process.

Planning process at the district level

The discussions with the officials and elected leaders at the district level reveal that the following planning process is adopted. In August every year, the finance department at the state level indicates the size of lump-sum grant. On the basis of this, the planning department at the district level will start making efforts to prepare the plan. The Planning Department will communicate to each of the line departments to prepare their tentative proposals. The informal guidelines are as follows; first, funds to all the on-going programmes and committed activities will fully be provided for. Second, each department will make a proposal for the activities by increasing the budget by 10 per cent of what was sanctioned in the previous year. But, it is made clear that these proposals do not have any binding on ZP.

Do the line departments send need-based proposals? When do they capture the views, aspirations and demands of the people? These questions become relevant especially in the context of near stagnation in the allocation to district sector (Table 1) and limited time available to prepare a plan. One of the state level officials noted that the plans are need based even if they do not emerge from below and the time to prepare plans is relatively short. According to him, "elected leaders judging the needs of people is a process which goes on for 365 days in a year". He argued that the elected leaders and officials are in constant touch with the people and there is a continuous process of consultation.

This view is, however, not shared by the officials and elected leaders at the district level. One district official remarked that the plans are not need based. ZP members expressed the same view in one of the districts. Another official remarked that "how can we prepare need based plans when we are left with only a small amount untied money".

Will the views and opinions of the elected members get incorporated into list of proposals prepared by the line departments? If yes, how? One of the heads of line departments noted that the "ZP members voice their concerns and demands. These will be accommodated if rules permit. Otherwise, the matter will be taken to the CEO, who does a balancing act". In general, the officials do not give much respect the concerns of the elected leaders as the widespread feeling is that the world view of the latter is very narrow and the elected leaders do not represent people's needs but the needs of their own constituency.

The officials also noted that the plans are prepared at the departmental level and simply get ratified in ZP. The following is the actual method adopted in a district. There will be one-week discussion among all the heads of the department on scheme-wise allocations. Normally, there is no discussion on salaries. Decisions on quantum of allocation to a particular scheme depend on how well the scheme was implemented in the last year. In general, they do not disturb the existing allocations. A scheme is included or excluded when the government guidelines come to that effect. The elected leaders are not invited to this meeting, and it is considered purely as official meeting.

These proposals will become a draft annual plan, which is submitted to the standing committee on Finance, Audit and Planning. The Chief Accounts Officer will be delegated to attend these meetings on behalf of the CEO. The members of the committee will discuss and make the suggestion. The suggestions of elected members will be considered (by officials) depending on nature and funds availability. In responding negatively to the elected leaders, the guidelines, rules and regulations of the schemes will be of considerable help to the officials.

The proceedings of the committee will be placed before the ZP general body, which can overrule or approve the draft annual plan. What kind of discussion takes place in general body? According to the officials, the world-view of many ZP members is their own ward at the very best and their own street at the worst. Hence, they cannot take a broader view on the draft annual plan proposals and make constructive suggestions and points. Rarely do they ask questions. The most likely thing to happen in the meeting is that the CEO will read each of the proposals and say that it is approved. On the other hand, the ZP members note that there is lack of information on different sectors. If it is available, it is circulated at the eleventh hour. In one of the ZP meetings that the Team attended, the relevant material was circulated only when the meeting started. Hence, the members noted that information should be made available on time so that they can react in the meeting. In any case, the view that the members rarely ask questions on plan is not supported by our observation of proceedings of a ZP meeting where members asked for accountability, made suggestions on programme implementation, etc. When the draft plan is approved in the general body of ZP, it is sent to the state-planning department.

The planning process for schemes is different, and is explained below. Each of the departments obtains funds under various state and central schemes, the implementation of which is done as per the guidelines stipulated in the schemes. The importance of these schemes varies across the departments. In Child and Women Development Department, 80 per cent of the money is through ZP schemes, while 20 per cent of funds come through state schemes. The latter are routed through the District Collector. The head of the department prefers to obtain funds through schemes for the reasons noted earlier. In the Department on Backward Castes and Minorities, the ZP plan funds are Rs. 81.5 lakhs, while state sector plan size is Rs. 33.84 lakhs. The ZP non-plan (salary) is Rs. 209 lakhs. The funds for state sector schemes (such as giving Rs. 5000 as grant to a family if the first child happens to be a girl) come to the DC who, in turn, will release the money to the concerned department. In the Department on Health, budget on immunization directly comes to the DHO and the ZP does not have any role in this.

Thus, the heads of line departments welcome direct funding or funds through the DC. With regard to the ZP plan funds, they note that they will have to take the views and opinions of the elected leaders into consideration. Otherwise, the elected leaders will "make their lives miserable". If the demands of the elected leaders are 'unreasonable', they will seek the intervention of the CEO who will 'convince' the elected leaders.

The planning process as discussed above suggests that the role of ZP as the body, which prepares plans and arrives at priorities, is marginalised due to the following. First, the mindset of the officials that the worldview of the elected leaders is narrow, and hence, cannot make any constructive suggestions.

Second, if any elected leader makes a suggestion, the heads of line departments take care of the suggestion made by a particular leader by providing what s/he wants for her/his constituency. Third, in responding negatively to the suggestions and recommendations of the elected leaders, the officials utilise the guidelines, rules and regulations embedded in the schemes. This is found in the Act itself, which notes, for instance, that “the Chief Accounts Officer shall advise the Zilla Panchayat in matters of financial policy and shall be responsible for all matters relating to the accounts of Zilla Panchayat including the preparation of the annual accounts and budget”.

District Planning Committee

In both the districts, the DPCs have been constituted in 1996. In Mysore, there are 11 members - six belonging to ZP, while five come from town panchayats. There was unanimous election to these positions. In Bellary district, there are 17 members - 12 from ZP and five from municipalities. The MPs, MLAs and MLCs are permanent invitees.

But, DPCs are not functioning not only in these districts but also in the entire state. There is no unanimity among officials and elected leaders on the reasons for non-functioning. The state level officials noted that the DPCs are not functioning because just when these were formed, there was re-constitution of districts. It was felt that the reconstitution of districts will cause confusion, and hence, DPCs were not activated. For instance, Bellary district was reorganised in 1997 with one of the taluks going to the newly formed district of Davanagere. One state level official attributed the non-functioning to an absence of a note outlining the functions, responsibilities and powers of the DPCs.

The district level officials note that tussles between President of ZP and Municipalities regarding who should chair the DPC could not be resolved by the GoK as this had to be done in a fluid political situation. Hence, DPCs were allowed to become non-functional. The elected leaders, however, did not agree with the above nor with the argument that district bifurcation was the reason. According to them, the problem was that the Minister wanted to control the body. Secondly, the functions were not assigned to DPCs. One senior district level officer agreed with the second reason by stating that there was no vision provided to DPCs even after their formation.

5. TALUK PANCHAYATS

Altogether four TPs (Bellary and Hospet in Bellary district and Hunsur and HD Kote in Mysore district) were visited for the study. The total number of members varied from 25 in Bellary TP to 13 in Hospet to 19 in Hunsur and 22 in HD Kote. Generally, women get elected only on reservations except in one of the TPs where a woman was elected on a general seat. The reasons for this are i) women cannot get elected unless there is reservation; ii) women have to spend money, and hence, will contest only when they are forced to; iii) political parties do not want to give party tickets to women as they do not often work for the party. The Janatha Dal which is the opposition party at the state level now controls all the TPs.

The number of GPs coming under the jurisdiction of each TP also varies. The monthly honorarium is Rs. 1200 to the president, Rs. 1000 to the vice-president and Rs. 500 to members. In addition, travel and daily allowances are paid if members attend meetings, which are scheduled to be held once in two months.

Administrative decentralisation

The departments such as agriculture, health, education, women and child development, engineering, sericulture, etc., are with TPs. It has been noted by the officials attached to TPs that the parent department pays them salaries, sanctions leave and has powers to suspend. The details relating to a few of the departments are given below.

- Primary health: Programmes and medicines come from ZP. TP gives clothes and a few other items.
- Primary education: Works of primary education, i.e., buildings, repairs and maintenance are done by TP.
- Adult education is state sector programme.
- Engineering department: TP undertakes the work relating to link roads in rural areas with 70 per cent of funds from ZP and 30 per cent of EAS funds from TP. The funds raised through the stamp duty are also spent on this work.
- As far as water supply is concerned TP is responsible to maintain bore-wells for which all the funds come from ZP. On the other hand, GPs are responsible to maintain mini and major water supply schemes.

The scattered physical location of the offices of the departments attached to TP poses the problem of coordination of activities. Hence, monthly meetings are held on 5th of every month to prepare an action plan, review of action plan and bringing the problems in the programme implementation and needs of the people to the notice of officials. The TPP presides over these meetings. The MLA also occasionally attends these meetings.

According to some of the officials attached to the TP, the decentralised system is good as it enabled them to reduce some of the departmental supervisory work. This is especially so in the case of those departments where the staff is inadequate. But, other officials noted that some 'bad people' among the elected leaders create problem to them continuously and interfere in their work. With regard to the question on who control the officials, they noted that it is the parent department which sanctions leave and can initiate disciplinary action such as dismissal and suspension. The TP can make a resolution recommending punishment of an official if the body is not happy with the concerned official and send the same to the higher officials.

The elected leaders noted that they bring the following problems of the people to the notice of the line departments in the monthly meetings; i) failures that have occurred in the surgical operations conducted by the health department; ii) outbreak of epidemic diseases; iii) shortage of teachers; iv) complaints regarding quality of food provided to children in the hostels and irregularities in granting fellowships to students; v) irregularities in the distribution of subsidised seeds to farmers; vi) non-functioning of anganawadi centres. If the problem is serious in nature, the Executive Officer makes a telephone call to the concerned official or writes her/him a letter. The elected leaders also help the line officials in fulfilling their targets such as immunisation by conducting camps in their respective constituencies.

The elected members noted that they do not control the officials attached to TP. In August 1999, additional schemes and functions are transferred to TP, and funds are directly released. This has contributed to gain about 20 per cent of the control (means stopping of the work and checking the beneficiary list). Earlier, the role of the elected leaders was essentially confined to that of review and supervision.

According to the elected members, the Act does not provide scope for gaining control over officials. They cannot appoint any of the officials, and take disciplinary action such as suspension and transfer. The officials are more likely to attend the meetings if they come to know that the local MLA is going to attend the

same meetings, and listen to her/him because the MLA can influence their transfers. Since the TP does not such power, the officials do not bother about the TPP or members. Hence, although MLA 'bosses' over TP members, they welcome her/his participation in TP meetings. They also stated that if the MLA belongs to the political party that controls the TP the process of finalisation and implementation of development activities will be smooth.

The elected leaders noted that the monthly meetings fail to achieve the intended purpose of coordination and convergence due the following; first, the officers do not attend these meetings on some pretext or the other, and send some junior official. Second, there is no continuity in the officials attending the meetings. As a result, nothing concrete takes place in the meetings. Hence, the only option available to a TP is to make a resolution on the conduct of a particular official and send the same to the ZP. They will not be certain whether the resolution is sent to the state government for further action. The elected members in one of TPs noted that their complaints in the past did not result in any departmental enquiry. They remain unaware of, if it was ever held.

The administrative decentralisation at the TP level is adversely affected by lack of control over the staff by the elected leaders. In the absence of such an effective control on the staff in the form of payment of salary, sanctioning of leave and suspension, the role of elected leaders is reduced to that of mere supervision or bringing the problems to the notice of officials. The TP is not able to co-ordinate the development functions in a taluk as its control over the officials is much weaker compared to that of local MLAs seem to be having.

Fiscal decentralisation

The data on receipts and expenditure of one of the TPs in Bellary for the period 1995-6 to 1998-9 shows that the schemes under which the TP has received bulk of the money are Indira Awas Yojana (IAY), B.R.Ambedkar Plan, Employment Assurance Scheme (EAS) and Nirmal Karnataka (Table 7). In addition, stamp duty and grants from 10th Finance Commission are important sources. As the IAY and EAS are central government schemes, the GoI through the state government and ZP rout funds. The funds under Ambedkar plan and Nirmal Karnataka are routed by the state government through ZP. The funds under 10th finance commission are given by the state through ZP. The stamp duty money is given by the state directly to the TP.

One of the important problems is that there are delays in the disbursement of funds as the funds are routed through ZP which also wants to have a role in the planning and implementation of works (see section 4). After August 1999, funds were directly released to TPs. Even then the problems are encountered. For instance, although funds are directly released to TPs, the drawing officer for funds released to a particular department may not be present in the TP. This causes delays.

Second problem is insufficiency of funds. Table 3 shows that the receipts of a TP in Bellary varied between Rs. 200 lakhs to Rs. 134 lakhs. This amount is insufficient to prepare a plan based on people's needs. Hence, only a limited set of activities is undertaken.

As the funds come as a part of schemes, there are guidelines and conditions. The TPs find it difficult to plan and undertake activities by adhering these guidelines. For instance, the revenue coming from stamp duty has a condition that certain proportion of the money should be spent for SC/ST population, and certain proportion for roads. While they did not complain about the first condition, they objected to the second by stating that there needs to be freedom for the TPs. These guidelines and conditions do not contribute to decentralisation, according to them.

As far as the decision to spend EAS grant is concerned, there is committee, which consists of MLAs and ZP in the taluk and all the TP members. The members decide where and how to spend the money. But, the district level committee (of ZP) can change these decisions. In such cases, the party affiliation between ZP and TP helps. The experience is that the TP members perform better in villages where their party ZP members are present.

TP also plays a role in housing programme in the taluk. For housing programmes called Ashraya, Ambedkar housing programme and Neralu Bhagya (shelter programme), there is a committee with MLA as the president, TPP as the Vice-president, three government nominees (of them one should be woman), Tahsildar and Executive Officer of TP. The Executive Officer functions as the secretary. The committee will decide the list beneficiaries after GS selects them in each of the villages. This committee overrules GS selection. According to members of one TP, the MLAs do not abide by any rules and regulation. The committee is empowered to change the beneficiaries even if the GS selects them and the rules allow for such a change. In general, the decisions of Ashraya committee are implemented promptly by the officials because of the presence of the MLA.

The discussion on fiscal decentralisation shows that all the money coming to TPs through schemes, and hence, is tied. The Taluk Panchayat does not have freedom to prepare plans and arrive at priorities on the basis of felt-needs of the people. All that it can do is to initiate a process to select the beneficiaries for the schemes. But, the important role played and/or given to the local MLA does not allow the TPs to play even this minimal role.

Political decentralisation

Who exercises decision-making at the TP level? As per the vision, the elected leaders are supposed to take the decisions on the funds allocated to TPs. But, as it is already indicated, this does not happen. The local MLA plays an important role in the decision making on EAS and Ashraya, the two important programmes at the TP level.

The decisions on villages and beneficiaries under these schemes do not take place as per the need. In EAS programme, the practice is to equally distribute the money among all the members of EAS committee. In the case of Stamp duty funds also, the practice is to distribute money equally among all the members. In one of the TPs, each of the members got Rs. 7 lakhs as their share of stamp duty. This money was so small compared to the problem of infrastructure in their respective constituencies, they spread it thinly and/or undertook activities with small budget and more visibility. Two of the members spend the money to improve the area in the vicinity of a temple, one member contributed this to a cultural programme, another member constructed community building, another member spent it on repair of a road. Only one member noted that the money was spent for the pavement of roads in SC colony.

The widespread feeling is that the TPs only discuss the matters; but the ZP and officials take the decisions. The TPP does not have any powers. There is too much of intervention from the local MLA. S/he is made a member of all the committees. Because the MLA is made a member of TP and s/he has considerable powers relating to transfer of staff members, s/he has more respect and power in the locality as compared to TPP. The elected leaders in one of TPs noted that the functions assigned should be clearly spelt out in the act, and that tier should perform the assigned functions. There is no need for a person from the higher level to work at the lower level. This is against decentralisation. The statement of TP leaders is interesting because the elected leaders at the ZP level complained that it is officials who rule ZP. Here, TP members note that ZP members, officials and MLA are more powerful at this level. As far as ZP influence is concerned this is mainly related to creating hurdles to TP plans and release of money, which are all the more severe if two different political parties are controlling TP and ZP.

As far as accountability is concerned, the TP leaders feel that they are mainly accountable to the people. The TP leaders do not think that they can hold MLA accountable for any shortcomings and malpractices as the MLA holds considerable power at this level.

6. GRAM PANCHAYATS

To analyze the extent, to which democratic decentralization has taken place at the GP level, six GPs were visited in two districts. The total number of members varied across the selected GPs from as low as 14 in Kottegala to 20 in Kollegal. In a couple of panchayats, the members were reluctant to inform their political party affiliations. In all, Congress controls two GPs, while Janata Dal controls another two. The political party affiliation of the two remaining GPs could not be ascertained. In general, women are elected to GPs only through reservations. The educational background of members of two GPs suggests that a majority have completed primary education, while a significant proportion of the members is illiterate. In Danayakanakere, the president has completed the pre-university course, while the vice-president is a graduate; but, this seems to be an exception. The president is paid an honorarium of Rs. 300, while vice-president is paid an honorarium of Rs. 150.

Fiscal decentralization

Table 8 on receipts and expenditure of three GPs in the selected districts for the year 1997-98 reveal the following. First, the receipts to each GP varied from 1.88 lakhs in Kottegala to 4.74 in Kollegal. Compared to the size of gram panchayat area and problems cited by the elected leaders, this amount is very small. Second, a bulk of the amount received comes in the form of JRY and state grants (Table 8). Together, they constitute 50 to 85 per cent of the total receipts.

The funds coming in the form of schemes such as JRY and state grants are to be used for specific purposes. JRY funds are for undertaking employment-oriented works in the villages. Until very recently, the grant from the state government was Rs. One lakh to each GP. Recently, the amount of grant has been increased to Rs. 2 lakhs. The state grants are spent for electricity charges, maintenance of water supply and welfare activities and sanitation works. This amount is insufficient to provide services to the villages as the electricity bill in one of the GPs is to Rs. 80,000 per annum. The members noted that the state grant is almost completely spent on provision of the above mentioned three services. An increase in the amount of state grant to Rs. 2 lakhs, according to members, is not going to serve any purpose as the amount is disbursed in quarterly installments of Rs. 50,000. Such a small amount is insufficient to undertake any meaningful work at the village level. The members also noted that an increase in the amount may not contribute to a change in the priorities, which are still drainage, roads, etc.

As far as the resource mobilisation is concerned, it is significant in Danayakanakere and Kollegal where around 15-18 per cent of the total receipts are mobilised through taxes and user charges. In Kottegala GP, the local resource mobilisation is high at 37 per cent of the total receipts. The potential to collect taxes does exist in some of the GPs. But, there is no will on the part of GPs, and the ground realities are very much against to it. The members of one of the GPs noted that they have not been able to collect water cess; yet, they cannot stop water supply. In another village, people raised the question of why should they pay taxes when the GP does not undertake any work. They also noted that SCs and STs do not pay taxes; but, most of the benefits go to them. Recently, the TPs are given powers to collect taxes if the GPs are unable to collect taxes on their own.

GPs have two sources of untied funds; state grants and local resources. While state grants are being spent on the provision of services, the local resource mobilisation is inadequate. Hence, they have the problem of paucity of funds to undertake need-based plans¹⁴ and any meaningful development work. The problem of paucity of funds is further aggravated by the fact that the ZP deducts the electricity arrears of GPs. Since 1987-88, several GPs have not paid electricity arrears and hence, they got accumulated. On the basis of a government order, the ZP has been deducting these arrears for the last 3-4 years. In Bellary district, the total arrears to Karnataka Electricity Board were Rs. 514 lakhs. The ZP is supposed to recover 50 per cent (i.e., Rs. 257 lakhs) of these dues. So far, Rs. 87 lakhs have been recovered, and the amount to be recovered is Rs. 170 lakhs. This means that the state grant reaching the GPs is much less than Rs. 2 lakhs, and that such a deduction at the source affects a large proportion of the GPs.

With state grants being deducted at the source, the GPs are spending the tax income on the functioning of GPs. Another implication of the deductions by ZP to pay electricity arrears is that the GPs do not have any money to be spent on development activities except JRY. This gets reflected in the proportion of resources spent on development works in Bellary district where 6-7 per cent of the total receipts were spent on development activities. The proportion of funds spent on development works is high in Kottegala.

On the whole, with the proportion of untied funds from the state government being small and limited options to raise local resources, the GPs do not undertake any planning exercise at the village level on the basis of people's needs and aspirations. They also cannot think of addressing developmental problems with meager resources at their disposal. Hence, fiscal decentralization has become meaningless at the GP level in the absence of untied funds earmarked only for GPs.

Political decentralization

As per the Act, the GP is supposed to meet once in two months. A seven-day notice for ordinary meeting and three-day notice for special meetings is mandatory. If President does not hold a meeting in two months, vice-president or one-third of the members can call for a meeting by giving a notice 15 days prior to the meeting through the Secretary.

The information on meetings in the selected GPs suggests that the meetings are not regularly held in all the villages. Even if they are held, they have become farce, and useful to members only to draw their travel and daily allowance. Why other members could not call for the meeting is the question. In another village, it was stated that meetings are conducted once in two months.

What is normally done in the meetings? In one of the GPs, it was noted that meetings, when held, last for 3-4 hours. But, the members have never voted, and decisions are always taken on the basis of consensus among members. Why is it that the meetings are not held regularly? If meetings are held, why is it that decisions are taken on the basis of consensus?

The social composition of GPs provides some explanation to the above questions. In one of the GPs, the president is a woman as the post is reserved. The vice-president is also a woman. Both of them belong to backward castes, and come from marginal farmer households. They are not very well aware of the GP or its affairs. The person controlling GP is upper caste and wealthy farmer owning 50 acres of land. He was giving responses to all the questions, and the president and vice president sat silently through the meeting. There will not be much opposition to him even if the meetings are not regularly

¹⁴ In any case, the capacity to prepare plans is low at the GP level.

held. In another village, the entire GP is in the hands of the president. Such a dominance by the erstwhile dominant caste and/or class groups comes in the way of participation of the marginalised sections of the community, and renders the GP meetings irrelevant.

Secondly, a widespread feeling that the benefits go only to one section of the village community. In one village, ST is the numerically dominant community. Among the STs, the Nayaks are socially and economically better off, and they corner all the benefits meant for all the STs in the village. The meetings do not serve any purpose here.

Third, the funds available are small. A small quantum of funds for development has its own implications as far as who makes the decisions are concerned. There is not much of interest in these meetings as the resources available are limited. In any case, most of the funds are spent for routine works such as salary, office maintenance, and do not do not involve much discussion.

Fourth, most of the funds received by the selected GPs are in the form of JRY grants. The practice adopted is to distribute the JRY grants equally and spend it on what the ward members feel is important. The ward members of GPs in Bellary district spent the JRY money on drainage, pavement of roads and renovation of temple in their own wards. It is felt that there is no need to have a discussion on this.

Fifth, the meetings have lost their original importance, as the established practice is to distribute money equally among members. The state grant, disbursed in quarterly installments, will be so low that no meaningful activity can be taken up. This amount, if divided equally among the members, will be very small. In one of the villages, the practice is to give the entire amount to one member at one point in time. The priority would be to heed to the member who is more vociferous. Such a practice does not entail much need for a meeting, and discussion among the members.

The prioritization of these activities is not done on the basis of the needs of the people. This is because there must be resources to even ask the people to come up with their needs. According to one of the GP members, "even 10 per cent of the problems cannot be solved with the money that we get". One of the GPs visited is lacking even basic facilities. There are no streetlights because there is no money. Water supply is affected as the salaries to water man are not paid due to the paucity of funds, and hence, he does not work.

The political power of the GPs is, therefore, restricted to beneficiary selection for the anti-poverty programmes. Even here also, the TP/SP can over rule the beneficiary selection. For housing programme, the beneficiary selection is done by the GP; but, local MLA has her/his own discretionary powers.

On the whole, the GPs note that they do not receive adequate resources, their powers are curtailed (due to transfer of several functions to TPs which have now become fairly powerful) and powers given to TP/ZP to overrule beneficiary selection through gram sabha.

Administrative decentralization

The secretary assists the GP. In some cases, this person comes from ZP. The GPs do not have powers to appoint their own secretary. The members feel that it is better that the GPs select the secretary. The control of GP on secretary varied across the GPs. In some of the GPs, the members noted that they do not have any control, while in others, they noted that the secretary is responsive to the GP. Staff

members other than the secretary such as waterman, bill collector, sweeper and helper can be selected by the GP provided that they have resources to pay their salaries. TP approves the appointments after looking into each case carefully.

The subject committees are either not formed or do not function. It was noted in one of the villages that the three standing committees are not formed at all. In another village, although they are formed, the utility of such committees is very low as there are not funds within the GP. In another village, the committees are formed; but, functions to these committees are not assigned. In one village, a standing committee on social justice is formed. But, this does not work. The secretary also does not call for standing committee meetings. The purchase committees also do not function.

The school betterment committee is formed in most of the villages. The GP members and elders in the village, if necessary, are called for a discussion. The panchayat president is the president of school committee, and the headmaster is the secretary. The GP has no powers such as suspension of headmaster/teachers on the grounds of non-performance. Further, the GP does not pay salaries to school staff. All that they can do is to ask for the transfer of the erring staff of the school. Same is the situation in the case of anganawadi centre. Thus, the supervision responsibility is given to the GP without really decentralising the powers over village level administration.

Gram sabhas

The GS is supposed to be held four times in a year. The practice adopted in Karnataka is to hold the GS in each of the villages, and this practice has been preferred as a larger number of members can effectively participate in the meetings. Maha sabha (a gram sabha meeting of all the villagers) is not held. The information on date and time of GS meeting is provided through pamphlets and GP.

The information on number and purpose GS meetings varies across the selected GPs. In one of the villages, GS meeting was held only for two times to select beneficiaries for anti-poverty programmes. In another village, GS meeting was never held as the performance of the GP has been bad. In this village, there are allegations that members have mis-utilised all the money coming to GP. The president is afraid that if GS meeting is held, people will ask the questions on the non-performance of the GP and irregularities. Hence, it was not conducted. The Executive Officer of TP also did not hold GS meetings even though such a role for her/him is provided in the Act.

In another village, the GS meeting is conducted in every village, and people attend in good numbers; but nothing much happens here. In this village, the EO of TP conducts the GS after receiving instructions from the ZP. The members of ZP, TP and GP attend the meeting only when it is held in their own village. The people in the meeting talk of their problems and grievances, which are submitted to GP. Subsequently, a resolution is passed in the GP, and the same is sent to the ZP (and then to the State) for further action. But, nothing happens after that. The only thing that happens is the beneficiary selection, which can be, however, ignored by the higher level functionaries. A general feeling is that it is better to keep away from the selection of beneficiaries for housing programme as the MLA has a final say in this regard.

The GS meetings, thus, are not regularly held, and if held, they are mainly utilized to select the beneficiaries for GP, TP and ZP schemes. In the meetings not many people attend notwithstanding that these are held in each village. The participation is very low because of the following factors. First, the opportunity cost is high for the poor. In one of the villages, the people noted that if they attend the meeting, they have to forego one day's wage. They cannot afford to do this as there is no 'profit' coming from GPs. Secondly, the participation of women is lacking; only women elected as GP members attend

the meeting. Third, with TPs and ZPs having powers to overrule the beneficiary selection on political considerations, there is no interest in attending the gram sabha. Fourth, a widespread feeling is that the beneficiary selection is done not on the basis of the merits of the case, but on the basis of corruption. Fifth, the people are not very well aware of the role and importance of GS meetings. For instance, the Act specifies quorum for GS meetings, which is not widely known to the people.

The **accountability mechanisms** in the GP are presenting the accounts in the gram sabha. In none of the villages, the accounts are presented to the gram sabha. The people in one of the villages in Mysore alleged that audit report is not read at all in the GS. The secretary in one of the GPs even noted that there is no need to present the audit report. This is because once the audit is done, the report will take care of accountability and there is no need to present in the gram sabha meeting.

The transparency is lacking in all the GPs that were visited. There is no board displaying the works undertaken, the amount spent and audit report.

The president can be removed by the 2/3rds of the GP members. This is possible as the members elect the president. In one of the GPs in Mysore district, the members removed the president as they found him to be very arrogant and not responsive to the members.

7. COMMENTS AND CONCLUSIONS

An attempt to achieve democratic decentralisation should aim at political, administrative and fiscal decentralisation at all the levels of decentralised governance. Hence, this paper sought to analyse the extent to which democratic decentralisation has taken place at Zilla Panchayat (ZP), Taluk Panchayat (TP) and Gram Panchayat (GP) levels. The overall conclusion of the paper is that the democratic decentralisation has not taken place due to the following factors and constraints.

As far as the transfer of funds to the decentralised government at the district level is concerned, the state government has been showing preference to incur expenditure through the line departments rather than through decentralised government in the last 10 years or so. On the other hand, the central government continued to repose faith in PRIs to spend a bulk of its plan outlay. The state government stipulates that its grant should be spent according to the large number of schemes formulated in the late 1980s. On the other hand, the central government funds are largely for the schemes, the guidelines of which are formed by the central government, and the local decentralised government does not have much space to alter these guidelines.

In the context of almost near stagnation of state plan funds to PRIs, the role and importance of central government as the principal provider of funds for development activities is growing. Similarly, a significant proportion of the funds flow into the district in the form of schemes not through PRIs but through the line departments, and the district bureaucrats. This implies that a significant proportion of the resources for development is tied to some activity or the other. The decision making is, therefore, done by line departments and PRIs do not have any significant role in this.

The state government allocates a lumpsum grant for undertaking development at the district and below through plans prepared by PRIs. First there are problems relating to insufficiency because the needs have been growing, and salary commitment is increasing. Secondly, not all the lumpsum grant reaches the PRIs at the district level; and, not all the amount, that has reached PRIs, is spent on the activities for which grant has been allocated. Third, changes will be effected in such a way that amount spent on one sector is lower than what is proposed, and vice versa. How are these changes taking place? What has been the role of

elected leaders? The paper shows that the elected leaders are not involved in effecting these changes. The planning exercise has become a bureaucratic one in which the elected leaders are kept out on the grounds that their world view is narrow, and by mystifying the entire process. It is the bureaucracy, which decides allocations, and expenditure based on their own judgement. The officials, thus, as guardians of state policy abuse their role in taking decisions in such a way they serve their own interest.

The vision of the state that officials will be accountable to elected leaders has not materialized. Tied funds together with limited administrative decentralization are coming in the way of elected leaders exercising the political control. The Act *per se* is not able to provide enough space for the elected leaders to gain control over the officials. An example to this is the lack of powers to write confidential report on the officials. Further, the interference of local MLA in taluk level decentralised government also reduces the political control of the elected leaders. In the absence of such enabling conditions, whether elected leaders have political control or not depends on their personal attributes, and political links and/or clout that they have.

Evidently, the development path chosen in Karnataka is 'development through schemes'. The importance of central and state schemes is growing in the last one decade. In other words, the emerging situation is the one where there are poor linkages between PRIs and line departments, and where the control of the Collector over the resources is considerable and is growing. This has implications as far as the democratic decentralisation in the state is concerned. The role and involvement of elected leaders of PRIs is at the best consultative and at the worst marginal. Further, the widespread expectation is that the elected leaders should help the officials in the supervision of development programmes; and that, they need not have real say in the local development.

The elected leaders are not able to gain control over the staff because the Act itself is weak in this respect. Further, the schemes themselves in a way increase the importance of the line departments. Not surprisingly, therefore, the officials prefer to have more funds routed through state and central schemes so that they remain important.

The loser in the decentralization experiments carried out in Karnataka is the GP. With meagre resources and inability to plan as per the needs of the people, they are becoming increasingly irrelevant in the rural areas. In almost all the villages, the GPs are not functioning well, they do not have resources, and their resources are cut at the source. Further, the gram sabhas are not regularly held; even if they are held, the meetings have become irrelevant in the context of meagre resources and the powers given to overrule the gram sabha decisions by the TP.

Thus, notwithstanding long experience of the state in decentralization and claims that Karnataka is a mature state, we do not see all that experience leading to desired state namely decentralization at the field level, and the claims that Karnataka is a mature state is not supported by the field level evidence.

Long experience in the state does not seem to have translated into genuine devolution of funds, functions and functionaries. The state actions such as postponement of elections and constant changes in the working of the law suggest that the pre-conditions for the system to settle down are not created. The facts that the schemes with pre-determined objectives and implementation strategy predominate, and that there is no attempt to integrate schemes with plan grant effectively so that there is no duality at the district level suggest that the conditions for democratic decentralization are not favourable. Why was this done? Whose interest is served by this? Can we say that Karnataka is a mature state? Or, simply a state where the battles of decentralisation are being fought more intensely--with the higher level trying to control what has happened so far--and with local people just waking up to what has happened in this top down process? These questions were beyond the scope of this paper; but they need to be discussed.

Table 1: Proportion of District Sector Outlays to state plan outlays (1987-88 to 1999-2000)

(Rs, in crores)

Year	State			Centre			Total		
	Total Plan Outlay	District Sector Outlay	(3) as % to (2)	Total Plan Outlay	District Sector Outlay	(6) as % to (5)	Total Plan Outlay	District Sector Outlay	(9) as % to (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
87-88	917	221	24.10	215	144	66.98	1132	365	32.24
88-89	900	240	26.67	252	153	6.71	1152	393	34.11
89-90	1040	265	25.48	266	180	67.67	1306	445	34.07
90-91	1145	293	25.59	221	252	114.03*	1366	545	39.90
91-92	1558	357	22.91	379	318	83.91	1937	675	34.85
92-93	2159	374	17.32	466	296	63.52	2625	670	25.52
93-94	3025	471	15.57	596	322	54.03	3621	793	21.90
94-95	3383	538	15.90	792	435	54.92	4175	973	23.31
95-96	3758	620	16.50	890	480	53.93	4648	1100	23.67
96-97	4360	732	16.79	951	541	56.89	5311	1273	23.97
97-98	4545	732	16.11	1090	688	63.12	5635	1420	25.20
98-99	5353	732	13.67	1160	715	61.64	6513	1447	22.22
99-2000	5888	792	13.45	1199	736	61.38	7087	1528	21.56

Source: Planning Department, GoK, Bangalore.

* In this year, the central share of state plan outlay was less than the central share of the district sector outlay as the central share of JRY funds was released directly to GPs.

Table 2: Distribution (%) schemes in PRIs

	State Schemes	Centrally Sponsored Schemes	Central Sector Schemes	Total
Zilla Panchayat	87	8	5	100
Taluk Panchayat	88	5	7	100
Gram Panchayat	25	50	25	100
Total	100 (385)	100 (34)	100 (24)	(443)

Source: Planning Department, GoK, Bangalore.

Table 3: Sector-wise (%) allocation of Plan Grants in Karnataka

Sl No	Sector	% Amount Allocated to each sector				
		1994-95	1995-96	1996-97	1997-98	1998-99
1	Primary & Secondary Education	9.63	12.30	13.07	7.96	10.95
2	Adult Education	0.20	0.18	0.16	0.09	0.08
3	Sports and Youth Service	0.34	0.30	0.26	0.29	0.29
3	Rural Health	4.00	3.71	3.22	2.43	1.94
5	Indian System of Medicine	0.27	0.29	0.27	0.22	0.17
6	Family Welfare Programmes	4.55	4.83	4.80	4.63	4.98
7	Rural Water Supply	7.94	10.42	12.18	13.54	12.48
8	Welfare of SC/STs	4.31	4.22	3.99	4.57	4.01
9	Special Component Plan	3.76	3.52	3.61	3.51	3.18
10	Welfare of BCM	1.36	1.42	1.35	1.41	1.38
11	Welfare of Women and Children	4.04	4.31	4.12	4.87	5.88
12	Nutrition	1.20	3.05	2.66	2.64	2.48
13	Agriculture	2.03	1.63	1.44	1.36	1.34
14	Horticulture	0.50	0.42	0.38	0.33	0.32
15	Animal Husbandry	1.83	1.88	2.01	1.23	1.12
16	Fisheries	0.35	0.35	0.30	0.29	0.28
17	Forest(including soil conservation)	2.17	1.87	1.76	1.00	0.92
18	Co-operation	0.31	0.24	0.21	0.17	0.15
19	KDP-Rural Development Special Programmes	8.72	7.42	7.93	7.86	7.21
20	Rural Employment (JRY)	26.58	21.42	18.06	26.04	25.84
21	Other RDPR Programmes	9.11	10.28	12.76	10.28	9.91
22	Minor Irrigation	1.24	1.00	0.91	0.79	0.71
23	Village & Small Scale Industries	0.35	0.31	0.27	0.20	0.24
24	Sericulture	0.49	0.40	0.35	0.30	0.28
25	Roads and Bridges	3.77	3.00	2.63	2.66	2.43
26	Secretarial Economic Services	0.10	0.12	0.06	0.02	0.09
27	Tribal Sub Plan	0.67	0.93	1.08	1.12	1.15
28	Village and Small Industries	0.18	0.18	0.16	0.17	0.18
29	Science and Technology	-	-	-	0.02	0.01
	Total	100.00	100.00	100.00	100.00	100.00
	(in Rs.Lakhs)	97,261	(1,10,031)	(1,27,284)	(1,41,974)	(1,44,703)

Table 4: The share (%) of State and Central governments in the Sectoral Allocations										
		State (%) Share			Centres (%) Share			Total (Rs.Lakhs)		
Sl.No	SECTOR	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
A	ECONOMIC SERVICES									
1	Agriculture & Allied Services (including co-operation)	65.68	67.26	71.67	34.36	32.74	28.33	7759	8075	8441
2	Rural Development	39.33	42.13	49.40	60.67	57.87	50.60	42776	42618	48873
3	Irrigation & Flood Control	96.75	82.61	100.00	3.25	17.39	0.00	1539	1772	1582
4	Energy	100.00	100.00	100.00	0.00	0.00	0.00	189	106	258
5	Industry & Minerals	86.01	82.35	99.92	13.99	17.65	0.08	1373	1496	1259
6	Transport	100.00	100.00	100.00	0.00	0.00	0.00	4650	4276	4409
7	General Economic Services	87.43	86.77	100.00	12.57	13.33	0.00	398	484	264
	Total Economic Services	50.73	52.49	58.33	49.27	47.51	41.67	58684	58827	65086
B	SOCIAL SERVICES									
1	Education, Sports, arts and Culture	83.11	86.07	84.12	16.89	13.83	15.88	9885	14064	17161
2	Health	50.52	46.85	43.20	49.48	53.15	56.80	8631	9758	10581
3	Watersupply Housing & Urban Development	73.76	76.21	62.95	26.24	27.86	37.05	5816	6335	8594
4	Labour and Labour Welfare	50.00	50.00	50.00	50.00	50.00	50.00	6	2	2
5	Social Welfare and Nutrition	33.82	48.12	47.03	66.18	51.88	52.97	5328	8358	8905
	Total Social Services	62.32	60.77	56.65	37.68	39.23	43.35	38577	51204	62198
	Total	55.32	56.34	57.50	44.68	43.66	42.50	97261	110031	127284

Table 5: Distribution of total outlay, amount released to ZP and total expenditure to one of the ZPs in Karnataka

		Total Outlay					Total Amount Released to ZPs					Total Expenditure				
		94-5	95-6	96-7	97-8	98-9	94-5	95-6	96-7	97-8	98-9	94-5	95-6	96-7	97-8	98-9
1	Primary and Secondary Education	100	100	100	100	100	97	92	94	93	80	87	82	88	85	104
2	Health	487	520	507	522	474	501	520	475	502	396	368	337	465	391	374
		100	100	100	100	100	103	100	94	96	84	76	65	92	75	79
3	Rural Water Supply	273	419	674	364	480	409	544	565	865	523	354	399	604	586	456
		100	100	100	100	100	150	130	84	238	109	129	95	90	161	95
4	Social Welfare	399	605	823	987	893	379	561	692	823	741	373	529	700	811	715
		100	100	100	100	100	95	93	84	83	83	93	87	85	82	80
5	Agriculture and Allied Activities	261	243	272	279	222	201	190	205	209	169	178	202	205	204	183
		100	100	100	100	100	77	78	76	75	76	68	83	75	73	83
6	Forest	237	304	174	62	62	121	205	160	58	57	140	188	250	58	58
		100	100	100	100	100	51	67	92	93	92	59	62	144	93	93
7	Rural Development Programmes	442	454	485	557	405	384	302	466	571	468	379	424	437	579	373
		100	100	100	100	100	87	67	96	103	116	86	93	90	104	92
8	Jawahar Rozgar Yojana	1522	1128	596	666	449	940	1142	611	686	539	1001	1451	639	721	416
		100	100	100	100	100	62	101	103	103	120	66	129	107	108	93
9	Indira Awaas Yojana	0	0	421	425	378	0	0	706	425	492	0	0	634	614	374
		100	100	100	100	100	0	0	168	100	130	0	0	151	144	99
10	Employment Assurance Scheme	0	0	0	1013	575	0	0	0	675	625	0	0	0	1002	582
		100	100	100	100	100	0	0	0	67	109	0	0	0	99	101
11	Irrigation	102	59	239	239	186	95	51	227	233	197	113	55	253	244	175
		100	100	100	100	100	93	87	95	97	106	110	93	106	102	94
12	Support to Planning Units, ZP and TPs	208	163	428	104	103	232	151	385	101	97	209	210	383	101	97
		100	100	100	100	100	112	93	90	97	94	101	129	89	97	94
13	Grant to Gram Panchayats	220	275	0	223	187	193	278	0	223	187	193	278	0	221	187
		100	100	100	100	100	88	101	0	100	100	88	101	0	99	100
14	Roads and Bridges	198	133	146	159	147	182	115	130	146	135	243	153	148	154	136
		100	100	100	100	100	92	87	89	92	92	123	115	102	97	92
	Total	4904	5129	5721	6238	5280	4176	4815	5519	6113	5202	4037	4904	5556	6230	4871
		100	100	100	100	100	85	94	96	98	99	82	96	97	100	92

Table 6: Proportions of total amount released to ZP and total expenditure in the total outlay in one of the ZPs in Karnataka

		Total Outlay					Total Amount Released to ZPs					Total Expenditure				
		94-5	95-6	96-7	97-8	98-9	94-5	95-6	96-7	97-8	98-9	94-5	95-6	96-7	97-8	98-9
1	Primary and Secondary Education	555	826	957	637	720	539	757	896	595	575	486	679	838	544	746
		11	16	17	10	14	13	16	16	10	11	12	14	15	9	15
2	Health	487	520	507	522	474	501	520	475	502	396	368	337	465	391	374
		10	10	9	8	9	12	11	9	8	8	9	7	8	6	8
3	Rural Water Supply	273	419	674	364	480	409	544	565	865	523	354	399	604	586	456
		6	8	12	6	9	10	11	10	14	10	9	8	11	9	9
4	Social Welfare	399	605	823	987	893	379	561	692	823	741	373	529	700	811	715
		8	12	14	16	17	9	12	13	13	14	9	11	13	13	15
5	Agriculture and Allied Activities	261	243	272	279	222	201	190	205	209	169	178	202	205	204	183
		5	5	5	4	4	5	4	4	3	3	4	4	4	3	4
6	Forest	237	304	174	62	62	121	205	160	58	57	140	188	250	58	58
		5	6	3	1	1	3	4	3	1	1	3	4	5	1	1
7	Rural Development Programmes	442	454	485	557	405	384	302	466	571	468	379	424	437	579	373
		9	9	8	9	8	9	6	8	9	9	9	9	8	9	8
8	Jawahar Rozgar Yojana	1522	1128	596	666	449	940	1142	611	686	539	1001	1451	639	721	416
		31	22	10	11	9	22	24	11	11	10	25	30	12	12	9
9	Indira Awaas Yojana	0	0	421	425	378	0	0	706	425	492	0	0	634	614	374
		0	0	7	7	7	0	0	13	7	9	0	0	11	10	8
10	Employment Assurance Scheme	0	0	0	1013	575	0	0	0	675	625	0	0	0	1002	582
		0	0	0	16	11	0	0	0	11	12	0	0	0	16	12
11	Irrigation	102	59	239	239	186	95	51	227	233	197	113	55	253	244	175
		2	1	4	4	4	2	1	4	4	4	3	1	5	4	4
12	Support to Planning Units, ZP and TPs	208	163	428	104	103	232	151	385	101	97	209	210	383	101	97
		4	3	7	2	2	6	3	7	2	2	5	4	7	2	2
13	Grant to Gram Panchayats	220	275	0	223	187	193	278	0	223	187	193	278	0	221	187
		4	5	0	4	4	5	6	0	4	4	5	6	0	4	4
14	Roads and Bridges	198	133	146	159	147	182	115	130	146	135	243	153	148	154	136
		4	3	3	3	3	4	2	2	2	3	6	3	3	2	3
	Total	4904	5129	5721	6238	5280	4176	4815	5519	6113	5202	4037	4904	5556	6230	4871
		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 7: Receipts and Expenditure of Hospet Taluk Panchayat, Bellary

Particulars	1995-96		1196-97		1997-98		1998-99	
	Income	Expendi- ture	Income	Expendi- ture	Income	Expendi- ture	Income	Expendi- ture
Indira Awas Yojana	56.52	56.24	37.89	37.89	34.07	34.81	36.64	37.07
Dr.B.R.Ambedkar Plan	14.44	14.87	19.70	19.70	15.49	15.83	18.65	18.88
Employment Assurance Scheme	0.00	0.00	0.00	0.00	11.01	9.39	2.20	2.22
10 th Finance Commission	0.00	0.00	0.00	0.00	3.04	3.11	3.30	3.34
Nirmala Karnataka	10.05	10.00	22.94	22.94	7.14	7.29	11.47	11.60
Stamp Duty	0.00	0.00	0.00	0.00	8.88	9.07	13.58	13.75
IRDP	16.96	16.87	9.97	9.97	8.52	8.70	0.00	0.00
Education Department	0 00	0.00	0.00	0.00	3.95	4.04	4.76	4.82
Gobar Gas	2.03	2.02	2.73	2.73	1.31	1.34	1.49	1.51
JRY	0.00	0.00	0.00	0.00	5.99	6.12	6.75	6.83
Honorarium to Taluk Panchayat President and vice president	0.00	0.00	0.00	0.00	0.61	0.31	1.17	0.00
Total (in Rs. Lakhs)	100.0 (160.0 3)	100.00 (160.03)	100.00 (200.5 6)	100.00 (200.56)	100.00 (164.3 9)	100.00 (160.88)	100.00 (136.4 8)	100.00 (134.88)

Table 8: Receipts and expenditure in sample gram panchayats in 1997-8 (percentages)

Particulars	Danayanakere		Kollegal		Kottegala	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
State grant	30.00		31.89		45.13	
JRY	55.52	49.24	30.30	32.87		
10th Finance Commission	0.00		19.74	14.36	17.52	
Tax income	14.48		18.07		37.35	
Staff salary		11.62		7.09		16.98
Street lights and electricity		13.78		14.45		22.37
18% to SCs		7.65		7.87		0.0
Water supply		7.65		6.91		6.54
Works		6.73		7.39		45.98
Grama nirmala				6.18		0.0
Honoraria to elected leaders		3.83		1.23		5.86
Others		0.00		1.65		2.27
Total (in Lakhs Rupees)	100.0 (2.90)	100.0 (3.27)	100.0 (4.74)	100.0 (4.40)	100.0 (1.88)	100.0 (1.62)

Annex 1: Indicators and Weights for Distribution of Plan Outlay

Sl No.	Indicators	Weightage
1.	Population	50
2.	Backwardness in Agriculture as measured by the value of Agricultural output per hectare	5
3.	Backwardness in Irrigation as measured by the proportion of irrigated area to Net Area Sown	7
4.	Backwardness as measured by the value of Industrial output	5
5.	Backwardness in Communications as measured by Road and Railway mileage per 100 Sq.m and per lakh of population	5
6.	Backwardness in financial Infrastructure as measured by size of population served by each commercial and co-operative Bank	2
7.	Backwardness in Medical and Health facilities as measured by the number of hospitals per 1000 population/bed population ratio	5
8.	Backwardness in Power supply as measured by the proportion of villages electrified	5
9.	Problems of the Weaker Sections: (a) as measured by the proportion of SCs/STs in the population (b) as measured by the proportion of Landless Agricultural Labourers	2 2
10.	Special problems of Malnad area and Drought Prone Areas: (a) as measured by the area under forest (b) as measured by the rural population of drought prone areas	2 2
11.	Literacy Percentage	5 3
12.	Performance in Family Planning programme	
	1. TOTAL	100

Source: GO No.PD 3 PRU 86, Bangalore, 19-12-1986

Annex 2: Criteria for the allocation of ZP Plan Funds among Taluk Panchayats

Indicators	Coverage	Weightage
1. Population	Proportion of population rural areas to total rural population as per the latest population census	50
2. Area	Proportion of area in the taluk to the geographical area as per the latest population census	10
3. Literacy	Proportion of literate in the taluk to total population as per the latest population census computed on the distance method.	10
4. SC and ST Population	Proportion of SC, ST population to total population as per the population census.	10
5. Dry Land area	Proportion of unirrigated area to total unirrigated area as per the annual season and crop report	10
6. Agricultural Labour	Proportion of agricultural labour to total agricultural labour as per the latest population census	10

Source: GO No.PD 46 DFD 98, Bangalore, 9-9-1998

Annex 3: Calendar for Planning

Date	Events
15 th July	Adopting the tentative size for the State's Annual Plan of the next year
25 th July	Government in the Planning Department to indicate to Zilla Parishads and Mandal Panchayats the financial ceiling within which their Annual Plan should be formulated for the next year.
15 th August	Mandal Panchayats to send their plan proposals to Zilla Parishads.
20 th September	Zilla Parishads to build the Mandal Proposals into the District Plan and send the Draft District Plan to the Government in the Planning Department and concerned State Head of the Department.
28 th September to 25 th October	Discussion with the Zilla Parishads on their Draft District Plan by the Planning Department for achieving consistency and integration of District Sector with State Sector Schemes / Plans.
10 th November	Government / State Heads of Departments to consolidate these proposals and build them into the State's Draft Plan and send the same to the planning commission.
15 th January	Approval of the Planning Commission to the State's plan
25 th February	Finalising the State's Plan Budget in the light of planning commission's approval to the State Plan and finalising the District Plans of Zilla Parishads.
1 st Week of March	Presentation of the State's Budget to the Legislature along with the link document giving scheme-wise, sector-wise and Zilla parishad-wise outlays.

Annex 4: Details of Beneficiary Schemes

Sector / Scheme	Where State/CSS	Who lays down guidelines	Who selects beneficiaries
ZP SCHEMES			
WELFARE OF SC & ST AND SCP			
1) Subsidy for Construction of houses	State	GOK	Tahsildars, TSWO & DSWO
2) Repairs to ST Houses	- do -	- do -	
BACKWARD CLASSES & MINORITIES			
1) Stipend to Diploma Students	State	- do -	Dist.BCM Officer
2) Stipend to Advocates	- do -	- do -	- do -
WELFARE OF WOMAN AND CHILD			
1) Nammanagalu Namma Shakthi	State	GOK	Anganawadi workers CDPO. & AD.W&CW
AGRICULTURE			
1) CSS of ICDP (Cotton)	CSS	GOI	Agriculture
2) Supply of machine operated PP Eqpt.	State	GOK	Assistant and Assistant Director of Agriculture.
3) Supply of plant protection medicine	- do -	- do -	
4) Development of sugarcane	- do -	- do -	- do -
	- do -	- do -	- do -
5) Check dams	- do -	- do -	- do -
6) CSS of ICDP (Cereals)	- do -	- do -	- do -
7) CSS of accelerated maize production	- do -	- do -	- do -
8) CSS of NPDP			
9) CSS of oilseeds production	- do -	- do -	- do -
10) Minikit demonstration programme on coarse cereals	Centre	- do -	- do -
HORTICULTURE			
1) Publicity & Literature	State	GOK	Grama Sabha & ADH
2) Supply of minikit	- do -	- do -	- do -
3) Seminars, Field days and Exhibition	- do -	- do -	DDH
ANIMAL HUSBANDARY			
1) Rearing of Giriraja bird	State	GOK	Gramasabha

Sector / Scheme	Where State/CSS	Who lays down guidelines	Who selects beneficiaries
FISHERIES			
1) Subsidy to sweet water prawns	State	GOK	Asst. Director, Fisheries
2) Subsidy to fisheries requisites	- do -	- do -	- do -
3) Subsidy for Constn. of fish ponds	- do -	- do -	- do -
4) Subsidy for reconstrn. of fish market	- do -	- do -	- do -
5) Managerial subsidy to fisheries cooperative societies	- do -	- do -	- do -
COOPERATION			
1) Incentive to milk producers coop. Society	State	GOK	DRCS, ZP approves the beneficiaries
2) Subsidy to cooperative hospitals	- do -	- do -	- do -
3) Subsidy for estt. Of cooperative flour mills	- do -	- do -	- do -
RDPR PROGRAMMES			
1) Million wells programme	CSS	GOI	District Proj. Committee
VILLAGE & SMALL INDUSTRIES			
1) Interest subsidy for artisan of tiny industries	State	GOK	Z.P. approves the final list.
2) Supply of improved appliances to professional artisans	- do -	- do -	
3) Agriculture	- do -	- do -	
4) Assistance to coir cooperatives	- do -	- do -	
AGRICULTURE			
1) Assistance to sericulturists	State	GOK	Gramasabha. SEO will send it to the D.D., D.D. approves the list
TP Schemes			
WELFARE OF SC 7 ST AND SCP			
1) Supply of sewing machines	State	GOK	TSWO & DSWO
2) Subsidy to law	- do -	- do -	- do -

Sector / Scheme	Where State/CSS	Who lays down guidelines	Who selects beneficiaries
graduates			
3) Prize money to SSLC students	- do -	- do -	- do -
4) Award of merit scholarships	- do -	- do -	- do -
5) Award of prematric scholarships	- do -	- do -	- do -
6) Stipends to trainees in ITIs/ITCs	- do -	- do -	- do -
7) TCH training for girls	- do -	- do -	- do -
8) Award of sch. To student of I to IV	- do -	- do -	- do -
9) Providing electricity to SC houses	- do -	- do -	TSWO & TP
10) Prize money to SSLC students	- do -	- do -	DSWO
11) Prize money to college students	- do -	- do -	- do -
12) Award of merit scholarships	- do -	- do -	- do -
13) Award of prematric scholarships to SC students	- do -	- do -	- do -
14) Payment of EBL charges to post matric students	- do -	- do -	- do -
15) Stipend to trainees of ITIs/ITCs	- do -	- do -	- do -
16) Award of scholarships to students of I to IV stds.	- do -	- do -	- do -
17) Providing electricity to ST houses	- do -		TSWO & TP
18) Prematric scholarships to the children engaged in unclean operation	CSS	GOI	DSWO
19) CSS of removal of untouchability	- do -	- do -	- do -
20) Post matric scholarship to SCs	Centre	- do -	- do -
21) Post matric scholarship to STs	- do -	- do -	- do -
SCP PROGRAMMES			
22) Agriculture	State	GOK	Grama Sabha
23) Horticulture	- do -	- do -	- do -
24) Soil & water conservation	- do -	- do -	- do -
25) Animal Husbandry	- do -	- do -	- do -
26) Village and small industries	- do -	- do -	- do -
27) Sericulture	- do -	- do -	- do -
28) Nutrition (SCP)	- do -	- do -	Anganawadi workers
29) Minor Irrigation	- do -	- do -	Grama Sabha

Sector / Scheme	Where State/CSS	Who lays down guidelines	Who selects beneficiaries
30) Fisheries	- do -	- do -	- do -
31) Forest	- do -	- do -	- do -
32) Handloom	- do -	- do -	- do -
33) Lumpsum Grants	Centre	GOI	- do -
BACKWARD CLASSES & MONORITIES			
1) Incentive to hostlers	State	GOK	District Officer, BCM
2) Award of postmatric scholarships	- do -	- do -	- do -
3) Award of prematric scholarships	- do -	- do -	- do -
4) Payment of extra EBL charges	- do -	- do -	- do -
NUTRITION	State	GOK	Anganawadi workers
AGRICULTURE			
1) Green manure & compost	State	GOK	Gramasabha, AD Agri.
2) Plant protection	- do -	- do -	- do -
3) Agri.fairs and exhibitions	- do -	- do -	JD, Agriculture
HORTICULTURE			
1) Supply of PP Chemicals	State	GOK	Gramasabha, AD Horticulture
2) Asst. To farmers under programme of extension of area under horti. Crop	- do -	- do -	- do -
ANIMAL HUSBANDRY			
1) Spl.livestock development programme	State	GOK	Grama sabha and Taluk level officer
2) Supply of improved ram and pigs	- do -	- do -	- do -
COOPERATION			
1) Subsidy for PCARDB	State	GOK	
2) Subsidy to women cooperatives	- do -	- do -	- do -
RDPR PROGRAMMES			
1) IRDP – Subsidy	CSS	GOI	Grama sabha
2) TRYSEM	- do -	- do -	District level committee
3) SITRA	Centre	- do -	- do -
4) DWCRA	CSS	- do -	Asst.Project officer

Sector / Scheme	Where State/CSS	Who lays down guidelines	Who selects beneficiaries
5) IREP	State	GOK	Proj. Officer, IREP
6) NPIC	CSS	GOI	- do -
7) IAY	- do -	- do -	Grama Sabha
8) Rural Group Life insurance	- do -	- do -	Grama Sabha & GP
SERICULTURE			
1) Subsidy for construction of rearing and reeling sheds	State	GOK	Ad, Seri, & Grama sabha & TP, TSC, S.E.O.,
2) Incentive to bivoltine cocoon	- do -	- do -	- do -
TRIBAL SUB PLAN			
1) Agriculture	State	GOK	Grama Sabha & TP
2) Horticulture	- do -	- do -	- do -
3) Animal Husbandry	- do -	- do -	- do -
4) Sericulture	- do -	- do -	- do -
5) Minor Irrigation	- do -	- do -	- do -
6) Nutrition	- do -	- do -	Anganawadi workers
7) Primitive Tribes	- do -	- do -	Grama sabha
8) Supply of bullocks	- do -	- do -	- do -
9) Soil & water conservation	- do -	- do -	- do -
10) Forestry & wildlife	- do -	- do -	- do -
11) Village & Small Scale industries	- do -	- do -	- do -
12) Supply of pumpsets	- do -	- do -	- do -
13) Constn. of tribal houses	- do -	- do -	- do -
14) Repairs to tribal houses	- do -	- do -	- do -
15) Lumpsum Grants	Centre	GOI	
MINOR IRRIGATION			
1) Ganga Kalyana Yojana		GOK	AEE, ZP Eng. Sub division (ZP approved finally)

III. DECENTRALISATION IN KERALA

1. INTRODUCTION

Kerala has taken a bold decision to devolve 35-40 per cent of the total plan outlay to Panchayat Raj Institutions (PRIs). The government sought to involve a cross-section of the society (elected leaders, experts, NGOs, bureaucrats, retired officials, etc.) in the plan preparation and implementation. The chairperson of the District Planning Committee, which gives final approval to plans prepared by local bodies, is the president of District Panchayat. On the whole, the vision of the state government (Section 1) is progressive, and one stepping stone towards democratic decentralisation. But, whether democratic decentralisation is achieved at the local level or not depends on the extent of political, fiscal and administrative devolution to the local bodies. It is in this context, the following questions arise: How does the state vision translate at the micro level? What exactly is happening as far as political, administrative and fiscal devolution to PRIs at various levels? This paper seeks to answer these questions by analysing the evidence on sectors and schemes (section 2) and political control, fiscal devolution, administrative devolution and accountability at District panchayat (Section 3), at Block panchayat (Section 4) and at the Grama Panchayat and grama sabha levels (Section 5). The final section of the paper raises some issues relevant to democratic decentralisation.

The methodology adopted was, first, to hold discussions with state level officials belonging to departments of local administration, health, planning and water supply to obtain state's vision on decentralisation. This was followed by visits to two districts - Thrissur and Pathanamditta. In each of the districts, discussions were held with the President and members of District Panchayat (DP), the collector, the secretary to DP and heads of line departments. This was followed by field visits to one Block Panchayat (BP) and two Grama Panchayats (GPs) (one good and the other not so good) selected by the district officials. In each of these panchayats (including the one at the block level), discussions were held with the presidents, members and implementing officials. Further, to obtain a broader view on the process adopted to translate the vision at the micro level, discussions were held with Presidents and vice-presidents of about 10 BPs and GPs and presidents of DPs from the neighbouring districts, at the headquarters of the selected districts.

2. THE STATE'S VISION

The pre-conditions for creating, nourishing and sustaining local self-government institutions exist in Kerala; these are land reforms, high literacy rates, powerful grassroots institutions, vibrant civil society, society sharply divided along political lines, better communication facilities (roads, telephones, close proximity of the houses), etc. "But the history of local self-government in Kerala is dotted with half-hearted reforms, partial successes and blatant reversals" (Isaac 1999; 18). Attempts to bring a comprehensive legislation for the local self-government remained partial. When gram panchayats came into existence in 1960s, their role was confined to traditional civic functions and their autonomy was restricted by departmental controls.

In the early 1970s, decentralised planning started with the establishment of District Planning Offices and identification of district schemes. From the mid-1980s, the planning process for Special Component Plan (SCP) and Tribal Sub-Plan (TSP) was undertaken at the district level. From the late 1980s, District Development Councils (DDCs) were set up with non-official as the chairperson and the Collector as convenor. Each district was indicated the maximum outlay for which the DDC had to prepare plans in consultation with Block Panchayat Committee (BPC) and Gram Panchayat Committees. The plans approved by the DDCs were to be forwarded to the State Planning Board (SPB) for inclusion in the state plan.

However, the plans prepared by the DDCs varied in quality, sufficient integration was not done, the proposals coming from below (i.e., gram panchayat and block panchayat) had to be set aside to accommodate alternate proposals coming from the departmental heads¹⁵. Further, an attempt to form district councils could not take off. Thus, the earlier attempts aimed at decentralisation could not be carried out to any significant extent. A new LDF government, which came to power in 1996, took some bold steps towards creating local self-government in the context of the 73rd and 74th Constitutional amendment.

The different tiers in the local decentralisation

Gram Sabha, which exists at the lowest level for each ward, consists of all the voters in the ward (the average number of voters in the state being 1000). A minimum of 10 per cent of the voters in a gram sabha (30 per cent of them should be women) should attend the four gram sabha meetings held in a year. A voter in the ward is given three ballot papers to elect a member each to ward, block and DP.

Gram Panchayat is the planning and implementation unit for a village, which on an average, consists of 30,000 population. The number of wards in a gram panchayat varies from 9 to 11. The members contest to the wards with political party symbols. The members elect the President, Vice President and chairperson of the standing committee from among themselves. Thus, office bearers are indirectly elected, while members are directly elected. The elected members are paid honorarium¹⁶, through tax and non-tax revenue mobilised from gram panchayat and grant-in-aid from the government. There will be one standing committee for assessment of tax, finance, accounts and planning.

Block Panchayat is the planning and implementation unit for a block consisting of population of about 1-2 lakhs. The members, who contest the elections with political party affiliations, will be directly elected from block wards. The block members indirectly elect the president, vice-president and chairpersons of standing committees. There are two standing committees in a BP. A Finance and Planning standing committee to deal with finance, planning, establishment and remaining miscellaneous matters. The second one is Welfare standing committee to deal with agriculture, small-scale industries, public health, social welfare, welfare of SCs and STs and public distribution system. The presidents of GPs in the jurisdiction of a block panchayat can participate (and also vote) in the prioritisation of needs; but, cannot elect the office bearers. The block panchayat does not have provision to mobilise its own tax revenue. A BP is given financial assistance to plan and implement the development activities. The elected members are paid honorarium, sitting fees and travel allowance¹⁷ from a separate grant¹⁸ given by the government.

¹⁵ For more details see, Isaac (1999: 20-21).

¹⁶ The monthly honoraria paid to the president, vice-president, the chairperson of the standing committee and a member are Rs. 3500, Rs. 2500, Rs. 1500 and Rs. 1000, respectively.

¹⁷ The monthly honoraria for the President, Vice-President, Chairperson of the standing Committee and members are Rs. 4000, Rs. 3000, Rs. 1750 and Rs. 1250, respectively. In addition to the honorarium, sitting fee to the members (Rs. 40 in the case of president, Vice president and standing committee chairperson, and Rs. 32 in the case of ordinary members) and travel allowance if the distance travelled exceeds 8 kms. On the whole, a maximum of Rs. 200 (in the case of president, Vice president and standing committee chairperson) and Rs. 150 in the case of other is given towards travel allowance. In a month, they should have at least one meeting; if there is need, they can have more meetings.

¹⁸ This was 1 per cent of the plan assistance or Rs.75,000 (whichever is less) until 1998-99. It has been increased to 2 per cent or Rs.1 lakh (whichever is less) from 1999-2000 onwards

The jurisdiction of **District Panchayat** covers the rural areas in a district. The people will directly elect members, contesting on political party symbols. The number of members in a district panchayat varies and can go up to 25. The members indirectly elect the office bearers including the president. There are four standing committees:

- Finance and planning committee to deal with finance, planning, establishment and remaining miscellaneous matters.
- Development standing committee to deal with agriculture, animal husbandry and dairy development, minor irrigation, small-scale industries.
- Welfare standing committee to deal with education, fishing, social welfare, welfare of SCs and STs, poverty eradication, rural development and public distribution system.
- Public works standing committee to deal with housing, water supply and public works.

The DP cannot impose any taxes, and hence, depends on the state assistance for undertaking development activities and for meeting the expenses on salaries and establishment. The salaries to non-elected officials come from the state government. The monthly honoraria paid to the president, vice-president, chairperson of the standing committee and members are Rs. 4000, Rs. 3500, Rs. 2000 and Rs. 1750, respectively. In addition, they are paid allowance towards attending the meetings and travel from the grant received from the government.

The **District Planning Committee (DPC)** is set up to scrutinise the plans of local bodies, approve them and prepare the district plan. It also aims to review all the plan and non-plan related schemes. The president of DP is the chairperson, while the district collector is the secretary of DPC. The members (11) come from the DP and the municipalities (1). All the heads of line departments are joint secretaries. The state government nominates a member from either the planning board or from any other department. In addition, the MLAs and MPs are invitees. The meetings of DPC are to be held regularly once in a month.

Elections to all the local bodies were held in 1995 and the newly constituted bodies started to function in the same year. The data on total number of elected members to all the PRIs, and their composition by caste and sex are presented in Table 1. Of 14 DPs in the district, the ruling LDF holds ten, while four are captured by the opposition coalition called the UDF. It is widely noted that the ruling LDF controls about 60 per cent of the GPs and BPs, while the rest are controlled by the UDF.

Funds

Kerala State Finance Commission was appointed in April 1994, under the chairmanship of P.M.Abraham, to review the financial position of the panchayats and submit recommendations regarding the sharing of tax revenue between panchayats and government, and steps necessary for improving the financial position of the panchayats. The Committee submitted an interim report in September 1995 and final report in February 1996. The Commission recommended 70 per cent weightage to the population, while the SC/ST population, total workers in a district and proportion of agricultural labourers get a weightage of 10 per cent each for devolution of plan funds.

As far as sharing of tax revenue is concerned, Vehicle Tax Compensation (VTC) was given to local bodies out of M.V.Tax. The VTC was 25 per cent of the net collection of M.V.Tax and will be distributed among various local bodies as recommended by the Babu Paul Committee. A portion of the income from the sale of court fee stamps will be earmarked for the local bodies. Local bodies were made eligible for 50 per cent of building exemption fee, which may be increased to 100 per cent. Land tax will be doubled, and 60 per cent of the additional income from this tax may go to BPs, and the balance to DPs.

The powers of taxation are given mainly to GPs, municipalities and corporations. Building tax, which hitherto was collected by the government, was assigned exclusively to GPs and municipalities. A new method of arriving at rental value of residential buildings was suggested, and minimum half-yearly property/building tax was fixed at Rs. 15 in panchayat area, and Rs. 20 and Rs. 25 in municipalities and corporation areas, respectively. It has been recommended to fix minimum rates of advertisement tax, and leave it to the local bodies to fix their rates above it. Irrespective of the size of a holding, the minimum yearly land tax will be fixed at Rs. 5 in panchayat areas, and Rs. 7.5 and Rs. 10 in municipalities and corporation areas, respectively. District panchayats are empowered to levy a tax on the sale of immovable property priced at Rs. 25,000 or more at the rate of one per cent of the sale price. Library cess will continue to be collected by the local bodies.

The total plan outlay is distributed to rural and urban areas in the proportion of 85 per cent and 15 per cent, respectively. Out of the rural share, 70 per cent goes to GPs, 15 per cent goes to BPs and 15 per cent goes to DPs. Only the local elected bodies have full control on the utilisation of this money.

After the decision to devolve all the financial powers to local decentralised government was taken in 1996, 35 to 40 per cent of plan expenditure is earmarked to plans prepared by the local decentralised bodies. Unlike in the other states, where the decisions are taken by the government and decentralised government implements the works, the state government has given all the powers to local decentralised bodies to make their plans to utilise this almost un-tied money.

Nowhere else in India, the State Legislative Assembly passes budget for the PRIs. The amount is fixed for each of the district, block and gram panchayats, and shown in Annex 4 of the State Budget. As a result, each of the PRIs comes to know in advance the fund at their disposal for planning.

Flow of funds

Soon after the approval of district annual plan by the DPC and the request for the release of funds is made, the state government releases funds to implement the plans in four instalments. The release of each instalment depends on the proportion of the funds spent by the local body. Only when a local body spends 75 per cent of the earmarked funds, will it be eligible to receive the same level of funds in the following year. The funds to DPs and BPs are given directly, while the funds earmarked to GPs are released to Deputy Director, Panchayats in each district. The DD, Panchayats, will transfer the funds into PD (treasury) account. After this, the fund will be GP's fund. The GP will transfer the funds to the relevant departments, after taking decisions on schemes to be undertaken and departments that will implement. The treasury will honour the cheque only when it is accompanied by the GP resolution.

The release of funds is also conditioned by the pattern of fund utilisation. In order to step up the expenditure on productive sectors and curtail the tendency to spend money on civic works, the state government stipulated certain conditions. These are as follows. The total funds earmarked for productive sector (agriculture, animal husbandry, industry, etc.) is 40 per cent, for infrastructure (public works) it is 30 per cent and for services (housing, etc.) it is 30 per cent. Further, the state government issued guidelines on prudent spending and prepared a list of items that should not be supplied to the people with GP funds ('negative list'). If a GP is not able to spend money for the sectors in the proportion specified by the government, the funds earmarked for the next year will be reduced.

Redeployment of the staff

Steps are initiated for administrative reorganisation and statutory changes in order to institutionalise the process of local level planning and plan implementation.

In 1996, several institutions and posts relating to line departments were transferred to PRIs (Appendix 1). The list includes the notable service providing institutions and posts in the fields of agriculture, animal husbandry, primary education, primary health and the welfare of children, women, SCs and STs.

An important feature of the staff transferred to the local bodies and the staff working in the institutions transferred to local bodies is the dual control. The parent department pays the salaries to the staff, appoints and promotes them. If needed, it takes extreme disciplinary action of dismissal. The local bodies consult the transferred officials in the planning process, prioritisation of issues, preparing the projects and implementing them. Hence, they are referred to as the implementing staff in the state.

To enable the elected officials gain control over the implementing staff, the presidents of DP, BP and GP are given power to write the confidential reports on the secretaries of each of these bodies. The vision of the government is that, as secretaries are the chief executive officers co-ordinating the activities of the line departments at each level, the elected officials gain control over all the implementing staff. In addition, the implementing staffs are required to prepare their monthly work schedule and make a copy available to the elected officials. The instruction of the state government is that, in the case of clash of work relating to local bodies and the parent department, the implementing staff should give priority to the work of local bodies. The elected officials have powers to impose minor punishment such as requesting for the transfer of an official and recommending the suspension. With all the above, the state government hopes that dual control will not lead to problems at the ground level.

The state government appointed a committee on Decentralisation of Powers under the chairmanship of S.B.Sen. The purpose of the committee was to make suggestions for a comprehensive overhauling of the legislation on local self-government and related administrative matters. The committee, appointed in 1996, submitted its final report in 1997. The committee's recommendations were related to autonomy, subsidiarity, role clarity, complementarity, uniformity, people's participation, accountability and transparency. Based on the recommendations, the government amended Kerala Panchayat Raj Act, 1994. The committee identified staff in different departments who are rendered surplus due to the transfer of functions to the local bodies. The remaining staff will be re-deployed so that nearly all the local bodies are provided with at least one engineer and additional clerical staff. Local bodies have the power to allocate work to the staff transferred to it on a functional basis cutting across departments even if the transferred officials continue in their original parental cadres.

Micro planning and people's campaign

It is insisted that each of the local body prepares a comprehensive area plan before it can claim grant-in-aid. An attempt is, thus, made to break away from the normal practice of equal distribution of funds by wards in a local body. Further, the planning process starts from below with maximum involvement of the masses. Mass participation is not limited to elected representatives but includes ordinary people assembling in gram sabhas and non-official experts and volunteers participating in the preparation of reports, formulating projects and drafting the plan. The officials are to work alongside the non-officials.

In order to empower (informally) the local bodies to undertake the task of preparing and implementing the plans, a Campaign for Decentralised Planning was launched. The objective of the campaign is to rally behind the elected bodies, the officials, experts, volunteers, and the mass of people, so that the impediments to the local level planning can be overcome. Further, certain attitudinal changes are sought to be brought about so that the development becomes a more participatory, scientific and transparent process. People's campaign, which started in August 1996, took place in six phases where thousands of elected members, officials, representatives of gram sabha, experts (technical or otherwise), and

representatives of NGOs participated. This is repeated in the successive years with some minor changes. The planning process is explained below.

In the first phase, people's needs are identified in gram sabhas which are convened on holidays and Sundays. Before convening the gram sabhas, maximum participation of people especially women and those belonging to depressed castes was sought to be ensured by giving publicity through posters and various forms of media. Given the large size of gram sabhas, people are encouraged to divide themselves into small sectoral and thematic groups (such as agriculture, gender, etc.) to discuss and identify development issues in a meaningful manner. The strategy of small group meetings was adopted to structure the discussions so that the gram sabha meetings can produce concrete results. At the end, the felt needs, priorities and development perceptions of the people in every locality are identified and listed.

The second phase aims to match the felt needs of the people with the availability of natural and human resources in a locality. For this purpose, a series of studies are undertaken on local geography and natural resources (based on secondary data), review of ongoing schemes, survey of local history and consolidation of gram sabha reports. At the end, Development Report emerges, and these are presented in Development Seminars. Discussions are organised in small subject wise groups, which come up with recommendation as to how projects could be drawn up.

The third phase aims to prepare a shelf of projects corresponding to development problems identified by people. The methodology followed is that subject-wise task forces are constituted at the grass roots level which prepare projects based on the recommendation and suggestions emerging from the development seminars. On an average, 12 task forces are constituted in each local body to cover various development sectors. Typically, an elected representative is the chairperson of a task force, while the official from the concerned line department is the convenor. Each of the project reports should have eight sections¹⁹. The SPB also issued guidelines to integrate tribal and women specific issues into their plans.

In the fourth phase, the budget for each of the local body is announced. The projects prepared by the task forces are prioritised and incorporated into the plan document, which comprises of eight chapters²⁰.

In the fifth phase, annual plans of block and district panchayats are finalised by integrating plans coming from Gram panchayats. The method of integration is to print a development report in each block. This provides with a matrix on problems and solutions identified by all the gram panchayats in a block with relative priority given to each of the problems and solutions. Each DP will prepare a development report integrating the analysis and programmes of the lower tiers. The guidelines for the preparation of the projects and the plan documents for both BPs and DPs were similar to those of the GPs.

In the last phase, plan appraisal is done to ensure the technical soundness and viability. The state Planning Board came up with the concept of Voluntary Technical Corps (VTC), consisting of retired technical experts and professionals. This was done for the following reasons. First, there was realisation that DPs do not have the technical manpower or infrastructure to undertake a proper scrutiny of the projects. Second, several thousands of project proposals had to be prepared by panchayats at all the levels, which had to be evaluated within a short period of time. The minimum qualification for person to enrol in VTC is a professional / Post-graduate degree in a technical field and officer level experience in a development sector. Each volunteer has to give one day in a week to panchayat in providing technical advice. Orientation courses

¹⁹ These sections are introduction, objectives, beneficiaries, activities, organisation, financial analysis, net benefits and monitoring.

²⁰ These chapters are introduction, development strategy, resource mobilisation, sectoral programmes, integrated development, welfare of SCs and STs, women's development programmes and monitoring.

were provided to 4000 technical experts who joined in the VTC. They were encouraged to enrol themselves as volunteers.

Expert committees were formed by drawing volunteers from the VTC at the district (DLEC), Block (BLEC), municipal and corporation levels. Each expert committee had a non-official as its chairperson. The convenor of DLEC is the collector, while that of BLEC is block panchayat secretary. The expert committees, at various levels, are an advisory arm of the DPC helping the latter to appraise the plans and projects, and on the other hand, a body to render technical assistance to local bodies. The expert committees do not have power to change the priorities set by the local bodies. They only have powers of technical sanction and tender excesses (within certain limits), and have role in plan implementation such as approval of revised estimates, settling disputes in measurement, inspection of all works, verification and approval of performance/completion reports of works (within certain financial limits).

3. ACCOUNTABILITY

This state sought to ensure the accountability and transparency by formal and semi-formal mechanisms. The formal mechanisms are : a) local fund audit, which is to be regularly done, for all the local bodies; b) performance audit to see whether the funds are utilised for the purpose or not; c) District level grievance redressal committee, consisting of honest people, orders an investigation on complaints of technical irregularity.

The semi-formal accountability and transparency mechanisms are:

First, it has been decided, following the recommendations of S.B.Sen Committee, that all plan documents including those relating to beneficiary selection, bills and vouchers of works are public documents which any citizen can access.

Second, all the development works are to be executed by a beneficiary committee. When a development work is to be undertaken, those persons and households who will be benefited by the work completion are called for a gram sabha meeting and they will be explained about the work. They will be encouraged to form a committee of 10-15 people to implement the work. The committee is required to execute a bond with the GP, and open a bank account on committee's name. The committee will be given an advance of Rs.1 lakh or 25 per cent of the cost (whichever is less). After examining the progress by the expert committee, the second instalment is given. The main idea of formation of beneficiary committee is that the works will be completed on time, cost of the projects will come down, beneficiary contribution will go up and transparency is achieved.

Third, transparency is sought to be achieved in beneficiary selection. To select beneficiaries, from among those below the poverty line, for development programmes of local bodies each GP will develop an application form and decide eligibility and priority criteria. After inviting application from the people, a committee consisting of president, the ward member of the locality and others in the village will examine each of the application forms and give marks to them. The household/person obtaining maximum marks in the locality will be selected. The ward members will read out the marks in the gram sabha. In addition, the application forms along with marks and criteria adopted to select beneficiaries will be printed and displayed at offices of GP and anganawadi for which funds are made available to GP. Until the printing is complete, a xeroxed copy is to be displayed. Any one can demand and access these documents.

Fourth, people are given the powers to ask queries and demand accountability in gram sabha meetings. Four GS meetings are to be held in a year, and at least 10 per cent of the voters should attend.

Wide publicity (in print and electronics media, and through handouts) is to be given on the grama sabha meeting. The role of gram sabha as an institution for social audit has been legalised. Review reports of the plan implementation and local administration have to be placed before the gram sabha.

4. SECTORS AND SCHEMES

The vision of the state government is that there must be integration of funds allocated to sectors and schemes with the plans of local bodies at all the levels. Therefore, it is insisted that each local body prepares a comprehensive plan before they can lay claim to the grant-in-aid. The plan outlay will not be just confined to the grant-in-aid amount of GoK; but should be integrated with the different state and centrally sponsored schemes and own surplus of the local bodies and also with voluntary contributions.

The sectoral outlays and activities take two routes and two forms; one of local bodies and the other of line departments. At district, block and village levels, the local bodies are provided with grant-in-aid that can be used for any of the sectors that the concerned local body decides. The line departments are also provided with some outlay directly, with which they plan their own activities. As of now, there is no information (with us) on the distribution of sectoral outlays between the local bodies and line departments. There is also no integration of activities of these two bodies; according to some of heads of line departments, the activities of local bodies go in one way, while the activities of line departments go in another direction. The elected leaders, however, want all the funds and activities to be placed under the local bodies.

As far as the schemes are concerned, the DRDA is playing key role in the implementation as of now. At the block level, the secretary to BP participates in the plan formulation and implementation on behalf of the BP. The very same person implements the central schemes as BDO or representative of DRDA at the block level. This seems to be causing some confusion at the block level between elected leaders and officials.

At the district level, the DRDA is abolished; but not wound up as the body still has assets and liabilities to be cleared. The district collector continues as the chairperson mainly to take care of assets and liabilities. The GoK is contemplating to abolish the functions of DRDA as the decision making body, while retaining the professional aspects of the body in some form or the other. As per the current thinking, the DRDA may be renamed as Poverty Alleviation Cell and may become an integral part of DP with project director reporting directly to the DPP.

REPORTING FROM THE FIELD

5. DISTRICT PANCHAYAT

The presidents of the two selected DPs, one DPP from the neighbouring district, one ex-president and a few members of district panchayat were interviewed for this purpose. It so happened that all the DPPs including the former one are women, and they all have very good educational qualifications with graduation, and years of experience in the political field. Of the three DPPs interviewed, two belonged to the opposition coalition, while one belonged to the ruling Left coalition. The members of district panchayat are also educated, and with previous experience in political arena.

Administrative decentralisation

As annex 1 shows, a number of institutions and posts belonging to line departments were transferred to District Panchayats by GOK. Discussions with heads of the line departments reveal that it is the parent department which appoints the staff, pays their salaries, and has powers to transfer, suspend and dismiss an official. Thus, there is dual control on the staff transferred to the DPs. How does this work in practice?

In the two selected districts, the transferred officials continue to function from the offices of the parent department on the grounds that there is no space in DPs office. While heads of a few line departments state that a physical shift will take place once facilities are provided, others do not see much need for that. As the officials transferred to DP are scattered all around the town, the DPPs find it difficult to have co-ordination with line departments. One of the DPs has compelled at least one official (or a clerk) from line departments to sit in their office for the purpose of taking the files back and forth, and thus, avoid the delay in preparing and implementing the development projects.

One of the DPPs noted that although there are several vacancies in schools and teaching is getting affected, the DP does not have much space to intervene as the power to appoint new teachers is vested with the parent department. As the transferred officials get salary from the parent department and not from the DP, they are more loyal and have more gratitude to the parent department rather than to the DP.

The state's vision is that the DPP will gain control over the line departments through secretary of District Panchayat who is an IAS officer and whose confidential report will be written by the DPP. Though Presidents are aware that they can write the confidential report, they do not do that in practice for the following reasons:

- ➔ The papers for confidential report are not put up to the elected officials every year unless the concerned secretary for her/his promotion needs it.
- ➔ In most of the District Panchayats in the state (and also in the two selected Districts), IAS officers are not posted as the secretary to District Panchayat. The officials at the state level maintained that this is because of shortage of officers. One of the DPPs noted that IAS officers are not willing to join as secretaries to District Panchayats because they have an aura of authority and power, and mindset of not working under the district level elected leaders. As a result, an officer of state cadre will be appointed as the secretary; but, s/he may not command the required respect.
- ➔ The above problem resulted in sending the officers from line departments on deputation and their frequent transfer. One of the DPs has had seven secretaries in the past five years; some of them worked only for 2-6 months (Table 2). Another DP has had 10 secretaries in the last five years and they have been changed without obtaining the consent of the DPP. One of the DPPs who was interviewed asked; "how can we function like that?"
- ➔ The deputation also implies lack of stability and full attention to the District Panchayats work. One of the secretaries on deputation has not moved to the district panchayat's office for the last five months and noted that he is unable to do full justification to the additional charge (i.e., duties and responsibilities in addition to whatever the concerned official had before such posting) given to him. He has been busy for the last few months in writing to higher level officials to appoint full-time secretary and relieve him.

The heads of line departments noted that the district panchayat prepares the development projects relating to several sectors in consultation with them. They implement their departmental activities. According to one head of the line department, there is no co-ordination between District Panchayat and departmental activities: "District Panchayat activities go in one way and departmental activities go in another way".

The committees are to be set up for each sector at the district level to look into, among others, co-ordination-related issues. In one of the districts, the committee was not formed in the case of one line department, while it failed to make any impact in the case of other departments. One of the heads of line departments remarked that; 'the committee discusses the needs of the sector, daily functions, staff problems, construction work, etc. Minutes are noted and reported to the higher authorities for sanction and orders'. Another official noted that the committee is mainly involved in monitoring.

The heads of a few departments noted that District Panchayat is taking some interest in improving the service delivery. They want this to happen on their own terms. According to one departmental head, "The elected officials can visit, make a note, represent and recommend to the appropriate authority"; and, not any more!

Based on the needs emerging from the constituency of each member of the DP and development reports prepared by BPs and GPs, the district panchayat will prepare development projects for the entire district. In practice, however, development projects are not prepared on time. The reasons cited were lack of co-operation from the departmental staff and frequent transfer of secretaries to District Panchayats.

The prepared development projects fail to obtain technical sanction from expert committees on time. The delays occur because of the following reasons. First, the members of DLEC function on voluntary basis and hence, do not have any interest and incentive in this work. Second, co-ordination is missing. As one of the presidents of DP remarked the "technical people simply sit in their houses and somebody has to make them to work". Third, there is tug-of-war between the retired and current officials because of ego problems and past intra-departmental differences. Fourth, DLEC meetings are not held regularly. In one of the districts, the request of the President to hold meetings (and emergency ones!) was not adhered because of transfer of the district collector (who is the convenor of DLEC) and second, the new collector is busy with his work relating to law and order in the district. All these things made one of the Presidents of DP to remark that 'these experts are killing our interest'.

These factors have resulted in the pending of large number of the projects. In one of the districts, out of 200 add development projects submitted to DLEC only 70 have been cleared by December 1999. With the prospects of others getting cleared only in January, 2000, the President of the DP did not know how to implement these project in only 3 months left in the current financial year. Similarly, out of 425 projects submitted in July 1999, 199 were cleared after four months (Table 3). The DLEC returned 138 projects for rectification. A large number of returned projects implies that either the DP does not have access to technical skills available in the transferred line departments or the DLEC is deliberately rejecting the project proposals on non-technical grounds. Obviously, statements from elected leaders on which of the above is true are different from that of officials; but, neither situation speaks very well of the process of decentralisation.

Fiscal decentralisation

As noted earlier, the DPs do not have their own tax revenue. They mainly function with grants-in-aid provided by the government. Soon after the approval of district annual plan by the DPC and the request for the release of funds is made, the state government releases funds to implement the plans in four instalments directly to the DP. The release of each instalment depends on the proportion of the funds spent by the DP.

The total amount of grant-in-aid disbursed to all the DPs in the state was Rs. 118 lakhs in 1995-96. But, this amount increased by several fold in the last four years or so. The total amount of grant-in-aid provided to all the DPs in the state was Rs. 24291 lakhs in 1999-2000. In 1995-96, when the amount of grant-in-aid was small, over 50 per cent of the amount was spent on general administration. As the amount of grant-in-aid started to increase, the proportion of expenditure on general administration declined, while that

on development started to increase (Table 4). The proportion of expenditure to allotment varied from year to year. When the grant-in-aid was small, the entire amount was spent in the same year. In 1996-97, the grant-in-aid increased by ten-fold; but, the expenditure was only 46 per cent of the total amount allocated. In the next year, the grant-in-aid allocated declined probably due to the poor performance in spending; but, the expenditure went up in this year. In 1998-99 and 1999-2000, the proportion of expenditure to total amount allocated started to increase; but, this is still not 100 per cent.

This is further corroborated by the data from one of the selected districts. In the context of performance linked to release of budget instalments and budget provision for the next year, there has been lapse of (and/or reduced) funds meant for development. In one of the DPs, Rs.151.99 lakhs were disallowed during 1997-98 on account that the projects prepared were of poor quality (Table 5). During 1998-99, the DP could not spend Rs.85 lakhs due to delays caused by DLEC and consequently, the time available for implementation was short. As a result, of Rs.653.88 lakhs of budget provided to this DP for 1999-2000, as much as 36.21 per cent was deducted, and only 63.79 per cent of the allotted amount was to be used for development projects!

The state government attributes this lower expenditure to lack of absorption capacity in each of the DPs. On the other hand, the elected leaders attribute the lower proportion of expenditure to lack of cooperation from the staff transferred to local bodies, and delays caused by the expert committees.

Faced with the situation of lapse of funds and dis-allowance, how will the district panchayat decide regarding which projects are to be dropped? How will it manage the conflicts that may come among the members? Does the rejection by DLEC has any political pattern? What happens to their accountability to the people? These questions could not be asked in the field. But, what appears is that, the above mentioned factors seem to be coming in the way of DPs exercising the fiscal powers provided to them.

Political control

The process of coming up as presidents and members of the District Panchayat in the context of highly politicised society has, in itself, enabled the elected leaders to take charge of their offices in true sense. The DPPs appeared to be in charge of the office that they are running, and were highly articulate about issues and problems relating to decentralised government.

The elected leaders have full power to prepare the development projects based on the needs of the people within the envelope of the resources available to them. But, the mystification associated with technical matters/aspects, shift of technical power from District Panchayats to DLEC, and partial control on staff have weakened the political power of the elected leaders.

6. DISTRICT PLANNING COMMITTEE (DPC)

The DPC is the constitutional body to approve the plans prepared by the panchayats at different levels to prepare a district plan and review all the plan and non-plan related schemes. The DPC can send back an annual plan prepared by local body on the grounds that norms and procedures were not followed. Then, Gram Panchayat can rectify this and re-submit the plan. Or, it can appeal to the state ministry, which can overrule the decision of District Panchayat Committee after conducting an enquiry.

The chairperson and secretary of DPC are the President of District Panchayat and district collector, respectively. About 11-15 elected members from District Panchayat and one member of municipality will also be members of District Planning Committee.

There is criticism that the District Planning Committee is functioning mainly as approval body rather than reviewing the plans and programmes. Another criticism is that the power of District Planning Committee are usurped by District Development council (DDC), a parallel body created by the government in each of the districts. MLAs, heads of the department, the collector are members in DDC; but not the DPP. This council is supposed to meet every month to review the state-sponsored programmes. According to one of the Presidents of District Panchayat, "The DDC does not have any role after the DPC was established and should be abolished". Another President noted that there is no clarity with regard to what exactly is the role of DPC.

6. BLOCK PANCHAYAT

Two block panchayats in the selected districts were visited, and the Presidents of large number of Black panchayats from the neighbouring districts were interviewed for the purpose. The total number of elected members in these two Block panchayats is 16: of them, seven have completed schooling, four have completed pre-university course and five are graduates. Fifty per cent of the members are women, and little less than 50 per cent have had previous experience with PRIs. Nine out of 16 belong to the ruling coalition front, LDF.

Fiscal control

Block panchayats do not have any tax powers, and hence depend on the state government for grants. The BPs have three sources of revenue; grant-in-aid from the state government, and loans raised from the government and others. The total revenue of all BPs in the state increased from Rs. 7297 lakhs in 1995-96 to Rs. 21227 lakhs in 1999-2000. The proportion of grant-in-aid to the total revenue increased from 68.28 per cent in 1995-96 to 89.64 per cent in 1999-2000. Of the total revenue, more than half was spent on development works in 1995-96, while nearly 24 per cent was spent on general administration. Gradually, the proportion of expenditure on development works increased, while that on general administration declined (Table 6).

A ward member in each GP explains the scheme on behalf of the BP, and assesses the needs of the people. Based on the needs, development seminar is conducted and a shelf of projects is prepared for the Block Panchayat area as a whole. The implementing officials assist the BP in the plan preparation. The plans, after approval by the DLEC and DPC, will be implemented with the help of the state government's grants.

Many BPPs complained that the prioritisation of needs cannot be effectively done due to the stipulation that 40 per cent of the amount should be spent on productive sector, etc. Prioritisation across the Gram Panchayat areas is, at times, influenced by political factors. While noting that the prioritisation should be done on the basis of population and caste, a few presidents noted that this is not always the case.

Almost all the BPPs stated that expert committees have become a stumbling block to the process of local development (Box 1). One of the presidents noted that ego clashes between the retired and current officials contribute to considerable delay in the approval of development projects. She also noted that the retired officials in the expert committees expect bribes, and this contributes to the delays as they do not come out very openly that they expect bribes. Secondly, the beneficiary committee, which is entrusted to implement the works, cannot give bribe because the released amounts tend to be smaller, and are to be spent

on material purchase. When the beneficiary committee does not pay the bribe, the experts do not approve of the project or delay the site visit to certify for the payment.

This has resulted in spending amount less than what was sanctioned to one of the BPs. This BP could spend only 90 per cent of the total budgeted amount as it did not have the full time secretary and hence, the plan could not be prepared on time. In 1998-99, the proportion of expenditure to the total budgeted amount declined to 77 per cent because a full time secretary was posted only in the last quarter of the financial year, and hence, the time available to prepare development projects was also less. Secondly, there was an enormous delay in giving technical sanction to the projects. For instance, technical sanction to certain agricultural projects was given only after the agricultural season was over. Consequently, the expenditure was much below the budgeted amount.

Box 1: An Encounter / ordeal with the expert committee

One block panchayat obtained a development project from National Bank for agriculture and Rural Development (NABARD), and the total sanctioned amount was Rs.28 lakhs. The engineer attached to the block panchayat prepared a plan based on NABARD guidelines. The expert committee sat on the project for eight months, as the PWD engineer (convenor of the committee) did not agree with the technical details. Finally, he suggested modification and asked the BP to scuttle down the cost of the project to Rs.18 lakhs. The beneficiaries committee, which is supposed to implement the project as per the new legislation and guidelines, was not interested to take up the project with budget less than what would have been the actual cost. Hence, the block panchayat entrusted the work to a private contractor, who also subsequently refused to proceed with the work as the convenor of expert committee (who will ultimately be certifying the work completion) was asking for 20 per cent cost as bribe. The contractor would have given the bribe had it been the project of BP. Because, this happened to be NABARD project and the engineer from NABARD is known to be a strict person, he did want to give bribe and get into problems later. Subsequently, the block panchayat re notified for the contractors; but none turned up. The Block panchayat had to give up the project for good.

The problem of not being able to spend the entire sanctioned amount is widespread in the selected districts. The nine block panchayats in one of the selected districts could spend only 92.5 per cent of the budgeted amount (Table 5). Out of nine block panchayats in the district, four of them have had a deduction of less than 10 per cent in the budget provided for 1999-2000, while the deduction was between 10-25 per cent in one of the block panchayats (Table 7).

Control on Staff

The prominent institutions and posts transferred to the block panchayat are Assistant Director of Agriculture, Industrial extension officer, Project Officer of Social Welfare Department and Superintendent of community Health Centre. These officers are supposed to report to the BPP through BDO, help the Block panchayat in the preparation and implementation of development projects.

In practice, these officials do not have offices in the Block Panchayat premises, and therefore, do not report to the President. But, they do prepare an activity plan for the entire month and send it to the President.

The presidents of Block panchayat noted that they can write confidential report on the BDO; but none of them have written any confidential report so far. One of the BPs has warned the BDO, as he was not obeying the President. This was the case where the BPP could have written a clear negative confidential report. But, they did not do that on humanitarian grounds and since this will result in a long-term damage to the employee. The actual reason perhaps is the presence of a strong union among the employees. Many officials noted that they have raised the issue of elected leader writing the confidential reports on them, and

making them as scapegoats for their wrong doings in their union meetings. The union leadership seems to have assured the employees that it will fight for their cause. But, in the meanwhile, the officials need to cooperate with elected leaders and they will fight for their case. The elected leaders do not want to disturb the status quo as 60 per cent of the staff belongs to the union promoted by the ruling party.

The discussions with BPPs revealed that they are aware of their powers on the transferred officials. The line department officials have to take approval on money matters relating to block panchayat programmes, and that the BPPs can question the officials on the expenditure on development projects. They can give warning, and initiate an action to cut the increments and a process to suspend an official. And that, they cannot dismiss an official.

One of the important problems faced by BPs is the difference in the ranks of the officials transferred to BP. The BDO belongs to a lower rank; but, s/he is supposed to co-ordinate the activities of other officials (such as Assistant Director, Agriculture) who are senior to her/him. Most of the BPPs noted that this difference comes in the way of BDO effectively discharging his/her duties, and that, they themselves have to undertake the role of co-ordination.

Other problems faced by the BPs are the instability, lack of continuation and inability to prepare development projects on account of lack of full-time BDO for a longer period of time. Table 8 shows that the BDOs not only stayed for shorter time (as short as two months!) but were also on an additional charge.

7. GRAM PANCHAYAT AND GRAM SABHA

Political control

The information from 34 members (22 men and 12 women) in five GPs shows that a majority have good education²¹; interesting features are that, among GP members, none is illiterate, and in fact, three are even post-graduates. About one third of the members have had previous experience of serving in gram panchayats. Nearly 60 per cent of the members belong to the coalition of political parties, which are in power at the state level. As far as the selected GPs are concerned, the ruling coalition of LDF has a majority in three GPs, while the opposition party is in majority in the remaining two. In all GPS, the ruling coalition front is comfortably placed except one where the LDF is in majority by just one vote (that too an independent).

Nevertheless, the GP members cutting across the party lines have noted that they do not allow the party politics to come into the picture. According to them, the politics are only confined to elections. When it comes to local development, they need to come above the politics. According to members of one GP, the entire gram panchayat is functioning like a family. Just because there are differences among them on party political lines, they do not “want the development to take back seat”.

What does this mean in practice? How do they prioritise between different activities, and different sections of the poor? Is every elected member involved in prioritisation? Their initial explanation ran in terms of prioritisation by assigning marks, and an element of objectivity: this allowing them to go ‘above party lines’ to some extent. But, what happens if one has to prioritise even after selecting a few households through the procedure of calling for application and assigning marks, etc. One woman ward member gave an example of housing scheme, where 30 houses to be allotted to the needy in 11 wards on the basis of marks.

²¹ The distribution of GP members by education is as follows: 35% have completed schooling, 29% have completed PUC and 26 per cent are graduates. The rest are post graduates.

Two houses will be given to two persons scoring top two marks in each ward. Subsequently, there will be discussion on the rest of the houses. If there is no agreement, it will be decided by way of lottery as against giving houses to the 30 poorest people in the GP, irrespective of which wards they live in. The Vice President of this GP quickly wanted to cover it up by stating the example cited is rare, and that their prioritisation is based on poor and poverty in the ward.

In another GP, the members noted that allocation of benefits/ resources on the basis of the poor and needy in a ward does take place in the case of programmes like toilets, houses, etc. But, in the case of funds on roads and electricity works, there should be equal distribution of money among all the members. There will not be any discussion or voting on priorities, etc., and that funds will be equally distributed among all the members. The same is the pattern in another GP. But, the remaining two GPs noted that priority is done on the basis of the poor and needy for every programme. In these two GPs, when a question was asked about how the priorities are arrived at they noted that no voting has taken place on prioritisation of development activities and / or distribution of resources among the members so far.

In any case, prioritisation strictly based on the poverty cannot be done because of the regulation that funds are to be spent on productive, service and construction in the proportion decided by the government. Several GP Presidents noted that this comes in the way of meeting the needs of a given area and given population. For instance, in hilly areas with high rainfall, the predominant need is construction and maintenance of roads rather than agriculture related projects. But the regulation of the government seems to be coming in the way (for more details see the sub-section on flow of funds under state vision).

In three of the selected panchayats, the President appeared to be the in-charge of GP with active participation of other members. In one of the GPs, the post of Presidents is reserved for SC woman; here, the vice president seemed to be the influential person than the president.

Fiscal decentralisation

The total revenue of all the GPs in the state has increased from Rs. 9662 lakhs in 1990-91 to Rs. 99164 lakhs in 1999-2000; an increase of over 10 times. Between 1990-91 and 1994-95, the revenue of all the GPs in the state just doubled; in the next five years, the revenue increased by nearly five times. Thus, the GPs have come to access significant amount of revenue in the recent years. The composition of revenue also changed over a period of time. In the early 1990s, the grant-in-aid was only 27 per cent of the total revenue; but, its share has gone up to nearly three-fourths by the end of 1990s. Although the amount mobilised as own revenue and non-tax revenue has gone up, the importance of these sources of revenue has come down (Table 9).

The GPs in Kerala are favourably placed as far as mobilisations of taxes are concerned. The total income raised varies from Rs.16.59 lakhs in one GP to Rs.58 lakhs in another (Table 10). The proportion of tax and non-tax revenue has been significant for two GPs for which the information is available. This is because of two reasons: First, situated as they are in a kind of urban and market town setting, most of the GPs are able to collect taxes from business and commercial establishments. Second, the GPs themselves have constructed shopping complexes and buildings, which are given on rent, to earn income for the GP. The second aspect is an important feature of Kerala's decentralisation. The success in this regard seems to be mixed. In one of the GPs, a shopping complex has been constructed, and the occupancy rate is good. Hence, this GP is able to mobilise good revenue, and is able to repay the loans. In contrast, shopping complex constructed in another GP has not had much occupancy rate; hence, they are not able to even repay the loan and interest portion of the loan that they have mobilised. Across the selected GPs, the preference seems to be for shopping complexes and marriage halls, and they are not thinking raising non-tax revenue through other

means. Be that as it may. Most of the income earned as taxes and non-tax revenue is spent on salaries and establishment, and the expenditure of some of the GPs is, in fact, more than their income (Table 10).

As far as the expenditure at the state level is concerned, the proportion of expenditure on general administration and provision of obligatory services was over 60 per cent in the early 1990s. But, this proportion gradually declined to about 21 per cent in the late 1990s, while that on development works increased to 57.07 per cent (Table 9). This suggests that with increase in revenue to GPs, the absolute amount spent on general administration and provision of obligatory services had gone up; but, in terms of level, there has been a decline. This also suggests that the GPs almost completely depend on grants from the state government to implement development plans.

The discussion with members and presidents of the GPs revealed that they are aware of all the steps to be followed in the preparation of micro plan (section 1) and that, they are indeed following these steps to prepare a plan for GP activities and programmes. But the formulation of a plan depends on the co-operation that a GP gets from the implementing officials. One of the GP Presidents stated that implementing officer from the department of agriculture is senior to the Secretary of GP, and hence, expected the latter to always come to his office for plan preparation. This caused enormous delay in plan formulation, and problems relating to implementation and co-ordination.

Almost all the selected GPs noted that BLEC is giving them innumerable problems. The presidents noted that given that GPs are not technically capable and do not have technical expertise, there is need for BLEC. However, the BLEC is not providing technical sanctions on time. One of the GPs has submitted 97 projects during 1998-99; of them 50 are simple projects and hence, the sanction was given within a month. In the case of 47 technical projects, it took nearly 3 months for obtaining technical sanction. This is further corroborated by the details obtained from the projects obtained and sanctioned by the BLEC in the selected block. Table 11 shows that the time taken by the BLEC to clear most of the projects was between 90 to 120 days during 1998-99. The reasons mentioned by GPs for the delay are:

1. BLEC members are not paid any remuneration for the work, and hence, their commitment to the work is low. Added to that, the BLEC members are not as enthusiastic as they were in 1996-97. Hence, do not take the work seriously. The President and Secretary of GP have to be constantly behind the experts to look into their projects and work on them.
2. Some of the members of BLEC are employees in the departments. They find it difficult to spare time for BLEC work. Further, they are not interested in this work as this is in addition to their normal work.
3. These are ego problems between retired and current employees and also between BLEC members and the president. In several instances, the BLEC members would like the president to know that they are superior in terms of subject knowledge, etc.
4. As most of the BLEC members are retired, they do not have access to transport, and expect the concerned GP to provide them with transport. The GPs do not mind to provide transport if that results in speedy clearance of their projects. But, there is no co-ordination mechanism.
5. BLEC members expect or demand money from the beneficiary and implementation committee.

The delays in technical sanction to the projects prepared by GPs, in turn, lead to inability to complete the projects in stipulated time. As Table 11 shows the final approval on projects from BLEC comes either in January or February in the case of most of GPs. This means that there will not be sufficient time to implement/complete the projects. A direct consequence of the above is inability to spend the budgeted amount in a particular financial year. Out of Rs.2504 lakhs of budget provision made to GPs in a district, over 12 per cent of the amount was deducted, as the GPs could not spend this amount in the previous year (Table 5). Large proportions of GPs in the district were not able to spend the budget allocated due to the

above problems. In the case of nearly 85 per cent of GPs, there was deduction of amount on account of inability to spend the entire amount (Table 7). That the introduction of expert committee has had adverse impact on expenditure of GPs is corroborated by Table 12, which shows that the preparation of expenditure to allotment declined in all the selected GPs in 1998-99.

The inability to spend funds allotted to a GP has become all the more pronounced in 1998-99. The data on the utilisation of budget allotted in the selected GPs shows that the percentage utilisation was better in 1997-98 (Table 12). This was because of the following reasons:

- An extension of three months was given as the planning process began late and the elections were held for the parliament.
- There were no hard and fast rules during this year on rate of subsidies and unit costs. Hence, the GPs could freely decide whatever the rates that they liked, and got the plan approved by DPC.
- Local rates for the construction works could be fixed by a committee headed by the collector with a proviso that the fixed rates should not exceed PWD rates by 50 per cent. This provided considerable flexibility to the GPs to complete the works.

The reasons for a decline in the proportion of expenditure to the total amount allotted in 1998-99 are as follows.

- The rates for construction works were fixed by the government.
- By Government Order, the government fixed the subsidy and unit rates as many anomalies were found in this.
- The expert committees were institutionalised only during this year. Until this year, there was no systematic modus operandi to provide technical sanction to the projects.

The state government is of the view that GPs are incurring a less proportion of expenditure to the total revenue because of their lack of capacity. The discussions with the elected leaders in the field revealed that this has been due to problems posed by expert committees. The second factor cited was inadequate support to beneficiary committees by experts. It may be recalled that beneficiary committees are set up to involve people in the planning and implementation of development works, to enable a larger contribution from the people and bring down corruption. But, in most of the cases, the beneficiary committee does not have as much experience as the usual contractors and the elected members (undertaking contract work) have. Hence, they needed support, and such support is not forthcoming to beneficiary committees.

The third reason is inability to find activities that fit into development sector. Although the emphasis of people's plan has been on productive sector from the beginning, there are a few problems at the ground level to take up activities relating to this sector on a large scale. But, the impact is not so visible for the following reasons. First, programmes in the development sector are often linked with other schemes in banks, and the people are not very certain of receiving the support from banks even if they receive a part from GPs. Second, the amount of assistance offered is so low that even if the beneficiaries are selected through marks system, they do not come forward to receive the assistance. Third, obtaining the cooperation of heads of line department is proving to be difficult to undertake the productive sector works. For instance, on BPP complained that undertaking agriculture related work needs essentiality

certificate from Assistant Agricultural Officers in eight GPs within this BP and submitting the same to DPC. This was difficult, and hence, the money earmarked to productive sector was returned.

Control over staff

The institutions at the village level and belonging to social welfare, education and health departments were transferred to GPs. The discussions revealed that the GPs are supervising the functions of these institutions to improve the service delivery.

As far as the control over the staff is concerned the pattern seems to be mixed. In some of the GPs, the implementing officials respect the president, while in others there is some animosity between the staff and the elected leaders. As per the vision of the state government the GP is supposed to gain control over the staff through the secretary who is supposed to coordinate the activities and programmes of line departments at the village level on behalf of the GP. This is not happening as of now as the secretary is lower to some of the implementing officers transferred to GP in hierarchy. This led to two problems; first, the plan formulation and implementation suffers at the GP level. Secondly, the entire coordination burden has fallen on the president, and the secretary is not undertaking the functions that he is supposed to.

Accountability mechanisms

The gram sabha and beneficiary committees are expected to play an important role in making the GPs accountable to the public. As noted in section 1, the needs are to be identified in the gram sabha, the formulated plans are to be explained and applications from the prospective beneficiaries are to be sought, and beneficiary committee is to be formed from within gram sabha. The GPs are expected to give wide publicity on the day and time of gram sabha meetings.

It has been claimed that the gram sabhas and beneficiary committees have resulted in considerable accountability, transparency and reduction of corruption. A few of the presidents claimed that the corruption relating to the construction works has declined since the GPs are introduced. One of the presidents who has been serving as panchayat president for the last 15 years stated that only 40 per cent of the budget on the construction works used to be spent actually on the works, and the rest was going to the officials and elected leaders. Now, the entire amount goes to the intended works. Secondly, the involvement of beneficiary committees resulted in a decline in the unit costs of works and the total quantum of funds spent on a particular project. For instance, one of the presidents noted that the cost of one unit road construction in his panchayat area was less than the unit costs prepared by the PWD as the beneficiary committee was involved. Secondly, the commitment of GP to activities in terms of funding declined as the people through the beneficiary committee have contributed resources either in the form of labour or money. Thirdly, as the money directly coming to GPs without going to the line departments, the corruption has come down.

When asked how widespread this phenomenon is, one of the presidents admitted that this is not very widespread. Another president noted that the pattern is mixed. While some beneficiary committees are implementing the development works with commitment and dedication, others are developing 'contractor's mind' to spend less and earn some income in the bargain. The presidents of other GPs were far more cautious. For instance, one of the presidents noted that the participation of people in the gram sabhas and beneficiary committees is not up to the mark. According to him, while positive results (in terms of keeping contractors out of the picture, reduced corruption, etc) could be achieved in some cases, contractors have come into the beneficiary committee through backdoor because of the following. First, there is understanding between the chairperson/convenor of beneficiary committee and the contractor.

Secondly, certain types of works cannot be done by the beneficiary committee as it may not have the required expertise, and hence, contractors come into the picture. In his GP, action was contemplated to be initiated against one of the beneficiary committees as the involvement of contractor resulted in the misutilisation and/or corruption. But, this could not be done as one of the elected members was involved, and this may have caused much embarrassment to the GP, controlled by the ruling party.

Is the public not vigilant? According to one of the members of GP, the public is interested in the early completion of works rather than their actual cost. Further, they are not very vigilant in the gram sabhas. Another president noted that, of late, the people in the required numbers do not attend the gram sabha meetings as there is development fatigue or they are disinterested in GP affairs. Hence, only those who want to obtain the benefits attend the gram sabha meetings. Or, those who believe that they are eligible to receive assistance based on their estimate of the marks that they would receive under the marks system show up.

An interesting method is adopted to select beneficiaries for the anti-poverty programmes in Kerala. It may be recalled that to select beneficiaries, from among those below the poverty line, for receiving assistance from local bodies, each GP will develop an application form with eligibility and priority criteria by following guidelines of the state government (for details see the sub-section on accountability in Section 1). The main purpose of introducing this method is to make the beneficiary selection process objective and transparent.

How does this work in practice? In the selected GPs, beneficiaries have been selected by adopting the above method, and the selected GPs placed the details regarding this before us. However, we have not seen the printed list of the beneficiaries though a xeroxed list was available in one GP. The following observations are relevant in this context. First, the elected leaders do not seem to be convinced about the superiority of the method. Second, following from the above, the reason why they maintain a xeroxed list is not because they see a point in maintaining such a list, but the state government requires it. Third, the method could be abused by the GP by including the criteria that they like, and excluding the criteria that they do not like. Fourth, the people do not seem to be happy with this method. There are complaints that better-off are selected, while the worse-off are left out. Fifth, this in a way reduced the participation of people in gram sabhas as people expecting to receive higher marks attending the meetings.

Notwithstanding these observations, the marks system is interesting, and an advance compared to other states. But, the method is disempowering in the sense that only literate and educated can understand this, while others may simply feel that this is too 'technical'. Further, the selection in the gram sabha meetings is superior because, if the selection is done in the most transparent and democratic manner, it will take care of non-material dimension of poverty, and complexity involved in the identification of the poor.

8. COMMENTS AND CONCLUSIONS

The vision of the state government is very good, and serious efforts are being made to translate the vision at the grassroots level. The decisions such as making one-third of the development funds available to the local bodies, transfer of implementing officials, implementation of work through beneficiary committee, a new beneficiary selection method and the people's campaign are interesting and bold. These have resulted in considerable enthusiasm and interest among the public, and to some extent, helped to raise issues relating to democratic decentralisation.

The reforms relating to decentralisation suffered due to mystification associated with technical aspects, and to that extent, there is contradiction in the decentralisation process. On the one hand, the decentralisation seeks to devolve powers to the elected bodies; but, disempowered the local bodies as far as the technical aspects are concerned or (as one of the president of district panchayats remarked) the technical power is taken away from the local bodies. The whole concept of expert committee, introduced as a 'cure' to rectify the problems relating to lax spending in the first year, has become worse than 'disease' itself as far as democratic decentralisation is concerned. What options does the state government have besides expert committees? One of the options can be that the government may prepare a list of experts in each locality and make it available to local bodies, which can access their services independently. Second, one of the DPPs suggested the strengthening of the Engineering Department of panchayat would be more empowering option compared to expert committees.

Second, the transfer of institutions and posts relating to line departments to the local bodies and the provisions made to enable the local bodies to exercise control over line departments have by and large remained only on the paper. The elected officials are yet to gain real control over the officials.

The inability to obtain control over the fiscal matters and staff has had impact on political control of the elected leaders. The mystification associated with the technical matters and inability to gain control staff meant that the technocrats and officials continue to have more powers than the elected leaders. This mystification is the handiwork of the state government, albeit inadvertently, as the discussion in this paper suggests.

Making 40 per cent of the total funds available to the local bodies has raised the interest and enthusiasm among a cross-section of the people. Using this as an opportunity, the state government could have built the capacity of the local bodies. But, the concept of expert committee and inadequate transfer of administrative powers, in a way, reduced the capacity building element that 40 per cent allotment of funds consisted of. So much so that the local bodies could not utilise the 40 per cent of the funds allotted to them. The state government's perception is that such a low expenditure is because of low capacity among local bodies. But, the state government has itself contributed to the problem of low capacity by taking technical power away from them.

In the absence of adequate transfer of political, fiscal and administrative powers to local bodies, the concepts of people's campaign and beneficiary committees have only improved the service delivery at the local level; but, failed to achieve the intended results of democratic decentralisation.

The state government is aware that a considerable progress is to be made with regard to decentralisation, and that, they should now consolidate the decentralisation experiment that they have started about four years ago. It is stated that the 'corrective phase' as far as decentralisation is concerned has just begun; things, therefore, may change in the next few years. One has to wait and see.

Table 1: Basic details on gram panchayats in Kerala (As on May 31, 1998)

Particulars	Gram Panchayats	Block panchayats	District Panchayats
Number	991	152	14
Members belonging to:			
SCs	1256	179	30
STs	136	17	4
Total	1392	196	34
Women members	3883	563	104
Total members	10270	1547	300
Percentage	37.81	36.39	34.67

Source: *Panchayat Raj Update*, August and September, 1998.

Table 2: Period of stay of the collectors and secretaries in a district in Kerala (1995 to December 1999)

Sl. No.	Period of stay (months) of the collectors	Period of stay (months) of the secretaries to District Panchayat
1.	23*	2
2.	26	16
3.	14	15
4.	1**	13
5.		6
6.		5
7.		5**

* Includes 6 months in 1994 ** Continuing as on December 7, 1999.

Source: Primary data.

**TABLE 3: DETAILS OF TECHNICAL SANCTIONS ISSUED BY THE DLEC
(1999-2000)**

No. of Projects submitted by the Dist. Panchayat for the year	425 Numbers
Date of Receipt	7/7/99
No. of projects sent to the subject committee with date	425 Nos. On 8/7/99
No. of projects returned by the sub: commi: with date	425 Nos. 30/10/99
No. of projects to which T.S issued with date	199 Nos. 5/11/99 (46 simple projects) 153 which require detailed scrutiny)
Projects returned to the Dist. Pt. For rectification	138 (process in progress)
Remarks	<p>1. 88 Projects were with Dist. Planning office. These projects were cleared by the subject committee after 26/11/99. These will be placed in the DLEC to be held on 10/12/99.</p> <p>2. After primary appraisal the projects were forwarded to the sub.committee directly by the dist.panchayat.</p>

TABLE 4: Total Revenue and Expenditure of Zilla Panchayats (1995-6 to 1999-2000) (Amount in Rs. 0000)								
Year	Revenue		Expenditure					
	Grants in aid	Total	General	Expenditure of	Expenditure of	Any other	Total	Expenditure as % to total revenue
	From State		Administration	Obligatory Services	Development Grants	Expenditure		
1995-1996	11839	11839	6130		5709		11839	100.00
	100	100	51.78		48.22		100.00	
1996-1997	1042595	1042595	21702	104452	317829	34404	478387	46.00
	100	100	4.54	21.83	66.44	7.19	100.00	
1997-1998	766912	766912	24780	216914	788384	15302	1045380	136.30
	100	100	2.37	20.75	75.42	1.46	100.00	
1998-1999	2405779	2405779	30424	252213	1504148	104442	1891227	78.61
	100	100	1.61	13.34	79.53	5.52	100.00	
1999-2000	2429170	2429170	36094	313532	1741062	173530	2264218	93.20
	100	100	1.59	13.85	76.89	7.66	100.00	

Table 5: Proportion of disallowance and short fall in the budget provided to GPs, BPs and GP in a district in Kerala

(Rs.in Lakhs)

Local bodies	Budget provision for 1999-2000	Deduction (1999-2000)			Balance left for development i(((199
		Disallowance (1997-98)	Shortfall (1998-99)	Total	
GPs	2504.23 (100)	21.11 0.84	301.41 12.03	322.52 12.87	2181.71 87.12
BPs	653.20 (100)	28.31 4.33	20.73 3.17	49.04 7.50	604.16 92.50
GP	653.88 (100)	151.99 23.24	84.82 12.97	236.81 36.21	417.07 63.79

Note: Figures in the second row of each cell are percentages to the budget provision for 1999-2000.

Source: Collected from the District Collector's office.

TABLE 6: Total Revenue and Expenditure of Block Panchayats (1995-6 to 1999-2000)
(Amount in Rs. 000)

	Revenue				Expenditure						
	Grant-In-Aid From the State	Loans from Government	Others	Total	General Administration	Expenditure of Obligatory Services	Expenditure of Discretionary services	Expenditure of Development Grants	Repayment of Loans	Any other Expenditure	Total
1995-1996	498242	132146	99351	729739	220322	46563		550566	75506	26325	919282
	68.28	18.11	13.61	100.00	23.97	5.07	0.00	59.89	8.21	2.86	100.00
1996-1997	733298	50566	86252	870116	242029	68425		691519	36276	33944	1072193
	84.28	5.81	9.91	100.00	22.57	6.38	0.00	64.50	3.38	3.17	100.00
1997-1998	1385695	131495	100818	1618008	292426	104119	398	1362875	37324	67297	1864439
	85.64	8.13	6.23	100.00	15.68	5.58	0.02	73.10	2.00	3.61	100.00
1998-1999	1526484	73623	122903	1723010	317385	151390	520	1437601	31978	38767	1977641
	88.59	4.27	7.13	100.00	16.05	7.66	0.03	72.69	1.62	1.96	100.00
1999-2000	1902741	84207	135784	2122732	365027	187923	572	1754174	49278	38922	2395896
	89.64	3.97	6.40	100.00	15.24	7.84	0.02	73.22	2.06	1.62	100.00

Table 7: Distribution of GPs and BPs in a district in Kerala by the proportion of deduction in the budget provided.

Proportion of deduction in the total budget

	0	<10	10-25	25-50	Total
Number of GPs	9	12	23	10	54
%	(16.7)	(22.3)	(42.5)	(18.5)	(100)
Number of BPs	4	4	1	0	9
%	(44.44)	(44.44)	(11.12)		(100)

Source: District Collector's office.

Table 8: The tenure of BDOs in the two block panchayats in the last four years

Sl No.	Block Panchayat-1	Block Panchayat-2
1	24	12
2	6 *	18
3	6 **	2*
4	13	2*
5		2*
6		12
7		1

*Additional charge, i.e., duties and responsibilities in addition to those held in the previous post.

** As he was not obeying the orders of the President, his transfer was asked for.

Source: Primary data.

**Table 9 : Total Revenue and Expenditure of Gram Panchayats
(1990-1991 to 1999-2000) (Amount in Rs. 000)**

	Revenue								Expenditure						
YEAR	Own Tax	Non Tax	Assigned Revenue	Shared Revenue	Grants-in-aid from State	Loans from Financial institutions	Others	Total	General Admn.	Expenditure of Obligatory Services	Expenditure of Discretionary services	Expenditure of Development Grants	Repayment of Loans	Any other Expenditure	Total
		Revenue													
		User Charges													
1990-1991	283523	29628	153222	26896	261268	33498	178158	966193	261028	340987	7515	148270	3181	226372	987353
	29.34	3.07	15.86	2.78	27.04	3.47	18.44	100.00	26.44	34.54	0.76	15.02	0.32	22.93	100.00
1991-1992	350404	21924	139061	21800	294829	27521	180711	1036250	286779	318242	6969	158566	2031	283152	1055739
	33.81	2.12	13.42	2.10	28.45	2.66	17.44	100.00	27.16	30.14	0.66	15.02	0.19	26.82	100.00
1992-1993	351491	35804	213499	83900	353358	28478	261223	1327753	307422	392243	1186	193240	1379	462998	1358468
	26.47	2.70	16.08	6.32	26.61	2.14	19.67	100.00	22.63	28.87	0.09	14.22	0.10	34.08	100.00
1993-1994	429266	40402	319927	123118	334619	38043	277574	1562949	386577	472614	510	189360	1504	540569	1591134
	27.47	2.58	20.47	7.88	21.41	2.43	17.76	100.00	24.30	29.70	0.03	11.90	0.09	33.97	100.00
1994-1995	510444	45689	331150	120750	460805	37438	428941	1935217	423666	559682	755	314785	1207	645186	1945281
	26.38	2.36	17.11	6.24	23.81	1.93	22.17	100.00	21.78	28.77	0.04	16.18	0.06	33.17	100.00
1995-1996	696760	82452	467287	108837	476861	28743	189124	2050064	461285	642187	1800	300000	4743	682292	2092307
	33.99	4.02	22.79	5.31	23.26	1.40	9.23	100.00	22.05	30.69	0.09	14.34	0.23	32.61	100.00
1996-1997	786621	107367	774766	233883	1770590	26184	305146	4004557	531045	993470	1834	1447133	4065	1043065	4020612
	19.64	2.68	19.35	5.84	44.21	0.65	7.62	100.00	13.21	24.71	0.05	35.99	0.10	25.94	100.00
1997-1998	875535	115400	448817	409400	5107809	23860	459919	7440740	547142	1293414	2597	1447597	4170	1110869	4405789
	11.77	1.55	6.03	5.50	68.65	0.32	6.18	100.00	12.42	29.36	0.06	32.86	0.09	25.21	100.00
1998-1999	1075763	131290	478759	459000	6061877	0	595051	8801740	579315	1424505	2088	5942747	4581	1079932	9033168
	12.22	1.49	5.44	5.21	68.87	0.00	6.76	100.00	6.41	15.77	0.02	65.79	0.05	11.96	100.00
1999-2000	1158757	223039	108686	496008	7279581	0	650286	9916357	639191	1596339	2478	5942788	4576	2228172	10413544
	11.69	2.25	1.10	5.00	73.41	0.00	6.56	100.00	6.14	15.33	0.02	57.07	0.04	21.40	100.00

Table 10: Own income and expenditure (on salaries, establishment, etc.) of the selected grama panchayats (1998-99)
(in Rupees)

Name of the GP	Income from taxes, own property and beneficiary contribution	Government grants and tax transfers	Total income	Expenditure on salaries and establishment	Balance
Ranny	21,93,141	4,78,229	26,71,370	21,39,586	5,31,784
Omalloor	17,68,903	5,07,729	22,76,632	23,68,479	-91,847
Tholur	N.A	N.A	16,59,078	16,64,346	- 5,268
Venkitangu	N.A	N.A	30,81,262	33,24,047	-2.42.785
Kodakara	N.A	N.A	58,00,000	38,00,000	20,00,000

Source: Collected from the selected gram panchayats.

**Table 11: Time taken to clear the projects by BLEC in one of the blocks
(1998-99)**

GPs	Total number of projects submitted	Time taken to send the projects to BLEC (days)	Days taken to give final approval on technical project	Date of final approval	No.of projects returned
GP1	72	11	101	4-2-99	0
GP2	64	10	104	11-2-99	2
GP3	70	11	78	15-1-99	0
GP4	81	10	96	4-2-99	10
GP5	47	11	102	11-2-99	13
GP6	39	6	126	11-2-99	4
GP7	60	3	30	28-11-98	4
GP8	51	10	49	18-12-99	2
GP9	43	9	55	28-12-99	0

Source: Collected from the Block Panchayat's Office.

Table 12: The utilisation pattern (%) of the state plan assistance across the gram panchayats in Kerala

Year	Tholur			Venkitangu			Kodakara			Omalloor			Ranni		
	A	E	%	A	E	%	A	E	%	A	E	%	A	E	%
97-98				51.90	51.22	98.69	48.66	44.16	92	28.49	28.49	100	25.00	22.58	90
98-99	35.90	29.18	81.28	56.78	43.02	75.77	46.01	33.93	74	32.14	25.87	80	26.49	17.20	65
99-00							58.83	46.02*	78	34.18			28.57		

A: Allotment in Rs. Lakhs

E: Expenditure in Rs. Lakhs

% of the utilisation

Source: Collected from the selected gram panchayats.

Annexure – 1

Institutions and Posts Transferred to Local Self Government Institutions

Sl No.	Village Panchayat	Block Panchayat	District Panchayat
1.	Agriculture department Krishi Bhavan in the Panchayat	One Asst. Director post & allied posts	a) Two Dy. Directors (agri)& allied posts b) District Soil Conservation Officer post & allied posts c) One Asst. Executive Engineer post & allied posts d) Soil Testing Laboratory in the panchayat area e) Mobile Soil Testing Lab f) District Sales Centre g) District Agriculture Farm/Coconut palm nursery
2.	Animal Husbandry Veterinary Sub-centre In the area ; Veterinary dispensary/ Hospital	-----	
3.	Diary Development Department One Dairy Extension Officer post & allied Posts (this unit in Block Panchayat shall Be transferred to any One of Village Panchayats and shall Function in all Village Pts. In the Block Panchayat area).	-----	Veterinary polytechnic in the area, I.C.D.P. Area Office Mobile Veterinary dispensary, Mobile Farm Unit, Clinical Lab. Associated to Dist. Vet. Centre (service of the last two shall be given in the urban area also).
4.	Fisheries Department One Fisheries Sub Inspector post (only in Needed Pts.)	-----	-----
5.	Minor irrigation Department -----	-----	
6.	Industries department -----	One Industrial Extension Officer post	Fisheries School in the district panchayat area.

Sl No.	Village Panchayat	Block Panchayat	District Panchayat
7.	Rural Development Department Two V.E.O.posts (including Lady V.E.O),(if not available enough in a Block, let one post be given and allot the second when available).	B.D.O. post & allied posts	A section with one Asst. Engineer & allied staff.
8.	Social Welfare Department Day Care Centres and Anganavadies in the area	Care Homes and Old Age Homes and such other Institutions in the area	One Manager post & allied posts (for Dist. Industries centre)
9.	Schedules Caste Development Dept. Balavadies, Balavadi-Cum-feeding centres, Seasonal Day Care Centre, Dormitory in the Pt. Area.	a) Pre-matric hostels b) Block Extension Officer post (service in all village Pts.)	One Asst.Development Commissioner post, one Women's Welfare Officer post & allied posts
10.	Scheduled Tribe Development Department Balavadies, medical unit, nursery school, Midwifery Centres, Ayurveda Dispensaries in the area.	<i>Triabl Extension Officer (service in all the Village panchayats)</i>	-----
11.	Health Department Primary Health Centre, Govt. dispensary in the area	Block level Primary Health Centre / Community Health Centre. Taluk Hospital / Govt. Hospital in the area	-----
12.	Ayurveda Department Govt. Ayurveda Dispensary, hospital in the area	Taluk Hospital	-----
13.	Homeopathy Dept. Govt. Homoeo dispensary, Hospital in the area	Taluk Hospital	-----
14.	Public Education Dept. Govt. Lower Primary Schools in the area	-----	-----
	Technical Education Department		
	Co-operation Department	-----	-----
15.	-----		

Sl No.	Village Panchayat	Block Panchayat	District Panchayat
16.	Public Works Dept. A Public Works Overseas Post (The post be given in a village panchayat having no engineering staff, and the officer has to work for 3 such village pts.)	-----	a) Govt. Upper Primary Schools & High Schools b) A section from the Office of the Dy. Director.
17.		-----	a) Tailoring & Garment Making Training Centre in the area. b) Trailoring Trade Centre One Asst. Registrar Post and one clerk post A division including an Executive Engineer & allied staff. (from local works division, special division, & building division)

IV. DECENTRALISATION IN MADHYA PRADESH

1. INTRODUCTION

After the 73rd and 74th amendments to the constitution enshrined local governments into the political (and social) landscape of India. It set out the broad principles of decentralized democracy but also states the flexibility in terms of assigning functions and responsibilities to these local bodies. As a result, there has been a great variety in the experience of the various states, and the picture continues to evolve. In terms of the minimum common core set out in the amendments, local elections have created and enshrined the system through new political institutions, three mandated tiers of elected local governments—Zilla (district), Janpad/taluk/mandal etc. (block), and Gram (village) panchayats. In this sense, the system now in place is significantly different from earlier experiments in Panchayati Raj in which states. In Madhya Pradesh, for example, there had been panchayats earlier, the difference now is that PRIs are constitutionally mandated elected bodies that the state cannot create and disband at will.

The objective of this paper is to identify critical issues emerging from the implementation of decentralization in MP. The paper has been written as part of a larger research project of the World Bank and is based primarily on visits to Madhya Pradesh in November 1999 by a team of four consultants. The visits included fieldwork in two districts, Narsinghpur and Damoh, which were selected in consultation with the GOMP. In each district the team visited villages and blocks suggested by the district administration, and also a village(s) selected at random. Separate meetings were held with the elected representatives at different levels and officials of state government as well as the three lowest administrative tiers. The team received the full support of the authorities in MP in its work.

The paper is organised as follows. Part I deals with the state vision of decentralisation. Part II sections 1 to 5 of the paper report on the findings from field visits to 2 districts, and several block panchayats and village panchayats within them. Part 1 looks at sector decentralization and various development schemes of different sectors. Part 2 looks at the functioning of Zilla panchayats and the Zilla Sarkar [government]--the District Planning Committees that have recently been set up in MP. Part 3 deals with the role of the Janpad panchayat. Part 4 deals with the role and functioning of the gram panchayats and the gram sabhas. Part III presents overall issues and conclusions. In each section, the discussion is along three main aspects of decentralisation--administrative, political, and fiscal. In this we look at the factors of political control, flow of funds, staff control and accountability.

2. THE STATE'S VISION OF DECENTRALIZATION

In 1994 the government of the state of Madhya Pradesh (GOMP) began implementing decentralization reforms, following the 73rd and 74th constitutional amendments. It enacted the Madhya Pradesh Panchayat Raj Adhiniyam, in January 1994, to replace the 1990 version. This latest act, with its 132 sections, and various amendments since, plus the institution of the District Government (Zilla Sarkar), are considered bold strokes for decentralization. MP is currently

considered by many to be among the most progressive states, as having moved further ahead than most in decentralization to PRIs.

In the course of this study, several meetings were held with several senior state officials to understand the state vision of decentralization, the design and intent of the decentralization, before going to the field to observe issues emerging on the ground. Below we summarize the state's approach to decentralization.

Political Decentralization

Broadly speaking, the state government is responsible for setting policy. The district government and other intermediate structures do implementation. Many of the divisions, a higher administrative unit, and Divisional Commissioners have been eliminated.

The 73rd Constitutional Amendment stipulates that in every state of the Union there should be three levels of local government, each directly elected: one at the district level, the Zilla Parishad (ZP); an elected block-level government, Janpad Panchayat in MP; and a Gram Panchayat in every revenue village. For GPs, these elections are to be held on a non-party basis—only individual citizens can contest. The precise functions and working of these three levels was left to the individual states to legislate by statute. At the base is the Gram Sabha--the General Assembly of all voters residing within the constituency area of the Gram Panchayat

There are 61 districts in MP and each with its own Zilla Parishad. According to the act, each ZP consists of directly elected members, and the President and Vice President, who are indirectly elected from among the members. MPs and MLAs are voting members (except electing or removing the President and Vice President), and are authorized to send representatives on their behalf. The number of members ranges from a minimum of 10 to a maximum of 35, depending on the population of the district. There is supposed to be one member per fifty thousand population. Each Zilla member is elected to a 5- year term and the Zilla President holds office for a term of 5 years.

The ZP functions through committees, and can constitute 5 standing committees: general administration, agriculture, education, communication and works, co-operation, and industry. The general administration committee is comprised of the heads of all other committees and is chaired by the ZP President. The ZP Vice President chairs the Education Committee. The ZP can also constitute other committees with the approval of the prescribed authority. The education committee must include at least one woman and a person belonging to the scheduled castes (SC) or scheduled tribes (ST). Members of the State Legislative Assembly (MLAs) and Members of Parliament (MPs) are members of each committee non-voting and are authorized to send representatives on their behalf. The ZP assigns committee powers.

Each committee may co-opt experts on relevant subjects to serve as non-voting members, or invite experts to join specific relevant meetings.

State government says that it has devolved 17 functions to ZPs while an additional 52 remain the responsibility of the District Collector, who is considered to be the district representative of the state government. With respect to their assigned functions, ZPs play a co-ordinating role, to guide, advise, and coordinate janpads and gram panchayats, and their plans, and to advise state government in development work.

The Janpad Panchayat (JP) is similarly constituted as the ZP, with a President and Vice President, both indirectly elected, the same 5 standing committees, and similar options for more. They can also co-opt experts to serve on these committees. Janpad members range from 10 to 25, based on a member-population ratio of 1 per 5,000. MLAs and MPs are also members of the JP and are authorized to send representatives on their behalves.

The JP coordinates GP action plans and submits them to the ZP for consideration. In addition the JP has some regulatory powers with respect to building construction, water use and sanitation, establishment of workshops and factories, environment, and regulation of markets, etc. GPs have regulatory powers over the same areas, with sanctioning powers (approval authority) powers GPs and JPs subject to fiscal thresholds. Like the ZP and JP, the GP has also has standing committees.

Senior state officials explain that the JP also has some important functions under integrated rural development, agriculture, animal husbandry, and adult education, primary health and sanitation. It also has the power to transfer class 3 officials within its jurisdiction.

The Gram Panchayat consists of 10 to 20 Panches. A GP with 1000 members or less would have 10 Panches. For each GP of more than 1000 population, the number of members is determined by the number of wards. The Gram Panchayat is a revenue village, and this does not necessarily correspond to a traditional village. It may cut across more than one traditional village, constitute a cluster of traditional villages. The more populous villages normally form an individual GP.

The GP is headed by a Sarpanch, who is directly elected to a 5-year term. The deputy head is the Upa-Sarpanch who is indirectly elected from among the panches. The powers of the Sarpanch and Upa-sarpanch are not specified in the PRI Act, but are left to the state rules.

There are reservations for all ZP, JP and GP seats and posts. Each of these elected bodies has a one-third reservation of at least one-third women. The reservation for SCs/STs is by population, with one-third seats reserved for women. There are also reservations for Other Backward Castes (OBCs). The precise electoral wards which will be SC/ST or gender reserved are assigned on a rotating basis, based on the electoral list, a copy of which is lodged with the District Collector. For a seat to be reserved, there must be at least one registered voter from a reserved category in the constituency area (ward in GPs). Similarly, seats of the Sarpanch (GP President) and Upa-sarpanch (GP Vice President) are also subject to the reservations.

GPs have been assigned municipal functions such as cleaning drains, street lighting, register births and deaths, and resolving social disputes. They also function as the ground level implementing agencies of all developmental projects worth less than three lakhs.

The Gram Sabha (GS) is defined as all the members of cluster of villages that are included in the jurisdiction of the GP. There is some confusion about the size of the GS. Is it the assembly of all residents of a habitation that may be part of a GP? Is it the assembly of citizens within the jurisdiction of a GP? GOMP refers to these two as the Gram Sabha and Maha Sabha respectively, and is contemplating an amendment that will make the Maha Sabha, as opposed to gram panchayat, the new lowest level. This would include a village fund.

According to the 1994 PRI act, and subsequent amendments, a Gram Sabha must be held at least once per quarter, and there one-tenth of the total number of registered voters must be present to for a quorum. At least one third of the composition of the quorum should must women.

(There is no quorum for the adjourned meeting). Following a December 1995 amendment, the Sarpanch can be removed from office for failure to hold GS meetings, and for not fulfilling his/her obligations as per the PRI Act. In addition, by a recent amendment [1999], after 2.5 years, a Sarpanch can be removed from office by a vote of more than 50% of the GS. This provision is known as the Right to Recall.

The principal role of the GS is to select beneficiaries to qualify for various government schemes, based on criteria from the various schemes, as laid-out by the central and state government—whomever sponsors the scheme. It sets priorities on which GP action plans are to be based. It also inspects the accounts of the GP in one GS each year, which is mandated under the Panchayat Act.

In PRI elections, each eligible voter casts four votes: one for the Panch of his/her ward; one for the Sarpanch, one for the Janpad representative; and one for the Zilla representative. To be eligible to vote one must be on the electoral roll—over 18 years of age and must be a resident of the area.

Administrative Decentralization

The district government is the District Planning Committee (DPC), set up in April 1, 1999. The state government says that the DPC doesn't have its own funds, only sanctioning power, which was earlier exercised from the capital. Furthermore, DPCs are only concerned with functions not in the jurisdiction of PRIs and urban bodies. The DPC is authorized to sanction projects that cost between 15 lakhs and 50 lakhs.

According to State Government, district and Janpad officials, and the DRDA, have been placed under the jurisdiction of the respective elected representatives, the ZP and JP. GOMP likens the relationship between the ZP President and the ZP CEO to that of the Chief Minister and the Chief Secretary of the state government.

Under the state reforms, the IAS officer who was previously the DRDA Director has been made the CEO of the ZP. In some cases, an IFS officer fills the post on deputation. All department heads report administratively to CEO of the ZP who plays a coordinating role. The CEO ZP holds the rank of Additional Collector, and reports to the District Collector. It is customary that, before becoming collector, an IAS officer serves at least one term (3 to 3.5 years) as Additional Collector Revenues and Law and Order as well. The CEO ZP writes the annual confidential reports (ACR) of class 2 and 3 civil servants. The District Collector (CEO of DPC) writes the ACT of the CEO of the ZP.

Prior to the creation of the DPC, the CRs of District Department Heads—District Education Officer, District Health Officer, etc—were written by the Divisional Head—Education, Health etc. Now the Collector writes these ACRs.

A similar arrangement exists at the block level. The Block Development Officer is now the CEO Janpad. S/he plays a similar role at the block level as CEO ZP, and initiates the confidential reports of the block officers of various departments. Heads of Department in the Zillas and Janpads normally belong to the State Administrative Service (SAS) or departmental cadres.

For some sectors, the state has declared a "dying cadre". This reform applies only to class 3 and 4 civil servants in declared departments. With the dying cadre, once the existing staff of

this category who are under the ZPs retire, they will not be replaced by the GOMP. Instead, they are to be replaced by nominees, appointed by the ZPs. No financial support will be provided for salaries of these new PRI appointees. However, the state government will pay stipends for these new staff, based on a lower pay scale than that of previous class 3 or 4 state cadres.

Each GP has been assigned a Secretary, who is a low level government functionary. These functionaries are part of the dying cadres and as they retire, now recruitment will be done by the GP concerned. Technically, the Secretary is not a civil servant, and does not receive a salary as such, rather, is paid an honorarium of Rs 500 per month by the state. GPs may provide additional compensation to the GP Secretary from own resources, if they so choose.

GOMP has stated that it also plans to reallocate the transfer of teachers to the Janpad Panchayat. It will also transfer sanctioning power over various pension schemes. The status of these proposed reforms is not clear.

Fiscal Decentralization

As of the coming fiscal year 2000/2001 the budget of the DPC will form a distinct part of the annual state budget. Revenue allocations to the district will be earmarked by major heads (expenditure categories). This will allow line DPCs to plan better. The line departments will have very little discretion to reallocate resources across heads. The DPC will have discretion within major expenditure categories, subject to existing state rules and priorities. Line ministries will not be able to shift funds earmarked for specific districts to others, or to shift from plan to non-plan etc without the approval of the Assembly.

The ZP and JP are entirely dependent upon devolved funds. The GP has some minimal powers of taxation, as well as the authority to levy user charges for services rendered. Such funds can be used by the GP for its own works. The GP also received directly from the GOI funds under the JRY. The MLA and MP funds are implemented through the GPs via the ZP CEO's office. The GPs also receive some funds under the 10th Finance Commission recommendations.

The GP can have its accounts audited by local Chartered Accountants. It does not have to depend on the Accountant Generals' Office. Audited Accounts have to be placed before the Gram Sabha.

3. ACCOUNTABILITIES

In addition to the GS, GMOP has instituted a number of mechanisms designed to ensure upward and downward accountability. A Gram Sampark Abhiyan (GSA) was launched in 1998. This is a mass fanning out without notice, of senior officials and government ministers to villages to listen to and record complaints of villagers. The Chief Minister himself makes random unannounced visits, literally “dropping from the sky” in a helicopter. Failure to find the assigned functionaries in the village that the officers are visiting is grounds for immediate suspension. All complaints emanating from the GSA are passed to the relevant authorities for immediate action. Progress on resolving complaints is again monitored by the next GSA, and these are held every six months. State government sees the GSA as serving two purposes (1) as a check that officials have implemented projects decided on by locally elected office bearers; and (2) as an instrument of monitoring and motivating civil servants to deliver services more effectively and efficiently.

So far, the GSA has been conducted twice. Each year, two weeks at six-month intervals are set aside for this exercise.

The second set of accountability mechanisms are the provisions under Section 40 of the Panchayat Act, that make it possible for various elected bodies to be removed--mainly for failure to discharge their duties as defined in the Act. The GP can be suspended by the JP CEO; the JP can be suspended by the ZP CEO and the ZP by the Divisional Commissioner. The Sarpanch can be removed for failure to hold the Gram Sabha. This mechanism is designed to ensure downward accountability of the PRIs to their constituencies.

Two other accountabilities have been mentioned above: (1) the Right to Recall, for non-performance of duties or misconduct, and the Right to Information, where any citizen can, for a minimal fee inspect the accounts of the Panchayat (5 rupees for 1st page, 2 rupees per additional page). The party concerned is required to provide the information within two weeks of being petitioned.

Finally, per the MP Panchayat Act, for all works to be implemented PRIs are supposed to constitute Vigilance Committees to monitor the process. This is viewed as a check on corruption such as irregularities arising from poor contracting processes.

State government is confident that the combination of these accountability mechanism are sufficient to ensure the proper working of the PRI system, including the interaction of elected officials and civil servants, and make the system more responsible to local needs.

(REPORT FROM THE FIELD)

4. SCHEMES AND SECTORS

This section details the findings from extensive discussions at the district, block, and village level. Two districts were visited Narshingphur and Damoh, and meetings were held with the collectors, department heads, Zilla Parishad members. In each case, separate discussions were held with civil servants and elected officials. In each district we visited two blocks, and within them at least two GPs. In Damoh, one GP was selected randomly using a district map.

In order to broaden the feedback that we received, elected officials from neighbouring districts were also invited to the headquarters of Damoh and Narsinghpur for discussions. In addition, several Sarpanches and Janpad Presidents/Vice Presidents from Janpads and GPs that were not visited were invited to the district capitals for discussions. Below, the report outlines the field realities, based on visits to local jurisdictions and separate group discussions civil servants and elected officials therein.

The Sectors

To understand the extent of decentralization of sectors, meetings were held with district department heads, the CEO ZP, and the Collector in each district. They were asked a number of specific questions related to decision-making within their sectors—political accountability,

control of funds, and control of staff—i.e. political, fiscal, and administrative decentralization of sectors. In particular, the questions focussed on important sectors for rural development: primary education and healthcare, agriculture extension, rural roads and water supply. To the extent possible, the team also tried to verify other emerging issues such as the decentralization of veterinary services, and the dying cadres which had been highlighted in our discussions with state officials.

Administrative Decentralization

There is very little decentralization of sector service delivery in MP. Except for the Veterinary Services, Animal Husbandry and Fisheries Department, and the Education Guarantee Scheme (EGS), and a few health schemes (e.g. anganwadi), sectors remained the purview of state line departments, albeit these days, mostly at the district and block level. In the sectors reviewed, primary education, primary healthcare, rural roads, rural water supply, and extension, line department staff at the block level report to the district level, which in turn reports to the divisional level or directly to department headquarters in Bhopal. This chain of command is both administrative and technical. On technical matters, a Block Education Officer would report to a District Education Officer, who in turn would report to the Secretary of Education (Primary) at the state level. Administratively, his/her Annual Confidential Report (ACR) would be initiated and written by the Block CEO, as would the ACRs of sub-block gazetted staff, with inputs from the block officer. At the Zilla, the CEO initiates the ACRs of class one and two officials, such as the Block Education and Agriculture Officers. The ACRs of district department heads are initiated and written by the District Collector, who also writes the ACR of the CEO ZP, usually a fellow IAS officer but sometimes from the Indian Forestry Service (IFS). In all the Collector is responsible for approximately 250 ACRs, 52 of which s/he initiates, and the rest provides input to and/or delegates. The ZP, JP, and GP presidents have no role in personal matters relating to gazetted staff, beyond complaining about and/or requesting transfers of staff with which they are dissatisfied. Gazetted staff is recruited by the state government, which has sole authority to promote or dismiss them.

Fiscal Decentralization

Block offices and officers receive their yearly budgetary allocations from the state line departments, through the district offices. Salaries are also paid by the line departments. Funds allocated for schemes are managed by the district and block offices, on a sector by sector basis, and PRIs (ZP, JP, and GP) are responsible for beneficiary selection—identification of those who would benefit, subject to scheme guidelines set out by the state and central government. Since these elected local governments have negligible own revenues, they do not enter the sector funding equation—nor is there much scope for PRIs to deliver major services, independently. Besides, only the Department of Veterinary, Animal Husbandry, and Fisheries is devolved (partially). There is some cost recovery in the health sector—beneficiaries pay for medicines. However, all services are provided free of charge.

Political Accountability

Zilla Parishads and Gram Panchayats, have no formal role in sector service delivery outside of beneficiary selection for schemes. And the evidence (below) suggests that even this role is undermined by the DPC. While the Janpads role is similar to the ZP and GP, they (Janpads) physically pay the salaries of the anganwadi health worker, creche workers, and village level workers. They are responsible monitoring and supervising them, and can initiate a process to deduct pay of workers guilty of absenteeism. In the major service sectors reviewed the

panchayats have no role in deciding sector policies, priorities, or broad policy targets e.g. for disease eradication or literacy improvements. These decisions are the domain of state government, and where GOI seeks to influence priorities or implement its own priorities, it does so through the numerous centrally sponsored schemes.

In short, sectoral arrangements for delivery of primary education, primary health, rural roads, rural water supply, and agriculture extension, the major sectors reviewed, reveal much about the extent of de facto, continued centralization at the sub-state level in MP.

The Schemes

Centrally and state-sponsored schemes play an important role in undertaking development activities in most of the states where non-plan expenditure (going to salaries and establishment) forms significant proportion of the total budget: MP is no exception. Bulk of the funding (how much, check ?) for development schemes comes from the Central Government which releases the installments after receiving the evidence that the money is already 'spent'. Hence, State Governments are alert in preparing the budgets and in actual spending of money sanctioned under development schemes.

In Madhya Pradesh state, important schemes implemented are integrated Rural Development programme, Jawahar Rozgar Smridhi Yojana (JGSY), Employment Guarantee Scheme, Indira Awas Yojana, Watershed and social security schemes (pension). The financial targets and achievements, and physical achievements under these schemes in 1997/98 are presented in Table 1. Given that 80 per cent of the state budget is spent on establishment and salaries, the schemes assume an added significance as the money allocated under the schemes is perhaps the only major source to undertake development at the local level, and satisfy the constituency. An analysis of income of four Gram Panchayats visited shows that the amount sanctioned under the above schemes forms a large proportion of the total income to these panchayats. In fact, the development works such as construction of roads, drainage works, house construction, pension etc., were undertaken not with local resource mobilisation and/or state grants but with resources sanctioned under the development schemes.

The selection of beneficiaries for the schemes is done by Gram Panchayats through Gram Sabha. The basis for the selection is data on families below the poverty line collected by the officials and kept at panchayats at various levels and also with the district bureaucracy. Each family below the poverty line is assigned a number, and it is ascertained all through up to the district administration to verify whether the selected family is in fact below the poverty line. In actual practice, the families claiming benefits is far greater than what resources would allow for. In such circumstances, a larger number of beneficiaries are sent upwards and the district administration seems to be deciding on whom among the beneficiaries should actually be assisted. The Panchayat Raj System, right from the village to the district, is not in a position to balance the need at the local level and resources coming from the development schemes. This leads to situation like that in one of the gram panchayats that we visited where pavement of roads is done in the village where gram panchayat is located but not in others, and the later villages making complaints on the Sarpanch.

The resources under development schemes are 'tied' in the sense that the money should be spent for the purpose for which it is sanctioned. The resources under Indira Awas Yojana should be spent only for the construction of houses irrespective of whether there is need for housing in the village or not. Similarly, the money sanctioned under pension schemes should be spent only for

giving pensions to the needy individuals. One could argue that the JRY funds are somewhat flexible. But, here too, money cannot be spent for the construction of individual houses. This lack of flexibility has created in a situation of spending money for those activities that are not on top of the people's priority list. The elected leaders hence demanded for 'untied' resources to match the people's priorities and development works. But, district officials prefer 'tied' schemes as this reduces pressures on them and increases their hold on resources.

It is important to note that watershed programme is not implemented through decentralised government at any level including at the village level. At the district level, watershed advisory committee consisting of Zilla Panchayat President, Collector and CEO will prioritize and sanction the programs. The money is directly released to watershed committee formed by the Rajiv Gandhi Mission. In this committee gram panchayat members will not necessarily be members. To a question why watershed programme implementation is different, we were told that this method is necessary to ensure the participation of stakeholders in the programme, and to mobilize user fees. There is widespread perception that GPs are not capable to mobilize user fees.

Non-elected officials at the district level and below, and some at state spoke of a multiplicity of elected bodies of which the Panchayats are only one, and would not necessarily be the recipients of the largest amounts of the various scheme funds.

In a situation where the development schemes play an important role in undertaking 'development' at the local level, and in appeasing the constituency, the political control will remain with the officials, and the elected leaders will continue to be marginalised. The issue is that there is trade-off between development schemes and democratic decentralization. How this will be resolved is the key question.

5. THE ZILLA PARISHAD AND THE ZILLA SARKAR

Political Decentralization

The political decentralization in MP is limited to prioritization of development projects, not governance as such. For this purpose, elected bodies as described above have been put in place. Elections are expected for the second round shortly. The main function of the ZP is to co-ordinate and approve plans and projects of lower levels of elected government.

With an endorsement from the Gram Sabha, GPs, forward their action plans to the ZP--through the janpad panchayat. The CEO ZP processes the submissions on for the ZP. The CEO--or the officers of the different depts. --look at the action plans and check them against funds available from the different schemes. Since there are almost no free funds available in the system, action plans are matched with schemes available. For example, the district may have funds for 1000 houses under the Indira Awas Yojana for a specific group of people. The demands for IAY houses submitted to the ZP may be well above that—as many as 1500. It then becomes essential to cut the demands to the ZP by 500. Even larger cuts may be needed, if the demand-resource gap is large, as is often the case. The political decision on who to cut and based on what criteria is supposed to be taken by the ZP. The reports from the Sarpanches, Janpad Presidents, and Zilla Members suggest that these decision are being taken by the DPC, namely the Minister, Collector, MLAs and MPs, in the name of the ZP/DPC.

Administrative Decentralization

The CEO implements the projects approved by the ZP, relying on a secretariat of officials headed by the CEO. In addition, the ZP CEO also supervises work of the line departments located in the district, in matters that do not come under the local bodies. Bearing in mind that 17 functions fall under the ZPs and 52 rest with the Collector, those “other” areas form the bulk of line staff’s responsibilities. Thus, the old bureaucracy has been mildly modified to serve the ZP.

This system works as follows. The CEO is also an additional collector, and enjoys the powers of that position, which is encadred for the IAS. S/he is also the additional director of the different district offices of state government, and in this capacity, can approve and supervise those projects in his/her district. S/he is the local head of all the district officials of the state government dealing with development matters--fisheries, forest, employment, education, health, and creation and maintenance of assets that are not in the purview of local bodies. The CEO reports to the District Collector, who is also ex-officio Deputy Secretary to the state government. In essence, the works of the ZP are handled by officials of the state government--and are under the control of the state very effectively.

Therefore, while the ZP has brought the appearance of decentralization, the system remains a bureaucratic one. Deconcentration has indeed taken place--the state government has relocated itself via the DPC. However, broadly speaking, the system in MP is one in which ZP members are the public faces of district decentralization but have to work in accordance with the suggestions of a civil service over which they have negligible control.

Fiscal Decentralization

The ZP as it exists has neither the expertise nor the information to carry out its role of matching demands and resources. This task is left to the officials. In our discussion, it turns out that the officials simply look at what was done in the past year, make a 10% adjustment for inflation, and use that as a working document against which to examine the demands on the ZP. Minor adjustments against this standard are made after looking at the demands of the lower bodies. The officials recommend approval of projects that appear in the lists that come from the GPs and JPs, but without regard to the priorities given in them. That is, a particular GP may have listed school building as the no 1 priority--it gets what is available, not the school building if there is no money for this.

These proposals of the officials are then put before the sub-committees of the ZPs for approvals. Since these bodies are asked to approve a specific set of proposals that the officials place before them, all that can be done at best is minor changes--say from one village to another, or one quantity for another--4 houses instead of 3 and so on. The system does not permit the elected members to discuss alternatives and options. They are expected to approve what is placed before them with minor changes. This then goes before the full ZP, where the same procedure is repeated.

Accountability Mechanisms

The main accountability mechanism appears to be the GSA described above. However, the provisions under Sec 40 for suspension of local office bearers—which apparently has been used, needs further study.

6. DISTRICT PLANNING COMMITTEE

The DPC is a new agency that came into existence from April 1 of 1999. It is referred to by the GMOP as district government.

Political Decentralization

The 74th amendment provides for a body that co-ordinates the development efforts of the rural and urban bodies at the district level. There is considerable scope for state governments to make what they like of the DPC. The MP government has used it to set up what they call district government. It is meant to facilitate decision making at the district level for activities that are beyond the purview of other local bodies. The ZPs have powers to approve projects costing up to 15 lakhs. Between 50 lakhs, the DPC can give approval. It is explicitly stated that the DPC cannot encroach on the territory of the other local bodies--it is meant to handle larger things only. It also has powers of transfer of class 2 and 3 officials within its jurisdiction. It has been given powers to reappportion funds within heads--but since this is still only a few months of the first financial year of its functioning, this has not happened yet.

The DPC is a body whose membership is drawn from elected representatives of the ZPs and municipalities according to a formula given in the law. It goes largely by population weights. It includes MLAs and MPs whose constituencies fall within the district boundaries, who not only are members, but have the right to send their representatives to attend the meetings. The government may also include some experts from outside in the DPC. In any meeting, those with a special interest or experience in the subject being discussed can be brought in as invitees. The chairman is a minister of the state government--the *prabhari mantri*. To provide administrative co-ordination, and the necessary bureaucratic approvals, the Collector has been made Deputy State Secretary to the state government and is also designated as district [*prabhari sachiv*] secretary.

The reason for this is that decisions above a certain magnitude have to be approved by a minister to be valid--otherwise there would be audit objections. This means that changes in the rules of business consistent with decentralization have not been made--if they had, this could be avoided.

Administrative Decentralization

The collector of the district is the member secretary of the DPC--s/he is a voting member. S/he is the authority to implement its decisions. S/he makes the agenda--in consultation with the minister chairman, and takes part in the proceedings. After getting approval, s/he implements the decisions--either directly through the depts. under his/her control, or through the ZP machinery with the CEO. The CEO is often an invitee to the DPC meetings.

The theory is that the DPC can meet every month and clear pending matters, so that they can be implemented quickly. We have seen that in some cases it does work this way. The earlier process of referring projects to Bhopal was slow, and often approvals came after the need was over. Approvals for hand pumps in Damoh came after the summer was over, and hence there was unnecessary hardship. Now these things work better as the DPC can clear such matters. The officials were very happy with this system.

The elected members of the ZPs and JPs and GPs are unhappy with the DPC. They complain that once the DPC began to work, Panchayati Raj lost all meaning. They see the collector and minister as colluding to take all decisions, arbitrarily. Ministers as head of the DPC do what they like, irrespective of the wishes of the local bodies. In giving approval, they pay no heed to suggestions from below. They also interfere in the working of the lower bodies by taking decisions on matters that come under these local bodies and getting the officials to implement them bypassing even the ZPs. They are also using their powers of transfer without regard to the stated powers of the Janpad in this matter.

Fiscal Decentralization

State government has deconcentrated substantial powers to the DPC, more specifically to the Minister of State in his capacity as Chairman of the DPC. This body has been given the power to approve projects which cost between 15 lakhs and 50 lakhs. Most of these expenditures authorized by the DPC are tied to centrally and state-sponsored schemes, the principle source of development funds at the sub-state level.

Accountability Mechanisms

What these elected representatives say is that the minister brings with him the authority of the state government that is above them. If they act in an arbitrary manner--and they do--then nothing can be done. [If they are from the ruling party, one ZP Vice President told us, party discipline keeps them silent. If they are from the opposition, they are simply ignored]. The actual working of the DPC, we were told, is undercutting the efforts of local bodies in both the districts we visited. There is a gap between theory and practice in the DPC.

One reason for such dissatisfaction could also be that these people see how decisions are now made, because they are locally made. Earlier, an approval or rejection from Bhopal was from a remote body whose functioning was beyond them. Today they see the forces at work, and, as is to be expected, this has raised their ire. How this will sort out is not clear.

7. THE JANPAD PANCHAYAT

Janpad panchayat is the elected body at the block (Sub-district) level. It consists of members elected from the constituencies and MLAs from the area. For every ward consisting of 5000 population, one member is elected. In general, the number of members elected to a Janpad varies from 10 to 25 in the state.

As per the Act, Janpad panchayat undertakes important development functions such as integrated rural development, agriculture, animal husbandry, adult education, health and sanitation. The Janpad panchayat carries out these functions with the help of secretariat of government officers (headed by CEO, Janpad) appointed by the government. The Janpad can constitute five standing committees (general administration, education, agriculture, communication and water, and co-operation and industries) to plan and implement the above activities.

Functioning of Janpads

Gram Panchayats prepare the action plans along with budgets and send the same to their Janpad Panchayat. After receiving the plans from all the Gram Panchayats in a Janpad, they are consolidated and sent to the Zilla Panchayat (ZP). The Janpad Panchayat does not critically look into these plans and 'balance' the action plans of Gram Panchayats based on the overall needs and priorities of Janpad area, and the availability of funds in Zilla Panchayat.

These consolidated action plans for a Janpad are not automatically accepted by Zilla Panchayat, which scrutinizes the action plans mainly on the basis of funds available, and on the basis of pressures from powers that be. The sanctioned money will be routed through Janpad Panchayats to Gram Panchayats.

Almost a similar procedure takes place in the case of other schemes. We were told that, based on the needs emerging from Gram Sabha, the Gram Panchayats select the beneficiaries for various pension schemes, housing schemes, IRDP, etc., and the list is sent to Janpad Panchayat. In practice, however, each Janpad is told in advance how many people will be assisted under a particular scheme in a particular block; the Janpad Panchayat, in turn, tells each of the Gram Panchayats that it should send a particular number of requests. In one of the Janpad panchayats that we visited, each of the presidents of Gram Panchayats were told to bring a particular number of handicapped children to a camp to examine the nature of handicap and provide government assistance to them. Here also, the role of Janpad Panchayat is marginalised as it is the officials who have such information and who communicate to the Gram Panchayat presidents in a meeting.

Administrative Decentralization

Janpad panchayat is vested with powers to employ teachers under EGS (based on recommendation of Gram Panchayats and the village education committee (VEC)), sanction a school, employ Secretary to Gram Panchayat (again based on recommendation of Gram Panchayat), supervise the functioning of health workers and teachers, etc. In the case of schoolteachers, pay-data is counter-signed by Gram Panchayat present and is sent to 'Sankul Kendra'. Block Educational Officer, who puts up the request for release of salaries, examines this information.

Fiscal Decentralization

The Janpad Panchayat does not implement any works although development works with budgets ranging from Rs.3 to 10 lakhs come under its jurisdiction. The Secretariat attached to Janpad Panchayat, i.e., CEO of Janpad and staff of officials, actually implements these works. The Janpad Presidents in the two districts that we visited criticised this and noted that, Janpad Panchayat should directly implement these works. Or, they should have freedom to select the implementing agency as this would ensure quality and accountability.

Accountability

Another role assigned to Janpad Panchayats is to supervise the development works undertaken by the GPs and service delivery in Janpad area. In both the districts, the aggrieved

parties sent a number of complaints on sarpanches to the District Collector and CEO of Zilla Panchayat. The CEO constitutes an enquiry committee in which one or two Janpad members are included for the purpose of 'keeping them happy'. Regular supervision by Janpad Panchayats has also become redundant given the Gram Sampark Abhiyan (GSA). With the fear that the Chief Minister can land in any one of the villages, there is tendency to give far more importance to GSA rather than regular visits by Janpad members.

The nature of devolution of powers to Janpads is such that it comes in the way of developing accountability (particularly downward) among them. The practice of Janpads only consolidating the plans of GPs and sending the same to ZP does not contribute to downward accountability. If ZP reduces the number of beneficiaries, Janpad will simply shift the responsibility to ZP. Similarly, the service delivery is actually supervised by officials who are more accountable to their superiors writing confidential reports on them rather than to the people.

Political Decentralization

There are, however, several expectations on Janpad Panchayats. In the vision provided by the top level bureaucracy at Bhopal, Janpads are expected to play a significant role in achieving all the development goals set by the state government. On the other hand, Janpad presidents note that they are asked to take responsibilities without powers. According to them, they are 'workers without pay', and this implies that some burden of service delivery is now transferred to Janpads. The district officials note that Janpads are vested with considerable powers. On the other hand, Janpad panchayats state that they have become mere 'post office' without substantial devolution of political, administrative and fiscal powers. On the balance, the Janpads' view of their defacto role seems much more accurate.

8. THE GRAM PANCHAYAT AND THE GRAM SABHAS

Gram Panchayats

In the 3-tier Panchayat system, the Gram Panchayats are placed in the lowest rung. However, they are considered the focal point and are generally referred to as the heart of the system as they form the base at which the plans and programmes are implemented. The Gram Panchayat has 10-20 members, with 10 members per population of 1000. The rules of reservation apply, with seats being earmarked for women, SC/STs. Considerable administrative and financial powers are said to be devolved to the GPs, to facilitate identification and implementation of development activities in Madhya Pradesh, which has a lead ahead of other states. MP has also the largest number of GPs, next only to Uttar Pradesh (31138 as of present).

Political Decentralization

In order to understand the functioning of the GPs, in terms of the political control they exercise, the flow of funds, staffing patterns, and accountability, we visited four GPs in two districts—Narsinghpur and Damoh. The main findings and issues that emerged are discussed below.

The PRI Act of MP specifies that the GS meetings are held regularly and decisions arrived at by simple majority vote of members. We found that in all four GPs the meetings are held every month and decisions are arrived by eliciting the approval of the majority. However, the nature and content of the decision-making processes remain questionable. In three of the four GPs that we visited, where a larger member of people were encouraged to participate in the discussions, it was clear that the “key” actors wielding power and control, remain the village elders. PRI legislation was conceived with the intention of breaking this pattern.

The Sarpanch—President of the GP—is often found to emerge as the leader. However, he often undermines the decision-making responsibilities of the Panches—other GP members. This may be attributed to the fact that the Sarpanch is directly voted to power by the electorate.

The Sarpach at times becomes the entry point for outsiders to exercise political control. In GP2 of Narsinghpur, we found a case where an economically poor, tribal person was an active Sarpanch who had been “groomed” by the MLA when young. The patron-client relationship continuous to this day.

The participation of the Panchayat members is further reduced depending on the caste/class configuration of the gram sabha. The PRI Act specifies reservations of seats to elected bodies at all the three tiers. However, the caste demarcation is manifested in various forms and is most pronounced at the village level. This obstructs meaningful participation by all members.

The research team observed an example of discrimination based on caste lines in GP2 of Damoh district. When a meeting was convened at the GP hall, the chairs were occupied by the higher caste Thakurs, compelling the SCs—who occupy the lowest rung in the caste hierarchy—elected representatives to sit on the ground. It was found that this is the normal practice abided by even at the Gram Panchayat meetings. They are not served tea, if served, they are expected to wash the tea cups themselves. Given the caste differentiation in the social system and its reinforcement, it would be logical to assume that the roles played by different participants is anything but equal.

This is true of women’s participation also. The 73rd Amendment reserves one-third of the total number of seats for women. We held Conversational Interviews with many women representatives across various sections to get an overview of their role in the political process. Women concede of being sidelined, when decisions are taken at the GP meetings. In the case mentioned above, an SC woman representative sat the farthest on the ground, close to the exit. Both the elected representatives (men) and the bureaucrats attribute women’s non-participation to their low level of education. While it is true that the education level of women is lower than that of men, the difference is not glaring, within particular caste groups. Discrimination based on gender, caste, and education super-impose on one another, reducing the effectiveness with which women participate at the GPs. What is noteworthy is that the women representatives express willingness to contest in the next round of elections, if reservations permit, indicating considerable changes in perceptions and attitudes. The women also concede that in the last five years they have become more confident and more aware than before. In instances where the Sarpanch is a woman, they are more “visible” and therefore cannot be ignored.

The GPs also have three standing committees. The members of the committee are chosen by the Panchayat. There are also elected committees for specific purposes such as watershed, and education which do not fall under the jurisdiction of the GP. Sarpanch/panch need not necessarily be the members. Their functions may overlap with the GP committees. We have not evidence to say whether or not either sets of committees are performing effectively.

The first GP visited in Narshingpur was chosen by the district officials as an example of a well-performing GP. It emerged as a show piece in terms of its physical infrastructure and the articulateness of the village leaders. Upon arrival the team was greeted by three men who turned out to be village elders rather than panches. There was also one woman present—an SC woman Sarpanch who was holding the seat as a result of the reservation. She was reluctant to sit with the team and the male village elders. Even after encouragement she stayed in the background. Meanwhile, on our tour of the village, the team was shown an impressive primary school, houses build under the IAS scheme, and other village works. One of the village elders who led the tour was a retired horticulturalist (with an MSc) and another was a retired secondary school headmaster. Both were among the wealthier GP members, judging from their properties and the location in the village, and were clearly dominant in village decision making. The retired horticulturalist explained that his nephew had been Sarpanch and he had guided his nephew during his tenure. The village elders were proud of the impressive achievements in the village and emphasized that education was the key to the development of the village. Meanwhile, the Sarpanch stayed in the background and would only speak with the female member of the study team.

The GPs, as said earlier, form the base for implementation of rural development programmes. The question now would be to see if the funds are flowing-in for this. The income and expenditure figures collected over the last three years in three of the GPs visited clearly indicate that funds are available and are used for development work by the bureaucracy. GPs have no control over these funds. Most don't have their own funds, others have minimal funds and these are used to cover establishment costs. Their role is limited to beyond beneficiary selection. This is a positive sign, even through local priorities are not getting approved. The flow of funds is also raising people's expectations, and may in the course of time, build-up planning from "below".

The positive change that has taken place is that the Sarpanchs now monitor the functions carried out by the village-level functionaries implementing all development schemes. The functionaries—school teachers health workers, etc. —receive their salaries after the Sarpanch verifies to the Janpad that they have carried out their duties. The salaries are paid by the JP upon the joint signatures of the JP President and the CEO.

The JRY (now called JGSY) programme form the bulk of income and expenditures. The funds for this are directly transferred from the Union Government to the ZP which then passes the funds to the GP. In addition, the Tenth Finance Commission and the MLA, MP Funds also flow-in. The MLAs and MPs can decide on the type of development work and the village in which it is to be carried out. It is clear that the amounts which flow-in are specifically related to a programme and are to be spend accordingly. The GPs do not have the powers to shift the monies allotted from one scheme to another. This impinges on the flexibility that they can exercise.

Each of the Gram Panchayats is also expected to raise its own funds, by levying taxes and charging user fee and generating income from sales of natural resources such as sand, quarrying etc. This amount could be used for any of the development works that the GP thinks fit. Many of

the physical targets of the villages have been made possible because of this. Income accrued from sale of sand, quarrying, etc, is used in road repairs, construction of school buildings, etc.

Administrative Decentralization

The accounts of the GP are maintained by the Panchayat Secretary. He is paid an honorarium of Rs 500 per month, by the state government. Earlier, the appointments were also made by the state government. Now the GP members appoint a person from their village to perform this task. He is part of the dying cadre. The secretary is responsible for collecting the GP taxes. The GP may also appoint a peon who is paid by its own resources.

Accountability Mechanisms

Section 49 of the PRI Act gives a comprehensive list of functions which GP should perform. Some regulatory powers are also assigned. On grounds of non-performance, S.40 of the Act specifies suspension of the office bearers. The authority to do this rests with the CEO JP. The implication of this provision and its validity to hold the GPs accountable needs to be further verified.

The Right to Recall, introduced in 1999, vests powers with the gram sabhas, to dismiss the Sarpanch on grounds of his/her non-functioning (see state vision).

Gram Sabhas

Recognising the importance of involving the village community in the participatory process of democratic decentralization, the PRI Act emphasises on convening Gram Sabhas in a village or a group of villages, comprising registered voters. The 1995 amendment to the Act makes it mandatory to hold four GSs per year at regular intervals. It could be convened on additional occasions at the request of the ZP, JP members or the District Collector. We hear of no instance where the GSs are held more frequently than prescribed. Further, the enthusiasm around the GS seems to have declined—they were attended regularly in the beginning, but now people seem to be losing interest.

The Sarpanch convenes the GSs as this reflects his capability to perform effectively. He/she is answerable to the Gram Sabha, which has the power to recall him/her. This is ironical as the GS was conceived with the intention of making the GP accountable to the community, a check which does not seem to work effectively. It is not clear that the requirement that the GS be comprised of 50% women and 1/3 of the voters in order to form a quorum is being met.

The villagers and the elected representatives consider the GS to be the platform for beneficiary selection. A list of beneficiaries is prepared for programs like Indira Awas Yojana etc. More often, the list is prepared elsewhere and ratified in the GS. In some of the GPs the Sarpanch and or the dominant elite would have prepared the list earlier. The most important elements of democratic decentralization—priority identification and planning from "below"—have remained on paper only.

People's participation at the Grama Sabhas is said to have reduced over the years. The initial interest has waned owing to the fact that their priorities are not given due importance.

The Panchayat members also do not consider it necessary to attend GSs or discuss issues arising at the GSs in the GP meetings.

The Sarpanch (Case of GP1 Damoh) is accused of circulating the register and seeking signatures from the villagers to prove on record that the GSs were held. The villagers are often ignorant of communications sent out to announce holding of gram sabhas.

To make the GS more viable, the Act also introduced the holding of Maha Sabhas for a cluster of villages, Gram Sabhas for each village. It is not clear how this has been operationalized.

What seems to be occurring effectively at the village level is the Gram Sampark Abhigyan (GSA), held every six months. These periodic contacts are made by the mid-level to senior bureaucrats, and ministers, to various villages to listen to complaints and submit them to the relevant levels of government for action. During the GSA, the Chief Minister of the MP makes unannounced visits to villages. If bureaucrats are not found in their assigned GSA villages they are immediately suspended. GSA however remains a tool to check the bureaucracy.

With the aid of a district map, the study team randomly selected a GP in Damoh and showed up announced escorted by the ZP CEO. After some time, we were able to amass sufficient panchayat representatives and other interested parties to hold discussions, and gain a number of interesting insights.

The Sarpanch of this GP was an OBC, the richest man in the village, and the brother of the local “social worker/kingpin maker.” The Sarpanch was elected on the strength of his brother’s endorsement, but election had been fiercely contested—two of the rivals showed up for the discussions, including his cousin.

Panches complained that the GP was virtually non-functioning, that the Sarpanch was not doing his job, was corrupt, and was subverting the democratic processes of the GP. The Sarpanch denied these allegations. While GP meetings were being held, they were usually over a 4 to 6 hour period during which various panches would flow in and out of the meetings. The Panches explained that this was because most of them were busy in their fields or as labourers and could not afford the time for meetings. It was also difficult for women to attend meetings, especially at night and so the meetings were held during the day. As a result there was rarely a quorum at meetings and decisions fell to the Sarpanch. One suggestion floated by the team was that they could hold shorter meetings, in the late afternoons not to exceed 2 hours at a mutually agreed time. The panches said that the suggestion made sense and they would study it. For all the reasons above, many panches had stopped attending meetings altogether.

The general view of the panches and the Sarpanch’s political rivals was that the GS were not being held properly. Most of them were not aware of any GS being held, and accused the Sarpanch of fabricating GS meetings and sending priority lists of beneficiaries and GS meeting minutes from fictitious Gram Sabhas to their houses for signature (which they usually gave). The Sarpanch denied this and said that GS were being held and were publicized in the central square of the GP via a person with a bullhorn paid for by the Sarpanch’s own funds. Panches retorted that no publicity was provided in their wards.

All the panches and villagers were aware of the Right to Recall but thought that the social disruption that it would cause in the village was not worthwhile especially since they would not re-elect the current Sarpanch. They said that the meeting with the study team had been their first ever opportunity to openly discuss and think about the problems in the GP and that it would sustain them for a while. They suggested that future such meetings facilitated by outsiders of sufficient visibility to attract attention would be helpful. (The study team had arrived in the ZP CEO’s car, a symbol of authority with a yellow light atop). While the discussions were being held with the GP, the CEO and his subordinates were swarmed by hundreds of villagers with petitions to resolve various problems. This reinforced the view that everyone knew that the real powers lay with district civil servants not elected officials.

The study team left the discussions feeling optimistic that while the GP was not functioning well, there was sufficient political dynamism for it to resolve its own problems, probably as soon as the next elections.

9. COMMENTS AND CONCLUSIONS

When measured in terms of devolution of powers to PRIs, actual control of political decisions, funds, and staff, for assigned functions, decentralization in MP falls far short. However there are movements in the right direction, and evidence of positive changes.

GOMP has conscientiously elected local representatives to the three levels of PRI. These bodies have emerged with the primary role of beneficiary selection, though the evidence suggests that the District Planning Committee undermines this function. Furthermore, a number of issues have emerged with paint an uneven picture of functioning of the local bodies themselves, especially the Gram Panchayats. Gram Sabhas are not properly held. Reservations for SC/STs and women do not consistently yield the intended benefits, but there is much evidence of positive change—vocal and emergent women leaders, and SC/ST leaders. Fortunately, much of what ails PRIs, lack of accountability, and some abuse of power, especially by the Sarpanches, can be fixed relatively easily, but would require political will as it would also close the door for political interference of higher level politicians in local arenas.

The DPC is an important innovation of state government, which has deconcentrated state government. For the near term, the creation of the DPC has lead to substantial increases in administrative responsiveness to intra-district issues. Bureaucratic turn-around time has been greatly reduced. Collectors, CEOs of ZPs, district department heads, and Ministers of State Government, MLAs, and most other state-level actors are happy with the DPC. In addition, the new district government has been a political triumph for the state, paying handsome political dividends within and without. Other states, most notably UP are keen to adopt and capitalize on the benefits of the MP model.

Meanwhile, elected members of ZPs, JPs, and GPs bitterly complain that the DPC has usurped them rather than decentralized power, and made a mockery of local planning and prioritization, local development, and local government. Tensions are running high at the district level and below, as PRIs begin to assert their demands for a greater role in local decision-making—genuine decentralization. This tension represents a political awakening which presents obvious dangers, as well as an opportunity for the state to transform its stated vision into reality.

SUMMARY TABLE

Summary Table Of State Decentralization for PRIs/Sectors/Schemes, By Decentralization Dimension			
<i>Institutions</i>	<i>Dimension</i>	State Vision	Field Assessment
DsPC	Political	Bringing Government Closer to the people. Minister has authority to make quick decisions.	Minister, MLAs, MPs make arbitrary decisions and have completely usurped the powers of the ZP. Have completely undermined beneficiary selection of the GP, JP and ZP.
	Admin	With the Collector now Deputy Secretary to State Government, he is able to give administrative sanction up to 50 lakhs, thereby being able to respond quickly to local needs. In the past only the Collector had powers to transfer class 3 and 4 officers. Now power rests with DPC.	Collectors powers have increased vis a vis the PRIs. With the Minister, MLAs, and MPs, seen are bypassing local governments. Indeed collector able to respond to more petitions. True. However DPC it usually respects recommendation of Collector esp. on establishment matters—Collector retains administrative powers.
	Fiscal	State has deconcentrated schemes responsibility	As stated in vision.
	Account	New visibility of DPC increases bottom-up pressure from local populations.	Citizens have no greater leverage than before vis a vis the Collector and other district civil servants.
ZP	Political	MLAs and MPs are ex-officio members with no voting powers. ZP prioritizes beneficiaries based on established criteria. Empowered to make final selection.	MLAs and MPs presence overwhelms local politicians. Overpowering presence. ZP usurped. DPC is in charge.
	Admin	ZP has no formal role in implementation	True
	Fiscal	ZP entirely dependent on upon devolved funds. ZP advises state on development plans of GPs in the district.	No untied funds devolved to ZP. All funnelled through schemes. ZP advises DPC.
	Account	ZP President and members accountable to constituencies through vote.	Yes. However, with the lines between the ZP and DPC now blurred, difficult to establish role of ZP members in decisions emanating from the district.

Janpad	Political	JP coordinates the action plans of GPs and submits them to ZP for consideration.	True. However JP acts solely as a post office. It takes no view on the feasibility or quantum of proposals.
	Admin	Power of transfer of class 3 and 4 staff rest with JP by law. JP also has some important functions under integrated rural development, agric., animal husbandry, adult education, primary health, and sanitation.	Now power to transfer usurped by the Minister and DPC. Not much evidence of this on the ground. However there were anganwadi teachers hired under the EGS scheme.
	Fiscal	No tax base. Dependent on transfers	True
	Account	JP better able to supervise teachers and with the power of transfer can hold them accountable	Don't have the power of transfer
GP	Political	Sarpanch directly elected to 5-yr term, Upa-Sarpanch indirectly elected.	True, as stated in the PRI Act. Places sarpanch above rest of GP, leading to some unilateral decision-making.
	Admin	GPs implement development works under 3 lakhs. Panchayat Secretary works for GP	Works most closely with the Sarpanch when hired by the Panchayat. In most cases, Panchayat Sec. Is low level functionary of state govt. Power relations with GP varies by personalities involved.
	Fiscal	GPs have powers of taxation.	Minimal powers of taxation. Revenue bases very small and tax collection negligible. Partly the result of GP reluctance to collect taxes.
	Account	Gram Sabha is a major mechanism of downwards accountability. Performs a social audit function.	The initial interest has waned owing to the fact that people's priorities are not given due importance. The Panchayat members also do not consider it necessary to attend GSs or discuss issues arising at the GSs in the GP meetings.
GS	Political	Identifies beneficiaries for various government schemes. Major	As stated in the vision.
	Admin	Implementation committees oversee works.	True for some schemes.???
	Fiscal	Discusses development plans and objectives of the village.	True, but poorly attended. Most GS are scheme-bound and have better attendance because potential beneficiaries attend.
	Account	Sarpanch can be removed from office for failure to hold GS.	Except for the mandatory GS to audit/review the GP accounts, Gram Sabhas often not held, and sometimes fabricated by Sarpanches.

Sectors	Political	Several important functions have been devolved to PRIs about which they are empowered to make decisions.	PRIs not empowered to make any decisions about sector policies or priorities within their jurisdictions. No funds to implement their own negligible functions.
	Admin	PRIs have no formal role in sector service delivery outside of officially devolved functions	True.
	Fiscal	Sectoral line departments pay salaries and disburse plan budgets to their respective field offices.	True.
	Account	Gram Sampark Abhigyan (GSA), held every six months with senior state officials documenting local needs. Led by the Chief Minister.	Appears to be working very well as a mechanism to hold district and block bureaucracy accountable to their state level superiors for non-performance of duties.
Schemes	Political	Beneficiary selection done by the PRIs.	Initial selection yes, until DPC takes over.
	Admin	Schemes implemented by CEO ZP on behalf of the PRIs.	Mixed, but on the balance, implemented by CEO ZP in his capacity as Additional Collector for Rural Development (formerly Director DRDA).
	Fiscal	Quantum of funds determined by union or state governments	True
	Account	-	-

Table 1: Targets and achievements under important schemes in Madhya Pradesh State in 1997/98

Name of the Scheme	Target (Rs.Crores)	Achievement (Rs. Crores)	Physical achievement
Integrated Rural Development programme	325.00	300.44	1,34,000 families are assisted
Jawahar Rozgar Yojana	248.80	245.75	3,47,00,000 person days of employment generated.
Employment Guarantee Scheme	393.03	323.27	4,47,46,000 person days of employment generated.
Indira Awas Yojana	205.36	170.21	1,02,000 houses constructed.
Watershed	-----	120.00*	-----
Pensions (widow, old age and physically handicapped)	-----	268.20	14,90,000 persons assisted.

Source: Economic Survey, 1998/99

* As per the statement of senior official in the state

V. DECENTRALISATION IN MAHARASHTRA

1. INTRODUCTION

With the introduction of the 73rd and 74th amendments to the constitution, the Panchyati Raj System, which emphasis on people's participation in the process of development and governance, has gained considerable importance in India. The amendment mandates a three-tier elected structure at the district, block and village level, there by bringing administration close to the people. Ensuring reservations to the earlier marginalised groups of women and oppressed caste-SC, ST and Backward Community, are attempts made to create a just and participatory society. The experiments with Panchyati Raj Institutions in different states have been different, while considerable power and functions have been developed in some, it has been restricted in a few. Whatever the degree variance, local self governance are here to stay and cannot be totally ignored.

The state of Maharashtra has been one of the pioneering states of India in introducing the Panchayati Raj Institutions. Local self-governance has been in the forefront over the last four decades. The political inclination towards decentralisation was exhibited, in the early sixties, the Chief Minister Chauhan introducing progressive measures. The local bodies by entrusted with the execution of a few development works and schemes. Some of the past and functions were also transferred to these bodies. Infact, Maharashtra was one of the first states to adopt the Balvantrai Mehta committee report, based on which Vasantha Rao Naik committee was formed in the state to study PRI' s in all aspects. The earlier acts of state were based on this report.

This paper on Maharashtra is one of a set that includes 6 other states in India, and is based on secondary sources and visits to Maharashtra in January 2000. The visits included fieldwork in two districts, which were selected in consultation with the GOMA. In each district, two panchayat samithis were visited, and in each samithi, two villages were visited. Separate meetings were held with the elected representatives as well as the officials of the state government in all the administrative tiers.

The paper is organised as follows. Part 2 deals with the state vision of decentralisation. Part 3 looks at sector decentralization and various development schemes of different sectors. Part 4 looks at the Zilla Panchayats. Part 5 deals with the role of the Panchayat Samithi. Part 6 deals with the gram panchayats and the gram sabhas. Part 7 presents overall conclusions. In each section, the discussion is along three main aspects of decentralisation—administrative, political, and fiscal. In this, the factors of political control, staff control, flow of funds and accountability are looked at.

2. THE STATE'S VISION OF DECENTRALISATION

The 73rd and 74th Constitutional amendments did not change the concepts and modalities of decentralised governance in Maharashtra. The 3-tiered structure of the Zilla at the district, Panchayat Samithis at the block and Gram Panchayats at the village, which is considered the hallmark of the constitutional amendment has always been in place in this state. It is even believed that the constitutional amendments were based on the Maharashtra Panchayati Raj Act.

Maharashtra has two separate Acts - one for the village panchayat and another for the Panchayat Samithis and Zilla Parishads. Both the Bombay Village Panchayat Act, 1958 and the Maharashtra Zilla Parishads and Panchayat Samithis Act, 1961, were amended in 1994 bowing to

the 73rd amendment of the constitution. 72 sections of the Village Panchayat and 47 sections of Zilla Panchayats and Panchayat Samithis Act were amended, mainly to remove the inconsistencies between the two.

The requisite changes as necessitated by the 73rd Constitutional amendment were minimal. The provisions of reservations for women was enhanced, reservations for the backward classes were introduced. Certain other changes, relating to the State Finance and Election Commissions were made. An independent election commission, with a 5-year term, which facilitates the holding of elections to the panchayat body, is a new introduction. The amendment calls for the constitution of a State Finance Commission, every 5-years, to review and make recommendations on the financial resources of the panchayats.

The state's vision of decentralisation has been elicited by referring to the Act and by holding meetings with both senior and junior officials at the secretariat.

Political Decentralisation

The earlier Acts and the 73rd amendment stipulate that there should be a 3-tiered structure. Accordingly, Zilla Parishad at the district, Panchayat Samithi at the block and Gram Panchayat at the village are in existence. There has been an attempt to create linkages between the 3- tiers, by giving representation to the members of the lower- tier in the higher bodies of the panchayats. The Chairman of the PS are given representation at the ZPs, the committee of Sarpanchs find representation at the PSs, thereby bringing in "organic" linkages between the tiers. The Gram Sabhas form the base of the system.

The ZP is constituted of Counsellors (members) elected directly, the President and Vice-President are elected from amongst the members. The elections were held in March 1997, the state is not due to hold another panchayat election to ZPs and PSs till 2002.

A Counsellor is elected from a population of 36-40,000, with the stipulation that each ZP should have not less than 50 and not more than 75 members. The Chairmen of all the PSs in the district are also members of the ZP. The term of office of the Chairmen and Vice-Chairmen and the members is for five years. The elections of the ZPs and PSs are contested with political party symbols.

The decentralised governance, in Maharashtra, is said to work by what is referred to as the committee system of governance. There are nine subject committees- finance, works, agriculture, social welfare, education, health, animal husbandry and diary, women and child-welfare and water conservation. The Chairmen of the subject committees are the members of the standing committee, constituted one in each district. The standing committee is headed by the chairmen of the ZP.

The chairmen of the committees are empowered with both administrative and financial powers. The standing committees supercedes all the subject committees, it has the power to override decisions taken by the subject committees and provide the necessary checks and balances. The chairmen of the ZP is the ex-officio member of all the subject committees, thereby co-ordinating all the works.

Like the ZP, the election to the PS is political party based. The elections to the members is direct, and the elections of the Chairmen and Vice-chairmen is indirect. There are two PSs, to every ZP. Each electoral division of the Zilla is divided into two electoral colleges. The

population ratio, there by the number of members of the PS are dependent on the ZP. The term of membership is for five years, the President and the Vice-president hold office for a year, on a rotation basis.

There are no committees at the PS.

The number of members of a GP ranges from a minimum of 7 and a maximum of 17, elected from multi-member wards. The Sarpanch is elected by the GP members to a 5-year term. The Upa-sarpanch is also indirectly elected. The 73rd amendment insists on a non-party based elections at the GPs.

The functions of the GP include maintaining cleanliness of the village street lighting, register births and deaths. Several of the development projects are implemented by the GP.

The GS is defined as a body consisting of persons registered in the electoral rolls relating to a village or a group of villages within the area of the panchayat (S.3).

As per the 1994 Act, the GS must be held at least twice a year. There has been a recent amendment in Maharashtra (1999) increasing this to four. The GS functions in facilitating beneficiary selection for various programmes. The audited account of the GP are to be approved of the by GS. The GP and GS are ruled by a different Act than the ZP and PS. There is no specific reason advanced for keeping the Acts separate. The GP Act has been in existence since 1958 and amended from time to time.

There are reservations of seats for the ZP, PS and GP posts. 33% of the seats are reserved, 10% for OBC (which covers as many as 178 caste groups), 13% to SCs, 8% STs/NTs (Nomadic Tribes), 2% to other Nomadic Castes referred to as VSMT (Vimukath Jati Nomadic Tribe).

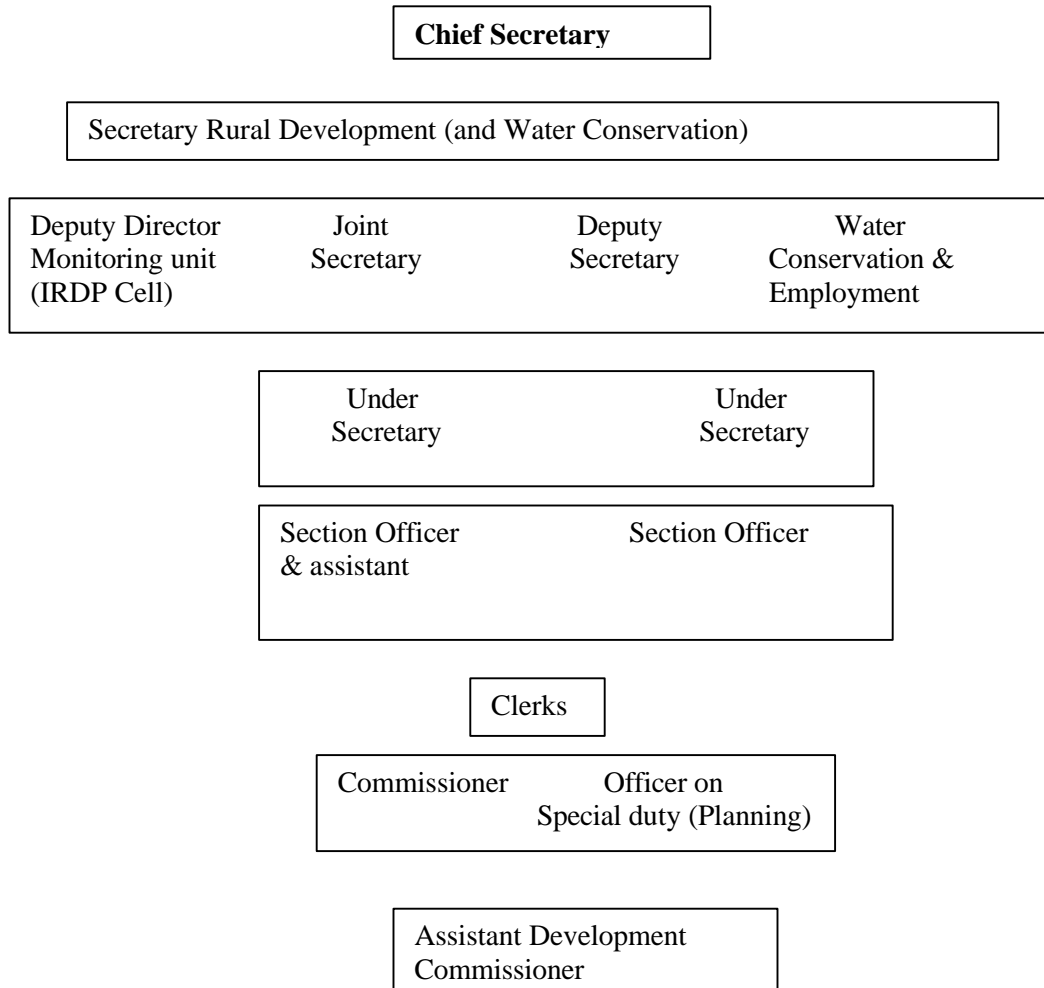
Administrative Decentralisation

Consequent to the introduction of PRI's in 1962, many changes have taken place in the administrative set-up also. Over the years, some modifications have been made changing the strength and composition of the machinery. The system that is in existence pertaining to the PRIs as of now, is explained below :

The PRIs are under the wing of Rural Development Department (RDD). The Minister of Rural Development and the Minister of State for Rural Development, collaborate with the Chief Secretary who heads the secretariat, at Mantralaya, Mumbai. The Secretary of Rural Development (and water conservation) is in charge of both Rural Development and Panchayat Raj. S/He is assisted by four officers-Deputy Secretary, Monitoring Unit, Joint secretary, (as many as seven Deputy Secretaries for SGSY schemes) and an officer for water conservation and employment who is in charge of Indira Awaaz Yojana, JGSY. All four are Class I Officers.

The Commissioner of Revenue, in addition to Revenue, is assigned the task of rural development. In addition, there are two officers on special duty, one for planning and another for employment guarantee (water conservation and employment). The Commissioner is assisted by an Assistant Development Commissioner (RD) and his/her subordinate staff. There is a move recently to replace the Assistant Development Commissioner, with three Deputy Commissioners. These officials are working in Rural Development/Panchayat Raj. The Revenue Commissioner

also has other supporting staff performing other than revenue functions. The Directorate is located at Pune.



Staff

At the district, the ZP is headed by the Chief Executive Officer (CEO) of Indian Administrative Service cadre. S/He is exclusively appointed for discharging rural development functions. S/He is assisted by three Deputy CEO's, who are recruited to the ZP from the RDD, chosen from the Maharashtra Development Service Board. The other officers (7 in member) assisting the CEO are from various Line (state) Departments, their appointments and transfers are with the parent body, the salaries are disbursed by the ZP/CEO from the amount allotted as the salary grant.

The CEO in the administrative line of hierarchy is under the Divisional Commissioner of Revenue. The other important administrator at the district is the District Collector, who is also an IAS Officer, working under the administrative control of the Divisional Commissioner. He is assisted by a sub-divisional Class I officer at the district and Tahasildar (deemed as Class I) at the block level. The Collector, however, is not responsible for the rural development programmes. His role is regulatory, maintaining law and order and the like.

The CEO is also the Chairmen of the DRDA and is assisted by a project officer (Deputy CEO), who is with five Assistant Project Officers of industry, credit, monitoring, animal husbandry and agriculture.

The Block Development Officer is the Executive Officer at the PS. In the same line of hierarchy, are the Deputy Engineer and Block Education Officer (Class I & II Officers), Agriculture Officers (both class II & III), Extension Officers, one each for Agriculture Panchayat and Social Welfare, Education and Health, and a Junior Engineer and Veterinary Officer. They work in-lieu with the officers of the respective departments at the ZP and the state. The BDO is the de-facto head.

The DRDA programmes are implemented by three Extension Officers, one each for IRDP, Statistics and Industries.

Panchayat Samithi

Block Development Officer Deputy Engineer Block Executive Officer

Agriculture Officer
Extension Officer Agriculture
Extension Officer Panchayat and Social Welfare
Extension Officer Education
Extension Officer Health
Junior Engineer (Asst. Engineer)
Veterinary Officer

The GPs are assisted by the Gram Sevaks who are Class II officers appointed by the CEO/ZP. The salary of the Gram Sevak is paid by the ZP, through the BDO. There are as many as 14,007 Grama Sevaks in Maharashtra. The bigger GPs are assisted by the DPO (Divisional Panchayat Officer).

The Class II officers are from the State Line Department (Gazetted). Class III & IV are of the district cadre (non-gazetted), appointed by the ZP, transferred within the district by the CEO. The recruitment is by the Regional Recruitment Board. The ZP is empowered to appoint them.

The District Planning Committee

The government of Maharashtra, placing emphasis on the district as the basic unit of planning and development, in 1974 facilitated the forming of the District Planning and Development Councils (DPDC), and its executive and sub-committees. In view of the 74th amendment, the DPDC's have been dissolved with effect from 15th March 1999, in order that District Planning Committees are formed, with the Guardian Minister of the district as the Chairmen and the Collector as the Member Secretary.

The main functions of the DPC include preparation of the Draft Plan and the Five Year Plan for the district, monitoring and reviewing of development plan, recommending the sanctioned development plan of the district to the state government. The DRDA programmes are also discussed and appointed by this body.

Fiscal Decentralisation

The local bodies receive grants from the state and central government for implementation of the development schemes and programmes. The details of schemes and the budget provisions at the state level can be seen in Annexure I.

The state government releases grant to the ZP, from the ZP the funds are released to the PSs and GPs. The ZPs or the PSs cannot levy taxes directly. The cess on land revenue form the ZPs/PSs “own funds”, for which they are required to pass their budget estimates. The Finance Committee of the ZP performs an important role of scrutinizing the annual budget estimates, income and expenditure of the ZP and PS and perform advisory function.

The GP's have powers of taxation, tax on buildings, pilgrim tax, tax on fairs, festivals and entertainments, professional tax, tax on bicycles and vehicles drawn by animals are some the taxes levied. In addition, a fee on market and weekly bazars, car and tonga stands, for supply of water, for grazing cattles and the like are listed (S.124). The funds collected can be used for purposes of development, at their discretion. The JGSY funds are released directly to the GP's.

The funds are set to be devolved under either transferred schemes or agency schemes. 234 schemes are transferred fully to the ZP, the subjects are enumerated in the first schedule. It covers the list of schemes, referred to as the district list, some of which include education, public health, family welfare, water supply and sanitation etc.

Forty four schemes are agency schemes, the ZP's are given a commission of 3 percent (recently raised to 5 percent based on the State Finance Commission recommendation) for implementing these schemes which cover Employment guarantee, Natural calamities, Arts and Culture, RD programme, Medical and Health, General Education, Family planning, Crop development, MLA fund, Social security and welfare.

Accountability Mechanism

Both the GP Act, and the ZP-PS Act have introduced a number of mechanisms, ensuring both upward and downward accountability.

The heads of the ZP, PS and GP can exercise supervision and control over officers and staff of the panchayat, at their respective tiers. The heads are held accountable to the members of their respective bodies, who can remove them by passing a no-confidence motion, by a vote of simple majority. (S.49). The members, in turn are held responsible for loss, waste or misappropriation of funds, negligence and misconduct by the state.

As measures of upward accountability, the removal of either members, Sarpanch or Upa-sarpanch on grounds of misconduct and/or misappropriation can be done by the standing committee of the ZP. The Chairmen and Vice-Chairmen of the PS, the President, Vice-President of the ZP, can be removed by the state government (S.50). They are given an opportunity to furnish an explanation.

Apart from the Gram Sabhas held at the villages, in Maharashtra, there are Ama Sabhas held at the block level, both of which are considered as important measures of accountability. A few important measures have been introduced by the government recently (GR on 29-05-1999) which emphasises, on the Villager's Charter, with focus on three main issues – that of transparency in administration, right to information and also ensuring organic linkages between

the three tiers. The Charter insists on prominent display of boards at the sites of work costing Rs. 20 lakhs or more. Efforts are being made now to send the audited report of the GP to every tax payer. At both ZP and PS's, special provisions are made to make information available by entrusting a staff to furnish the required information on all aspects of schemes etc., to those who seek it, free of cost. To build linkages between the three tiers, Prabagh Committees are formed at the block level where the ZP Counsellors, PS members and Sarpanchs are invited to participate.

The state also has a Panchayati Raj Committee to review the work of the PRIs. The term of the committee is for a year, MLAs are the members of the committee. The PR committee, after the Legislative Assembly Election held in November 1999 and the subsequent formation of the new government, is yet to be formed. The committee looks into the overall aspects, the state visionaries consider this to be an important body which has facilitated the local self governments.

Area Selection and Field Results

For purposes of the study, Sattara and Chandrapur districts were chosen. The local self bodies are said to be working well in Sattara, which is a "progressive" district in Western Maharashtra. The district has been the base for many leaders to emerge, prominent among them being Chauvan who was the prime force behind the 1962 PR Act Maharashtra. There are 11 Panchayath Samithis in Sattara, Karad one of the biggest and Patan which is relatively small were chosen, in Karad, Umvraz and Vasanthgad GPs were visited.

In total contrast to Sattara, the district of Chandrapur which is one of the most backward district of the state was selected for field study. Chandrapur is a part of Vidharbha region of Maharashtra. Rajura and Chemmur Panchayat Samithis were chosen. In Rajura, Devada and Chaudha Gram Panchayats and in Chemmur, Bandar and Jamani Gram Panchayats were studied. There was an opportunity to participate in the Gram Sabha held at Nagala village.

(Findings from the Field)

3. SCHEMES AND SECTORS

The sectors are Primary education, Primary health, Rural roles, Water supply & Agricultural extension are said to have been transferred to the local bodies.

There are 64,000 primary schools in the state totally, of which 52,000 are with the ZP. 4,000 are with the Nagarapalikas (Municipal bodies) and rest are in Corporation area and /or private schools. The decision of opening of schools is with the ZP, the guideline to be followed is that if there are no schools in a village with a population of 100 or within a distance of one and a half kilometers from a village, the ZP is authorized to start a school. The priority on where to build a school is decided by the ZP, that is the flexibility it has. The ratio of one teacher for every 15 students proposed at the state has been changed to 30, the move is resented by many.

In the sector of health, some of the schemes are implemented by the line departments and some are with the ZPs. Water supply and rural roads are said to be with the ZP, in essence it means that the maintenance is with the ZP. Village roads and district roads are with the ZP, the rest are with the state.

Administratively, the PS form the lowest management units, for all sectors. The gazetted staff consider themselves to be working on deputation. The BDO is under the CEO of the Zilla.

The administrative control of the staff of the PS is with the BDO. The administrative portion of their CR is written by the BDO and the technical portion is written by the concerned line department heads. The ZP, PS and GP representatives have little say in matters relating to the appointment or transfer of officers. Their request can only lead to a departmental enquiry. For the staff appointed by the ZP, especially primary school teachers, the complaint is that the elected representatives interfere “too much”.

Funds

The budget allocations for sectoral programme are through the line departments. The salaries and funds for the programmes are transferred to the RDD as shadow provision. From the RDD, it is disbursed to the CEO who facilitates the implementation of the programmes. Since the local governments do not have their own revenues, they cannot take up any major work on their own. For major road works, the funds are released by the MLA funds. This is channelised through DPC.

Political Accountability

The administrative hierarchy works as the accountability mechanisms. In sectors like health, the workers at all the levels are monitored by their own departmental staff. The elected representatives have no voice in regulating their work.

The education department has made a provision for forming village education committee at each revenue village, with members elected at the Gram Sabha. They may or may not be the GP members. The states vision consider it necessary to include Sarpanchas in the committee. The committee makes the purchases, also acts as a check on the working of the teachers etc.

The amount for the purchase of teaching materials, chalks, charts, equipments, etc (126 items), is released as salary grant. The Head master and the chairman of the village education committee (not related to the subject committee of either the ZP or GP) hold joint account, they are responsible for the purchase of the products.

The schemes

For developmental schemes the funds are given by the center and by the state governments, many of the central government schemes like the IRDP, JRY, EGS, etc are implemented. The First schedule of the act (S. 100) enumerates the subjects – agriculture, animal husbandry & dairy development, education, medical & health, social welfare, and the like, the schemes of which the ZP executes and maintains. The government transfers such schemes to the ZP.

There are some schemes in education which are worth mentioning. For girl children who attend school regularly.(80% attendance) Rs.1/- is given by the government, if they are from families which are below the poverty line. The amount is released through the PS. This is a central government scheme which was started in 1992.

The education department of the state distributes 3 kgs of rice as an incentive for enrollment of students and regular attendance. The scheme is supervised by the extension officer, BEO & BDO. The scheme of encouraging girl children to save money in post office is exclusive to Maharashtra – Savitri Bai Dattak Palak Yojana, 1994. The review of this programme is done by the BEO attached to PS.

Both preventive & curative schemes are undertaken by the health department. Epidemic control measures, school health programme campaign, pulse polio, various awareness programmes are undertaken at the village level. The panchayats may or may not be involved.

In 1996, water supply department was separated out from the state sewerage board and Maharashtra Jeevana Pradhikar Committee was established. This is a statutory organisation, dealing with water supply costing above Rs. 15 lakhs. Projects costing less than Rs. 15 lakhs is dealt by the ZP. Even when the MJPC executes the works, the operation and maintenance of it is with the PRI. For those executed by the ZP, the officers in charge are deputed by the state governments. The executive engineers of this Board work at the PS.

At the taluk (block) and at the Zilla (district), committees with the local MLA and the Guardian Minister and the chairperson are formed, which scrutinizes the list of formers & recommends beneficiaries to the ZP. The committee gives a subsidy also. This started in 1993 – 94 and obviously undermines the PRIs participation in this programme called Jawahar Wells Programme.

The selection of beneficiaries is done at the GS, say for example for Indira Awaaz Yojana programme, the list is sent to the GP and PS. PS scrutinizes the rules and regulations as prescribed by the DRDA. The Guardian Minister is the final sanctioning authority.

As a part of agricultural extension, implements are distributed to small and marginal farmers, sprinkler distribution, bio-gas schemes for SC/ST are also undertaken.

The resources are tied, as they are released for implementation of a specific scheme. The 10th Finance Commission Fund is spent mainly on the construction of school building. The funds for this, as well as SGSY are released by the DRDA. The additional CEO, in charge of the DRDA facilitates in preparing estimates, valuation & supervision of work. Indira Awaaz Yojana resources are spent on housing.

4. THE ZILLA PARISHAD

The elections to the ZPs, after the 73rd Constitutional Amendment, were held on March 2nd 1997, by the State Election Commission (earlier the Collector facilitated). The elections are held with political party symbols. The counsellors of Sattara are in favour of this, as the chances of winning the elections are more. This however leads to the majority of the decisions being exercised, directly or indirectly by the political party. This could even relate to the decisions regarding the selection of chairpersons for the different subject committees and the like.

The Position :

1) Number of ZP's	33	
2) Number of Seats	1930	
3) Total Reserved for SC	223	
<i>women</i>		74
4) Total Reserved for ST	259	
<i>women</i>		86
5) Backward Class	521	
<i>women</i>		174

6) Open category	927	
	<i>women</i>	309
7) Vacant Seats	216	

The state politics has an important bearing on the functioning of the ZP. The Legislative Assembly Elections in Maharashtra (held in November 1999), and the split of congress into Cong-I and the Nationalist Congress has allowed for subtle changes to be reflected at the ZP. The ZP meeting held in Sattara after the formation of the state government in December, can be cited as an example of this. The meeting which would generally take 2 hours, lasted for 7 hours. The next round of PR elections would obviously reflect the changes in a more pronounced manner.

Political party breakup (elections held in March 1997).

Total seats	1762
Shivasena	266
Barathiya Janatha Party	222
Indian Nation Congress	858
RPI	27
Janata Dal	34
Independent	354

(**Note:** There is discrepancy in the total seats between the two tables).

The decisions taken at the meetings are almost always arrived at by consensus, no voting has taken place so far, either in Chandrapur or Sattara ZPs. The Act, however specifies for a majority votes of the members present, and a quorum of not less than one-third members in each of meetings (S.111).

The ZP Act provides for, by and large, a committee system of governance. The subject committees are considered ways of furthering decentralisation. There are as many as nine committees in Sattara, with not less than eight members in each, thus allotting various functions among the 66 members. Each of committees are specialised, having their own boundaries. The powers and functions of the committees are said to be limited. The suggestion (made by the members of the ZP, Sattara) is that the powers given to the committee should be furthered, the task of purchase of materials made by the government under certain schemes, should be assigned to the committees, as this would improve the quality (of purchase). Although the committees are working effectively, one cannot consider them as the essence of the panchayats, as visualised by the state.

A standing committee meeting in progress was observed in Sattara. The standing committee supersedes the subject committees. Some of the ZP members are elected to the standing committee, the chairperson of the subject committees are ex officio members of the standing committee. Some of the important policy decisions are taken here, (**Keith, need to get details**). The committee is entitled to approve sanctions worth more than Rs.10 lakhs. The officials are expected to participate and answer all queries which arise.

The Act specifies holding of ZP meetings once in three months, in Sattara, it is held within two and half months time. The subject committees meet more often. There are also informal (non-statutory) meetings called for, either by the CEO or the chairperson, to discuss the progress of the works done, future course of action etc, clearly indicating the seriousness with which local governance is looked at.

The ZP Presidents are given the status of the district minister, consider their present position as vital in strengthening their political careers. The local bodies in Maharashtra have been considered as platforms of training in politics. In Chimoh, for example, a person has risen from being a Sarpanch, a PS member, ZP member and an MLA., all within a span of four years.

The term of office of one year of the President and Vice-President is too short, the elected representatives (and the state officials) consider a two and half year term to be more reasonable. The representatives are of the opinion that the state politicians deliberately introduced this, in order to curb their power and authority.

Administrative Control

The staff of as many as 29 departments have been transferred from the Line departments to the ZP. All of them consider themselves as state government employees, on deputation (to the ZP). Two lines of control exist, one exercised by the state departments and the other by the ZP.

The CR is written by the CEO, the salary component is met with by the state departments. The district collector can review the work of the local bodies, call for records. S/He is also responsible for holding of panchayat elections, on behalf of the State Election Commission.

The DRDA schemes remain separate, the DRDA staff are answerable to the Commissioner, RDD. The schemes are to be approved by the Guardian Minister, who heads the committee of DRDA under DDRC.

The Chief Planning Officer is with the Collector, Planning remains outside the purview of the ZP.

The DPC

The earlier DPDC continues to exist, only the nomenclature has changed. The DPC is headed by the Palak Mantri (guardian minister of cabinet rank), the MLA's and MPs are members. The president of the ZP is also a member. He is often overshadowed by the other political leaders. This was made obvious in the DPC meeting attended (10.1.2000) at Sattara. The allotment of funds and other benefits in favour of the ZP as decided by the DPC, depends mainly on the bargaining power and the political links.

The balance of forces would have been more in favour of the local bodies, with president as made the chairperson of the DPC, as visualised earlier by the state. The state officials agree to this.

The vision also states that, as of now, the DPC do not take away the roles and responsibilities which are with the ZP. However, the additional roles and responsibilities assured to the local bodies, making the president of the ZP, the chairperson of the DPC, has not been forthcoming.

The argument in favour of this body in its present composition also originates from the state's vision of facilitating the roles played by the Minister and the MLAs, which is inevitable in a democracy. The state officials also argue that the Guardian Minister is a minister elected from another constituency, to that extent, his interest and control is reduced. The DPC meetings are

held once in three months, the Palak Mantri is unable to meet the bureaucratic on a day to day basis. This causes considerable delay as proposals remain pending.

Fiscal Decentralisation

The local sector budget is 8% of the total state budget (Source : RDD, Members). The revenue of ZP is from grant-in-aid and also own resources. The ZP gets grant-in-aid as plan grant, purposive grant for a specific programme, mainly for maintenance of roads, buildings etc., and for salary, office expenditure (non-plan).

The ZP's own resources comprises mainly of land revenue, stamp-duty and sale and purchase of property, revenue from the forest. The taxes/cess are not collected directly by the ZP. The revenue authority collects the cess on land revenue, the stamp duty is collected by the Registrar of land. The share of the ZP is given by the government, called the assignment or compensatory grant. Half-of of the amount remains with the ZP, and the rest with parent body.

Only the implementation is with the ZP, the personnel to facilitate the implementation is provided by the state departments. From its resource, the ZP meets the costs of honorarium, travel and other allowance and vehicle maintenance.

The salaries of the gazetted officers working at the ZP are covered by the state government budget (State Sector Expenditure).The amount is given by the Directorate of the different state government departments to the CEO who disburses it. The non-gazetted officers (Class III and Class IV) of the state government departments working at the ZP, like Public Health, Water Supply, Agriculture, Education, Social Welfare (Tribal Developments) departments (which implement scheme through the ZP), their salaries are met by the (local sector expenditure), salary grant of the RDD for which shadow provision would have been made.

The flow of resources and its control are decided at the higher level. The ZP has no major role to perform in deciding the budget.

The finance (subject) committee of the ZP discusses the budget and makes modifications. The guidelines as prescribed under S. 100 are adhered to, while prioritising the ZP's "Own budget", which pertains to its own resources comprising mainly of land revenue, stamp duty, sale and purchase of property, revenue from the forests. The monies are collected by the treasuries which remain with the collector, the CAFO collects it from the Collector for disbursal.

The CEO can take decisions for sanctions worth Rs. 6 lakhs, without having to seek the approval of the ZP members. This has been increased from 1 lakh (1999). The subject committees can approve of sanctions worth 6 to 10 lakhs of rupees, 10 to 20 lakhs of rupees can be approved by the standing committees, 20 and above by the ZP General Body. The states vision points out the reason for this autonomy as one of reducing delays. However, the elected representatives allege that this is introduced deliberately to reduce their roles. The amounts, for which decisions have to be made is generally on the lower side, giving the officials an upper hand. Also the budget is split into smaller components, in order that they minimise the importance of the elected representatives.

Some of the ZP's have tried to introduce flexibility in using the funds. The non-recurring expenditure of the ZP's fund is divided equally among the members, the amount is to be utilised by each of them for purposes of development. In Sattara, this amount is much as Rs. 1.5 lakhs (1999-2000). The members utilise this for development works, of their constituency, they are

bound by the guidelines laid down in the Act. The flexibility pertains to prioritising, within the prescribed framework.

The local sector budget is 8% of the total state budget.

The Zilla Parishad own resources are very meager. On the basis of the average of last three years, the overall picture that emerges for the state:

Sl.No.	Own resources	Zilla Parishad name	No of Zilla Parishads
1	Upto Rs. 1 crores	Ratnagiri	1
2.	1 to 2 crores	Sindhudurg, Aurangabad, Jalna, Beed, Osmanabad, Latur, Wardha & Buldhana	8
3.	2 to 3 crores	Raigad, Dhule, Nandurbar, Parbhani, Nanded, Nagpur, Chandrapur	7
4.	3 to 4 crores	Thane, Nashik, Solapur, Yavatmal and Bhandara	5
5.	4 to 6 crores	Jalgaon, Ahmednagar, Satara Sangli, Kolhapur, Akola, Amravati, Gadchiroli	8
6.	6 to 9 crores	Pune	1

Source : RDD, Mumbai

The state government transfers monies either as agency schemes or as transferred schemes. There is more budget in transferred, than in agency scheme. For eg. In Sattara, the amounts are 136 and 25 crores of rupees respectively.

The budgetary summary of the state for transferred agency schemes are depicted in Annexure II & III.

Accountability Mechanism

The mechanism of accountability prescribed at the ZP is limited. The councillors are held accountable, if they are non-performing and /or if they have misappropriated funds. The councillors consider themselves to be accountable on grounds of non- performance, to the people who voted them to power. The chances of getting re-elected would be remote. The accusation of misappropriation of funds are directed only to the administrators, who are answerable to the higher ups in the hierarchy and not to the representatives. The representatives do exercise indirect control by effecting transfers or building pressure which would reduce the salary increments. These measures are considered inadequate, as the CRs are written by the CEO. The CR of the CEO is written by the Commissioner, the review is by the secretary.

The ZP President are in favour of writing the CRs of the CEO. There was a united effort made by the Presidents to this effect, but this did not achieve the desired results. The Presidents feel that they have been given the status of the Minister of State, without powers.

The Act also specifies for the removal of the President, by the members, by a vote of simple majority. This does not get implemented as the term of office of one year is considered too short. Also if there is a single party, which is in majority, such a question does not arise at all.

Display of Boards at various places of work, which is of recent introduction, also acts as a mechanism of accountability and information.

5. PANCHAYAT SAMITIS

The elected body at the level below the district is the Panchayat Samiti, with the members elected from an electoral college of 15,000 to 20,000 population. Each ZP has two PSs, there by making the PSs dependent on the ZP. The number of members elected to a PS is dependent on the number of ZP members.

The functions of the PSs are executed by the BDO, with the help of extension and other officers. These functions are mainly related to water supply, health and sanitation, agriculture, education , construction of school buildings. Unlike the ZP and GP, the PS do not function through Committees.

Political control

The PSs are given equal importance, as that of the ZPs and GPs, as per the vision presented at the state. A few of the PS members (Karad) however feel that they are elated, as if “sitting on a horse”, but the whip is not with them, it is with the administrators. The PSs are more like consultative committees . The PSs arrive at sound policy decisions but “no one listens”!

The Position:

1. Number of PSs	320	
2. Number of seats	3860	
3. Total Reserved for SC	447	
<i>Women</i>		149
4. Total Reserved for ST	518	
<i>Women</i>		173
5. Backward Class	1042	
<i>Women</i>		347
6. Open category	1853	
<i>Women</i>		618
7. Vacant seats		215

Political Party Break-up

(elections held in March 1997)

Total Seats	3524
Shiva Sena	569
BJP	489
INC	1521
RPI	61
JD	90
Independent	790

(*Note*: There is discrepancy in the total seats between the two sets of figures).

Reservation of seats for the Chairmanship of the PS is not approved of by the majority. In cases where the leadership is ineffective, the BDO or the Upa-sabhapathi are found to perform the role of the Chairman.

The work of the PSs suffers due to the one year term (rotation), the phase of work which is said to be slow, is further slowed down as the officials use this as an excuse.

All the PS members, both at Patan and Karad, are members of co-operatives, which according to them, has become an integral part of their life. The experience of working in co-operatives has allowed them to understand the work of the PS better. It has built-up leadership qualities and facilitates rapport buildings with people. In turn, their participation at the PSs has helped them in overcoming administrative constraints. They are more aware of compulsions and restrictions placed by the law, as well as the procedures to be followed.

Administrative Control

Shasanapalyadhari programme can be cited as a mechanism for improving the delivery system by increasing the efficiency of the administrators. This, the government-at-your-door-step programme, was introduced in order to infuse enthusiasm into bureaucratic working and to improve efficiency in serving people. Both BDO and Tahasildar visit eight villages in a month, with their staff, note the complaints and requests of the people, attempt to solve it instantaneously. The work would cover various aspects from issuing Birth and Death certificates, mobilise small savings, select beneficiaries for SGSY programmes, some of which are obviously related to the local-self governance.. The meeting of the officials and the people is arranged by the Talati (working under the Tahasildar/Collector) and the Gram Sevak, with the consent of the Sarpanch.

The initial enthusiasm with which this worked is said to have waned, as it has become a routine. Also, in many cases, it was realised that people's problems cannot be solved on the spot. If the BDO does not convene the Shasanapalayadhikari, he is answerable to the CEO.

A few points were raised by the PS members of Karad relating to the administrative machinery, the important one being that there should be co-ordination between the staff of the different line departments and the BDO. The dual line of control between the PS officials and the state line departments is resented, as it creates friction. The administrative part of the CR is written by the BDO, and the technical part is written by the line departments. Some of the departments have remained outside the purview of the ZP, and with the line departments. Irrigation, soil conservation, registrar of co-operatives, and many more departments are cited as examples. Between the two lines, one with the Collector and the other with the ZP, the Collector (and Tahsildar) is considered superior as they perform law and order functions.

Prabhag Committee

In order to build-up organic linkages, between the different tiers, Prabhag committees have been formed. This is new in origin, one committee is constituted in each ZP members constituency (there are 12 in Karad PS). The Prabhag committee replaces the earlier 5 – member Sarpanch committee in which the Sarpanchs were going to the PS, to build up linkages, express their grievances and so on.

A Prabhag committee meeting was observed at Mallarpet GP.

The Prabhag committee has a mixture of representatives, ZP and PS members of the area, Sarpanchs of the area, as well as the administrators of the various departments. The agricultural officer calls for the meeting as the convenor. The ZP member of the area is the chairperson.

The committee acts as a measure of accountability to the officials working with the PS and GP. Immediate answers are elicited thus avoiding delays. The government schemes are discussed, implementation question, and feed back is obtained from the officials. The priorities of the lower level bodies are conveyed to the ZP member.

Because the administrators are questioned, they are unhappy. The committee, however, is functioning effectively and does provide a link between the tiers, thus fulfilling the objective with which it was evolved

Fiscal Devolution

Various funds are transferred to the GPs from the ZP through the PS. The funds are not channelised directly to the PS. However, the PSs also have their “own funds”, like the ZP, which are utilized following the prescribed guidelines. The amount collected is channelised in such a way that there is enormous delay by the time it reaches the PS.

The income and expenditure details of two of the PSs are given in the Annexures.

Accountability Mechanism

Ama Sabhas are considered to be the accountability mechanisms for the PS, and are said to be comparable to GS. The Sabha is held once a year, convened by the BDO, with the PS Chairman as the Chairperson. The MLA of the area is the President of the Sabha. ZP President, all Sarpanchs of the area, officers of the both the PS and the line departments are participants.

The PS members presence in the Sabha is compulsory, they however have no role to enact. The Sabha performs the important function of holding the administrators responsible to the people's query. The MLA, who chairs it, ensures compliance from the officials and continuity of work. To this extent, the Sabha remains effective. The presence of the MLA is however said to reduce peoples participation. The jurisdiction of the Ama Sabha is large – a block has 210 villages- it may be more advantageous to bifurcate this.

Often, the complaints are lodged by either the PS members or the Chairman, if they are dissatisfied with the functioning of the administrator. Enquiry is held by the department concerned, the holding of the enquiry or the outcome are not made known to the compliant.

The members of Patan PS cite an example, at the time of holding pulse polio programme, two of the health workers absented themselves on two days, a complaint was registered, to this day they remain unaware of the outcome.

The main string of accountability which is strong, operates downwards, with the representatives considering themselves answerable to the electorate, they are conscious of the remote possibility of being re-elected, if they do not perform. The other line is that of the political party, the leaders of which exercise considerable power and control over the representatives.

6. The Gram Panchayat

27,560 village panchayats have been voted to power, in Maharashtra, in elections separate from the ZP-PS elections. The number of members of a GP ranges from seven to seventeen. The boundry of a GP varies from one to many villages. The trend now is to have a GP at every village, whatever is the population. This, the state administrators believe, would usher in the concept of a village as the basic unit of development. The request for such a move has also come from the smaller villages, which are otherwise marginalised, in comparison with the bigger ones, with which they are clubbed.

Eight GP's in the two districts of Sattara and Chandrapur were visited, in order to understand their functioning, the fund and the staffing pattern, the accountability mechanism and the political control exercised. Some of the issues emerged are discussed below. The dynamics of the rural society becomes more obvious, when placed in the closer set-up of a Gram- the village.

Political Control

The elections to the GP are fought on non-party basis. However, every member has affiliations with one of the political parties. The political big-wigs in the village remain the king-pin makers, exercising considerable power and force on the elected representatives. The decisions on who should contest the elections, who should be noted to power as Sarpanchs, heads of different committees, and such other decisions are exercised by the party's 'Pramuk' (leader/s). Although the members argue that the "outsiders" have no control on decisions regarding the selection of beneficiaries for various programmes, arrived at the GP meetings, it is difficult to accept it. One may also argue that there are no major decisions or development works undertaken in the GP, which invites day-to-day involvement. Nevertheless, the GP's are watched and pulled up by the political parties, whenever the need arises.

The party leaders intervention at various decision-making processes have to be heeded to, as their support is needed for the next round of elections. The question may not be one of interference from "above" but of expecting subservience.

The MA's shift in the political party determines the affiliation of different members. In Wanzol GP of Sattara district, informal meetings are held at the village to decide on which party to support, in the next round of elections.

The GP meets regularly, once every month. The decisions are arrived at, based on consensus. The GP's, with multi-party leanings, may not need to seek the vote of a majority before resolutions are passed, then when compared to panchayats with a single party backing. One does not hear of many instances where decisions are not reached amicably.

The seats of both the Sarpanch and Upa-Sarpanch are reserved for various categories- women, SC/ST's, on rotation basis. This has enabled the earlier marginalised sections to occupy prime positions in the political bodies. This provision is however resented by many, the non or ineffective performance of this group, are cited as examples to argue against this. There are instances where the Upa-sarpanch is found to step in to perform the role of the Sarpanch. The Upa-Sarpanch of Vasanthagad village runs the panchayat, he was the Sarpanch of the village for 15 years, now a women heads it. What needs to be emphasised here is that although the control continues, the chain has weakened .

Low level of participation by women representatives is attributed to their low education level. The argument that, given a caste group, the educational level of both men and women are not glaringly different is also conceded to, with reluctance. There seems to be an increase in awareness, on the importance of education, for both women and men. Whether this would result in positive changes in the next round of elections remains to be seen.

The decision-making capabilities of the members from a lower caste group is often determined by a host of factors, both economic and social. The sub-caste factor, within a particular caste, further divides the social structure. For eg., in Maharashtra, the Adivasis (Scheduled Caste) have many sub-groups ---the Mahars, Chamar, Holla and many more. Large scale conversion of Mahars into Buddhism in the 1950's, have allowed for the category of neo-Buddhist, to surface. Some of the neo-Buddhist, while following the religion prescribed by Buddha, consider themselves as Mahars, for purposes of availing benefits. This defeats the very purpose of reservation.

Ramesh Bhodake is a member of Malarapet gram panchayat. He is a Mahar (Sub-caste of SC). But he considers himself as a 'Boudha' (neo-Buddhist). His grand father converted to Buddhism, in order to improve the family's social status. Ramesh Bhodake points out that the conversions has indeed brought about a change in the status, people treat him better now they do not address him by his caste name. Economically, it is more beneficial to remain an SC. Bhodake insists that he would remain a Buddhist, if compelled to choose between the two, despite the benefits he gets being an SC including, the seat to GP.

Obviously, being a part of the political process does not ensure social mobility, thus restricting the results of reservation.

Of the sub-divisions within the Scheduled Tribe category, three main groups are visible in Maharashtra - Gond, Kolam and Pradhan, of which Gonds are considered superior. Devada village in Chandrapur district has a population of 2530, 1266 of whom are STs, among them 600 are Gonds, 400-Kolams and 60-Pradhan. With the seats being reserved to the ST's, four seats are occupied by the Gonds, although Kolam's are also preponderant in number. The member chosen from this ward (a women) said that she was supported by the Kolam's, who do not consider themselves to be adequately equipped to be a part of the political process. Thus, we find inequality continuing to exist, in a system which attempts to create equal opportunities. We do not however how common this is. Kolams also shift from one village to another, when there is death in the family.

Local self-governance is said to reflect local needs and priorities, this does not always happen. An example of Showchalaya scheme (construction of latrines) was cited, for which the government provides a subsidy of Rs. 3500/- The scheme specifies that a certain number of OBC's should be given priority. In places where the OBC's are not preponderant or are unwilling to avail this, the amount lapses, though there is a demand placed by the others.

Jamani is a goda (basta/hamlet) with a population of 361, it is a ward of a bigger GP of Madanapur with 2014 population. It is a remote village, located in the middle of the forest, adjacent to Thada tiger sanctuary, Chandrapur. There are two GP members from here, one of whom is the Sarpanch (women). The Sarpanch walks to the main village, located at a distance of 12 kms, to attend the GP meetings. The meeting is never convened in Jamani as the other members refuse to travel in the midst of thick forest.

The village is non-electrified, the forest department officials do not allow electric lines to be drawn. They also do not allow the villagers to transport bricks, cement and other construction materials.

There are no health facilities here, no roads either. The tigers eat livestock, destroy crops and human beings too. There is a school building and an anganwadi; the teachers however are irregular. The Sarpanch does not wish to complain about this, as a newly appointed teacher may be even more irregular.

The only priority of the two GP members and the villagers, is for the rehabilitation of the village. They do not want anything else, other than this. The schemes and programmes of the panchayat are of no relevance here.

People's expectations have increased further constraining beneficiary selection. To select 10 out of 100 aspirants becomes a difficult task. To avoid conflict and unpleasantness, some of the GP members confess of not disclosing the details or the availability of the scheme. The Umvraz GP of Sattarra district, Indira Awas Yojana scheme was sanctioned for ten beneficiaries. There were 100 contenders. The GP faced a difficult task, in order that they do not build-up the resentment of many, they decided not to disclose the scheme. The Sarpanch and Upa-Sarpanch took the decision of selecting ten beneficiaries. The decision-making choices gets confined to a few GP members.

The GP and PS's political lie-up ensures information flow and flow of funds from the higher to the lower level.

There are programmes, other than what is prescribed to the GP, which reflect the villagers ingenuity and need. In 25 villages, within the jurisdiction of Rajura block, informal group discussions has led to the formation of grain banks.

An informal committee of three to five members is formed in each village, the committee encourages the villagers to contribute grains, takes the responsibility of storing it and distributes it to those in distress. Those who avail this are expected to return one and a half times more than what has been availed, when they harvest the crops, as interest.

Administrative control

The GP's are supported by an Executive Officer, who is responsible for three to four GP's. Much of the delay in implementing the plans and programmes is also attributed to this disproportionate number. The EO's union in Maharashtra which has been in existence over years, have been effectively representing the demands of better salary, and the like.

The GP has no control over the functioning of the EO. The EO's are appointed by the ZP, the bigger GP's also have Karmacharis who attend to the work of cleaning, etc.,. The GP's consider it necessary to have the authority to appoint the EO's.

The subject committees, which work in full swing in the ZP, are either partially functioning or totally absent in the GPs. In Devada GP, the subject committees have not been formed, the members do not think that there is any time stipulation for this. The Act does not specify any either.

The effectiveness with which the committees function, even in the limited capacity as advisory and supervisory bodies, remain questionable. This is especially true of the GP's visited, in majority of them, where it has been formed, the members are not even aware of the number of such committees formed. There has been instance, however, where the Sabhapathi of education committee, has evinced a keen interest in the working of the school. The supervisory activity also involves keeping a vigil on the free distribution of rice to the students. However, his role does not have the effect of curtailing malpractices, etc., if any. Also each of the schools have a village education committee, which supercedes the functions of the GP's education committee.

A committee which is considered to work effectively is the water supply committee. The committee is involved in getting water quality assessed, in enabling the purchase of cleaning powder, etc., The decisions regarding the functioning of the committee are taken by the Chairpersons of the committee, the members are not usually involved. This is true of all the GPs. As said above, the committees are formed for namesake at the GPs.

Control of funds

The GP's collect the taxes directly, this includes house tax, tax on building, pilgrim tax, entertainment tax, profession tax etc., (S.124). (For details on the total revenue of village panchayats in the entire state, see Annexure IV)

The house tax forms the bulk of the income. The increase in this, in recent times, has created resentment which the villagers openly express. In Wanzol GP, (of Patan PS), where group discussions with the villagers ensued, the attention was drawn towards this. The house tax was previously collected arbitrarily. Broadly, criteria now is on the dimension of the house, its type and the locality. In effect, the increase has been more than eight to nine times, in monetary terms, than earlier. Although the villagers are aware that the increased revenue would be used for purposes of village development, the sudden increase has turned out to be a burden.

The house tax is difficult to collect, at times, the GP members exercise indirect pressure, the certificates which the GP issues, is threatened to be held back, when the non-tax payers approach them. The villagers would have no choice but to pay the tax.

Cleaning of the village, collection of tax both-house and water, collection of shop rentals and fees from weekly bazar are the main functions performed by the GP. The expenditure of the GP is mainly on street lights, water supply, salary of the workers working at the panchayat. If the cash in flow is high, it is used for road and canal construction and the like. The bigger GP's have a reasonable amount of their "own income", but the expenditure on the salary component and cleanliness is also on the higher side. Mallarapet GP has less money from the schemes than its own funds.

The flow of funds to the GP are: MLA and MP fund, from schemes like EGS, special repair funds, Indira Awaz Yojana. The MLA and MP fund is diverted through the ZP and DPDC, the sanctioning power is with the Collector.

The sanction of the EGS scheme is also with the Collector, the decisions are taken at the DPDC. JGSY and Indira Awaz Yojana are with the DRDA, it is only executed by the ZP/GP. The funds are scheme bound, and are to be used for specific purposes.

The works costing below Rs. 2 lakhs are implemented by the GP, above this falls under the purview of the ZP.

Many of the GP members are not aware of the income and expenditure incurred. The villagers also lack information. The display of information on the board placed before the GP office is not looked into. Those who seek information prefer to get it, from the Gram Sevak or Sarpanch directly.

There is a new scheme which is being introduced in Maharashtra—that of building Gram Sachivalaya, in bigger GP. It is estimated that each building would cost upto Rs. 15 lakhs, the GP is expected to contribute Rs. 3 lakhs the rest would be from DRDA and other funds. The purpose of this building is to create working space for the staff of various department, who would be easily accessible to the public, atleast twice a week.

This scheme, although said to facilitate people's interaction with the various staff who are facilitating local governance, is again a scheme imposed from "above". The GP's fund, which could be used for any purpose, is being channelised to this. In Mallarpet, for eg. a Gram Sachivalaya is under construction, costing Rs. 17 lakhs, DRDA providing Rs 51/2 lakh, and the rest is to be met by the GP by its "own resources". And the GP members are not averse to contributing for this.

Accountability Mechanism

The accountability mechanism works downward, with the elected representatives holding themselves responsible to the people who elected them to power. This is necessary, if elections have to be completed again. The mechanism does not work with the officials being accountable to the elected representatives.

The Act prescribes that the Sarpanch can be removed by the members, with not less than one third of the votes being cast against him, as a motion of non-confidence. S.35 of the Act specifies this. This does not seem to be of common occurrence, in cases where it may be considered essential by the members, reservation of seats restricts the decision.

Bandar GP is located in the reserved forest area of Chandrapur district. Four villages Shivapur, Bandar, Jari and Mangur form three wards of the GP, with 250 voters in each ward. A women heads the seven member GP.

On 30th January 1999, a no-confidence motion was placed by the members with the Tahsildar on grounds of non-performance and misappropriation of funds, against her. She lists building of a school, roads as part of JGSY programme and 27 houses of Indra Awaaz Yogana Scheme. Four members were against her, of the rest one left the village and another had resigned. She alleges that all the four were bought by the Tekhedar (contractor) of the area. The Tekhedar felt let down that he did not give the contract of house construction to him, he was primarily responsible for her contesting the elections.

The Tahsildar submitted the no confidence motion to the Collector. She had brought a stay order from the court. The Upa—Sarpanch substituted for her. On 6th November 1999, the court passed an order, favouring her. The members again went to the court.

The Upa-Sarpanch alleges that all decisions were taken by her arbitrarily, she misappropriated an amount to the tune of Rs.15,000/-. Also, the contract of building houses was

given to her relative, without consulting the other members. For every house built under Indira Awaaz Yogana, she collected Rs.2000/-.

The people of the village accused the GP body of corruption. They have cited this instance at that Gram Sabha. This did not help as the resolutions passed at the GP meetings were not made available. The resolutions, to this day, remain inaccessible. The charges of corruption were raised at the GP, it was brought up again when the audit report of the GP was validated. The villagers feel helpless, GS's remain inconclusive.

Section 39 of the Act specifies the removal from office any member or Sarpanch or Upa-Sarpanch from office, on grounds of misconduct, negligence in the discharge of duties and like. The authority to do this rests with the standing committee of the ZP. The CEO, based on the order issued by the President of ZP, holds an enquiry and submits the report to the standing committee. How feasible this provision is remains debatable. The Gram Sabhas are not considered as bodies which hold either the Sarpanch or the GP accountable.

Gram Sabha

In the Panchayati Raj System, holding of the GS's in one or more villages, at regular intervals, is considered to be the most important accountability mechanism, checking on the performance of the GP's by the larger body of the villagers. The Act makes it mandatory to hold two GS's every year. One in May, where the audit reports of the previous year is presented, and the other in November where the next year's budget and other issues are dealt - with. The GS's also form the platform where the beneficiaries are selected, for schemes like EGS, etc., or the prepared list is ratified at the GS's. This has increased people's expectation. GS's are looked at as opportunities to put forth their demands and share their grievances. Women are reluctant to attend the GS's, as they are to be in the midst of "many men."

A GS may also be held on request, by the BDO/CEO. This is usually convened to select beneficiaries for some of the programmes like SGSY. One such GS in Nagala village was observed, while on field visit, in Chandrapur district.

The GSs remain inconclusive. Like for eg., there were issues raised by the villagers relating to the non-functioning of the Gram Sevak, as also accusations raised against the GP members. The villagers openly expressed resentment on the GP as a body, but no action can be taken. The issue of accountability remains half-baked.

The villagers concede that the audit report is read at the GSs and the beneficiaries are either selected, or if selected earlier by the GP body, ratified at the Sabha/s. They also opine that the officials often misguide them, they do not disclose all the programmes. The lack of information allows the villagers to remain ignorant. On their part, they agree that the GSs are well-attended by them, when there are programmes which benefit individuals than the village/group are discussed.

Gram Abhigyan, a government initiated programme, is held every year from 2nd October to 6th December. The officials take-up the task of making people become more aware of topics such as sanitation, water supply, veterinary services, school development, water conservation, small savings and the like. The programme also encourages local contribution for specific purposes. In Devada village, as a result of this programme, the villagers have contributed Rs. 30,000 for the construction of a class room.

At times, celebration of festivals is taken to mean Gram Abhigyan, as people's contribution is forthcoming, for religious purposes.

7. COMMENTS & CONCLUSIONS

The state of Maharashtra has been one of the first states to introduce PRIs. The system has been in existence for more than four decades. The Institutions have been the political training ground, with many from these bodies having entered state politics. From 1962-1972, the state enjoyed a golden era of decentralised governance, with many progressive measures being introduced. People opted to be a ZP chairperson then an MLA.

It is said that the success of the district administration threatened the state leaders. The draw back was also that emphasis was placed only on the Zilla, the other two bodies were neglected. The importance of local bodies was curbed, with the formation of DPC in the early seventies .

The legislation at difference periods of time has to be studied to analyse the decline and the reasons behind it, it is suffice to note that their have been serious attempts, both before and after the constitutional amendments, placed on decentralised governance. Emphasising on the subject committees, introducing the PR review committee. Prabagh committee to build linkages between the tiers, villagers charter for transparency, can be cited as few examples. Ama Sabhas and Shasanapalyadhari as accountability mechanisms are also exclusive to this state.

However, even in a "progressive" state like Maharashtra, PRI's are looked as bodies which are responsible for the execution and maintenance of development works and schemes. The state makes no bones about the fact that decentralisation is attempted because it cannot deal with all aspects of governance. To this end, the local bodies have become the delivery systems.

The state is also clear that it is "transferring" funds, functions and functionaries to the local governments. Eleven out of twenty nine subjects are said to have been transferred. The high level officials point out that, for eg. Agriculture as a subject, cannot be devolved to the local bodies, as it is a state subject. Only the schemes under the subject can be devolved. The PRIs implement many of the schemes, both central and state schemes.

They are provided with staff to execute their functions. The officials are transferred to the local bodies, they (the officials) consider themselves as being on deputation to the ZP from RDD/state sector. The funds are also transferred. The line departments make a shadow provision for the budgets, pass it on to the RDD at Mantralaya. Only 8% of the total state budget is transferred to the ZP's.

The PRIs said to work with a committee system of governance. This was the vision presented at the state. Although the committees are working well, especially at the ZP, they cannot be called the essence of the PRIs. There are no committees at the PS. The PS members feel that the powers and functions given to them are limited. Both at the ZP and at the PS, the rotation of seats for Presidentship which is for a year is resented. This is said to cause delay.

The GP elections are held on non-party basis. However, because of the decentralised governance, the party politics at the village is getting accentuated. The state politics gets reflected at all the 3-tiers. The split in the Congress and the formation of the Nationalist Congress

led by Sharad Pawar in November 1999 has found reflection at the lower levels, especially at Sattara. Although the subtilities are not pronounced now, it is bound to effect the next round of panchayat elections.

Whatever may be the shortcome, Sthanik Swaraj Samstha (Decentralised Governance) has become a way of life in Maharashtra.

Summary Table of State Decentralization for PRIs/Sectors/Schemes, By Dimension of Decentralization			
PRIs/Sector/Scheme	Decentralization Dimension	State Vision	Field Assessment
DPC/DDRC	Political	The Palak Mantri heads the committee the ZP. Chairperson is a member along with the MLA, MLC's. The visionaries want ZP chairperson to head this committee The DPC has not reduced the role of the ZP but has not strengthened it either.	State's vision has not been implemented. DPC has already reduced ZP's importance. The chairperson fuilly sidelined.
	Administrative	CPO & collector play important role, also DRDA programmes	Planning by this body. DRDA programmes also.
	Fiscal	-	-
	Accountability	Palak Mantri is from another district altogether. His influence is reduced because of this.	Not true as seen when DPC was convened
ZP	Political	Training ground in politics, regular meetings, non-statutory meetings show the seriousness with which local governance is attempted	State politics trickles to lower levels also
	Administrative	Transferred staff from line depts.	All consider themselves as being on deputation. 2 lines of control.
	Fiscal	Transferred and agency schemes. Tied funds To reduce delays, the CEO can take decisions for sanctions worth Rs.6 lakhs.	Dependent on the State and Centre, funds are tied, scheme bound, no autonomy. This is deliberately introduced to reduce the roles of elected representatives
	Accountability	Term on 1 year to short to hold chairpersons accountable CR of CEO by higher authorities.	True, want at least a two & half year term. ZP presidents want to write the CR of CEO.
	Committees	9 standing committees, to deal with various subjects. Further decentralization, have ushered in a committee system of governance.	Committees function well. Cannot be called the essence of PRI. Members want more powers.
PS	Political	PS given equal importance as ZP & GP.	Sitting on a horse, whip with someone else.
		Rotation of seats for presidentship gives equal oppt.	Works suffers, slow phase, further slowed down as the officials use this as an excuse to delay work.

Summary Table of State Decentralization for PRIs/Sectors/Schemes, By Dimension of Decentralization			
PRIs/Sector/Scheme	Decentralization Dimension	State Vision	Field Assessment
	Administrative	Co-ordination of work between line and ZP Dept. Organic linkages by Prabhag Committee	Many departments do not co-ordinate the local bodies, they remain outside the purview of PRIs. Working well, despite resentment expressed by the bureaucrats.
	Fiscal	Funds are transferred to GP's through PS Can use their own funds	Act like post-man Have to adhere to the guidelines.
	Accountability	Ama Sabhas like Gram Sabhas, with MLA heading it as an effective mechanisms The complaints against the officials by the elected representatives is taken seriously by holding departmental enquiry.	MLA's role reduces peoples participation. Limited results with only the administrators being questioned. Departmental enquiry is an eye wash, the holding or the results of which are not made known.
	Committees	No committees at the PS.	-
GP	Political	Non party based elections, as per the amendment Local needs and priorities gets reflected.	Party politics at the village getting accentuated. This does not always happen
	Administration	One EO to 3 or 4 GP's. Causes delays in implementation.	Found true in the field
	Fiscal	House tax has been increased to raise the revenue. GP's own resources are also channelised the new government programme of Gram Sachivalaya.	Resented by many Members do not resent this.
	Accountability	GS forms the base, acts as accountability to GP	Beneficiary selection only, decisions on accountability remains inconclusive.
	Committees	Subject committees function well	Partially functioning or totally absent. Village education committee not attached panchayat work well
Sectors	Political	Subjects transferred to the PR body.	Only schemes and not subjects are transferred.
	Administrative	Transferred personnel from the state	Consider themselves as being on deputation
	Funds	Budget allocations through the line dept. as shadow provision.	True
	Accountability	Decisions by the PRI	Decisions by the state. Centre & state sponsored programmes
Schemes	Political	Spl. Schemes through panchayat.	State & Central government schemes.
	Administrative	Involved in implementing schemes	True,
	Funds	Scheme bound	True.
	Accountability	To follow guidelines	True.

ANNEX I

RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT (Rural Development Department)

Budget provision for the year 1999-2000 (including supplementary provision till October 1999)

SUMMARY

(Rs, in lakhs)

Schemes		Original Budget provision	Supplementary Demand (Oct. 1999)	Total Budget provision till Oct. (1999)
Non-plan		479024.41	2964712.00	508671.53
Plan		17923.08	1735.00	19658.08
Total		496947.49	31382.12	528329.61
Schemewise Break-up				
1.	Interest payment	26216.13	--	26216.13
2.	District Administration	27623.35	271.57	27994.92
3.	Social Security and welfare	227.19	--	227.19
4.	Agri. Research and training	409.87	--	409.87
5.	Swarna Jayanti Gram Swarna rozgar scheme	6871.43	00.01	6871.43
6.	Mah. Rural Credit Project	977.00	---	977.00
7.	Other Rural Development programme	9051.52	1735.00	10786.52
8.	Biogas and improved chullah	600	--	600
9.	Mantralaya level establishment	577.12	--	577.12
10.	Census, Survey and Statistic cell in Mantralaya	23.67	--	23.67
11.	Land Revenue, Cess	4923.32	4396.61	8279.52
12.	Taxation on Vehicle	5.44	--	5.44
13.	Taxes on profession, trades	27.42	--	27.42
14.	Stamp duty grant to Zilla parishads	725.00	--	725.00
15.	Assignment of income on royalty on minor minerals	960.47	--	960.47
16.	Grant to V.P. for payment of electricity bill of street light.	2218.00	--	2218.00
17.	Assistance to VPS in lieu of pilgrim tax.	18.66	--	18.66
18.	Special programme for development of pilgrim places	677.15	--	677.15
19.	Forest revenue grants to Z.Ps	878.42	--	878.42
20.	Grants to V.P. in lieu of Octroi tax	-	439.86	439.86
21.	HRA to Z.P. employee	21.00	--	21.00
22.	Loan to Z.P.s for construction, administrative, residential buildings	250.00	--	250.00
23.	HB/Vehicle/computer advance to Govt. servant	170.30	--	170.30
24.	Temporary advances (ways and means) to Z.Ps for the schemes transfer under sec.100 and entrusted on agency basis under sec. 123 of M.Z.P. and P.S. Act 1961 to ZPs.	413494.83	24179.68	437674.51
Total (RDD) (1 to 24)		496947.49	31382.12	528329.61

ANNEX II

Budgetary summary of transfer schemes (1999-2000) (Rs. in lakhs)

Sl.No.	Head	Establish-ments	Purposive	General scheme	Special component and Tribal Development Scheme	Total
1.	2202, Education	612	230,586	3,068	2,119 1,418	237,803
2.	2210, Public Health	2,026	18,140	4,797	6 2,793	27,762
	2211, Family Welfare		31			31
3.	2215, Water supply and sanitation	1,268		4,847	1,559 1,648	9,332
	3604, Compensession and Assignment		731			731
4.	2225, Social Welfare	262	3,456	201	1,602 39	5,560
5.	2225, Social Welfare		95		695	790
6.	2235, Women and Child Welfare	131	3	443	234	811
7.	2401, Crop Husbandary	4,432				4,432
	2403, Animal Husbandary	702	4,674	406	385 439	6,606
8.	2551, Hilly Areas			11		11
9.	2053, District Administration	26,435				26,435
	2702, Minor irrigation	4,417	235	6,930	118 2457	14,157
10.	2059, Public work	5,410	1,102			6,512
	3054, Road and Bridge	1,530	21,000	1,735	7,076 374	31,715
	Total (A)	47,225	280.053	22.448	22.962	372.688

Annexure III						
Agency Schemes 1999-2000 (Rs. In lakhs)						
Sl.No	Head	Non-plan Grants	Plan Grants	TSP/OTSP Plan Grants		Total
		Establishment	Purposive grants			
1.	2202m General Education					1,040
2.	2202, General Education		580			581
3.	Medical Public Health	754				754
	2211, Family Welfare	1,489	18	5,716		7,223
4.	2236, Nutrition		9,570	7,250	4,591	21,411
5.	2401, Crop Husbandary			6,821	2,374	9,195
6.	2801, Non conventional energy sources				600	600
	Total	2,243	10,168	20,828	7,565	40,804

ANNEX IV

A List of the 29 Subjects from 'ELEVENTH SCHEDULE' (Article 243 G)

Sl. No.	Subject	Present Status
1.	Agriculture, including Agricultural extension	Party with Zilla Parishad
2.	Land improvement, Implementation of land reforms, land consolidation and Soil Conservation.	This is with State Government.
3.	Minor Irrigation Water Management & Watershed Devpt.	Minor irrigation works upto 100 hactres are with Zilla arishad.
4.	Animal Husbandry, Dairy and Poultry	Animal Husbandry is Partly with Zilla Parishad transfer of schemes like mobile propaganda publicity and demonstration units, assistance to the Tribal Students for Veterinary Education also is under active consideration of the dept. Dairying is with State Government Poultry is with State Government
5.	Fisheries	With State Government
6.	Social Forestry & Farm Forestry	With State Government. About 90% assistance is from the World Bank to the schmes from Social Forestry Dept. In this situation it is not possible to transfer these schemes to the Zilla Parishad without prior permission of the World Bank.
7.	Minor forest Produce	Ownership of Minor Forest Produce is given to the Village Panchayats from the Scheduled areas.
8.	Small scale industries including Food processing industries	With State Government
9.	Khadi village industreis and Cottage Industries	With State Government
10.	Rural Housing	With State Government The State Government Scheme The replacement of thatched roofs by Manglore tiles is implemented by Zilla Parishad on agency basis. The Housing and Special Assistance Department is ready to transfer this scheme to Zilla Parishad. Another Scheme of Rural Housing is known as "Indira Awas Yojana". This is a Central Government Scheme. This is implemented through the block level machinery of Panchayat Samitis.
11.	Drinking water	The individual Schemes once prepared are handed over to Village Panchayats for its management and maintenance. whereas, the regional schemes are handed over to Zilla Parishad for its management and maintenance.
12.	Fuel and Fodder	With State Government
13.	Roads, Culverts, Bridges Ferries, waterways and other means of communication	Other district roads of 38553 K.M. Length and major district roads of 20801 K.M. length are with Zilla Parishad for repairs and maintenance. Moreover the major district roads having intensity of 1000 Matric Tonnes per day are with the Zilla Parishad.

Sl. No.	Subject	Present Status
14.	Rural Electrification including distribution of electricity	With State Government and Maharashtra State Electricity Board.
15.	Non Conventional energy sources	The schemes of Biogas and improved Chullahs are with Zilla Parishad.
16.	Poverty Alleviation Programme	Integrated Rural Development and its allied Programmes of TRYSEM and DWCRA are implemented through the block level Machinery of Panchayat Samiti. However at district level there is an autonomous body called DRDA for funding and to oversee the management of these programmes.
17.	Education including Primary and Secondary Schools	Primary schools including Government Secondary Schools are with Zilla Parishad. However the private Secondary Schools are not with Zilla Parishad. All Schools are controlled by the Education Officer. Local level Panchayat Raj Institutions are also running the secondary and Higher Secondary schools.
18.	Technical Training and Vocational Education	Technical Training and Vocational Education is with State Government. However, adult and non formal education is implemented by a separate autonomous and registered Committee. Whose Chairman can be the Chief Executive Officer of the Zilla Parishad, the Collector or Minister-incharge of the district. This scheme can be transferred to Zilla Parishad.
19.	Libraries	With State Government
20.	Cultural activities	Partly with Zilla Parishad.
21.	Markets and Fairs	With State Government and Zilla Parishad.
22.	Health and Sanitation including hospitals	Primary Health Centres Sub-Centres and mobile health Units are with Zilla Parishad.
23.	Family welfare	Two schemes from budget head "2211-Family Welfare" are with Zilla Parishad of which is on agency basis.
24.	Women and Child Development	Partly with Zilla Parishad.
25.	Social Welfare including welfare of the handicapped and mentally retarded.	Social Welfare Partly with Zilla Parishad. However welfare of the handicapped and mentally retarded is with State Government.
26.	Welfare of the Weaker Sections and in particular of the Scheduled Castes and the Scheduled Tribes	Social Welfare is partly with Zilla Parishad.
28.	Public distribution system	This is with State Government. However, it is bring proposed to authorise the Gram Sabha to appoint the rural level Vigilance Committies
29.	Maintenance of Community assets	With Zilla Parishad. Limited to Panchayat Raj Institutions

VI. DECENTRALISATION IN RAJASTHAN

1. INTRODUCTION

General Background

After the 73rd and 74th amendments to the constitution, local government took on a qualitatively different hue in India. The amendments left it to the state governments to decide what functions are to be passed on to these local bodies, and there has been a great variety in the experience of the various states in the 1990s. Thus, there is no unique Indian pattern except within the broad framework of the 73rd amendment: it is the different patterns that are important in understanding how decentralisation functions and works. This paper looking at Rajasthan is a start in that direction.

Local elections have energised the system through new political institutions everywhere in India. Politicians with a strong local base are emerging, with a firm hold in specific places. They have however yet to establish their place in the political landscape, as those who have been occupying that space till now will be loath to give up their power and influence. New conflicts over priorities, ways to set them, and implement them, are coming to the fore. People's expectations have increased, and strident demands are being made on the system. Formerly depressed and excluded groups, thanks to reservations, now have a formal role in the system. Women have become both visible and vocal. Where earlier the state government had a presence in each locality through its officials, now there is a constitutionally elected body representing the will of the people. But the old one has not faded away: both exist.

In this sense, the system now in place is significantly different from earlier experiments in Panchayati Raj in which some states had devolved some powers and functions to local bodies of various types. Now elected bodies are claiming power and responsibility and demanding their own space in local decision making processes.

These are fundamental changes. Development projects are now to be implemented at these levels, and these bodies are likely to play an increasingly important role, especially in the social sector. One should expect tension when such a basic change is put into place. It is not likely that those who perceive a loss of power or prestige, [or those who see their former [low caste] servants or bonded labourers in a position to make important decisions affecting their former masters], will accept all this without any form of resistance. Change of this kind, when brought about by legislation from the top, will have to be fought for by those at local levels who in a sense are also "beneficiaries" of some senior politicians. Those for whom the change is meant will have to earn and establish their right to govern. The picture on the ground may be expected to be a complex one, with much variation across regions, even within a state. All this makes the ongoing decentralisation process in India very important from many points of view. How exactly has decentralisation worked? What do those elected to these bodies think of it? What more can be done? And so on.

This paper on Rajasthan is one of a set that includes six other states in India, and should be seen in that context. The objective at this time is to briefly review experience in each state and flag issues that requires a deeper look. There is no claim at this time to robust conclusions. This

paper is based on secondary sources and visits to Rajasthan in January 2000. The study was undertaken with the full co-operation of the GOR.

Limitations and Constraints

It must be noted that, at the time of the visit, elections to the new panchayat had been notified²². Those who had finished their terms had lost interest, new persons had not yet been elected. All--political people and civil servants--were busy with the election process. It was difficult to find time with the elected representatives for detailed discussions--and even when they gave time, they were often distracted.

And, at the same time, a major strike of government employees had been called²³, and the employees unions and the government were at odds. Senior officials were at work, but their offices were dysfunctional. Getting information and records was just about impossible. In particular, it proved impossible to obtain detailed fiscal data disaggregated by sector and panchayat level. This is a limitation of the work to be recognised at the outset.

The Field Visit Areas

Rajasthan has 31 zilla parishads, 237 panchayat samithis and 9187 gram panchayats. Apart from the capital, Jaipur, the visits included fieldwork in two districts--Jaisalmer in the west and Udaipur in the south. Both were erstwhile princely states that merged into India after 1947. Jaisalmer, especially, experienced much change because its cultural links earlier were with Sind, which went to Pakistan. New links with Jodhpur had to be developed. It is in the heart of the Thar desert, and is huge--it is bigger than Kerala. Udaipur, in the south of the state, is semi-arid, and has a large tribal population. It has some industry, including the large operations of Hindustan Zinc and Rajasthan Mines and Minerals Ltd. For several years, it has experienced inadequate rainfall. The lakes, for which Udaipur is famous, had about a quarter of the amount of water that was normal for this time of the year. Both districts are major tourist centres. They represent two very distinct regions of Rajasthan.

Apart from these two zilla parishads, four panchayat samithis--Jaisalmer and Sam in Jaisalmer and Badgoan and Jhadol in Udaipur were visited. In these districts and panchayat samithis, the following gram panchayats were visited: Sam, Khuria, Sipla in Jaisalmer and Thoor, Kavita, Buwada, Ramnagar-Bhuvana, Deiya, and Loomi ki Gavali in Udaipur. In both districts, the gram panchayats were spread over large distances, consisting of between 3 to 5 villages--and sometimes several small isolated settlements--*dhanas*. There are problems of distance and remoteness that are very real.

These districts were selected in consultation with senior officials the GOR with whom detailed discussions were held. The study was undertaken with the full co-operation of the state government. The gram panchayats visited were selected on the field after discussions with the CEO. Some GPs were selected on a random basis.

Separate meetings were held with the elected representatives at different levels and with state level and local officials. The state's vision of decentralisation described below is based on the explanation given by officials and on official documents. The field report is based on what

²² Due to be conducted on January 28 and February 2, 2000. In spite of the employees strike, they were conducted on schedule.

²³ It was in its fourth week when this fieldwork was undertaken. The impact was clear in Jaipur and the two districts visited. It ended after 65 days with many of the issues unresolved.

was seen in the field. Given the size and complexity of the state, this work is necessarily preliminary.

This paper is organised as follows. Section I is the introduction. Section II deals with the state vision of decentralisation. Section III, based on field reports, is in several parts. Part 3 looks at the various schemes of development in the different sectors. Part 4 looks at the zilla parishads, the District Rural Development Agencies and the District Planning Committees that have recently been proposed in Rajasthan. Part 5 deals with the panchayat samithi--the middle tier--the lowest management unit. Part 6 deals with the gram panchayats and the gram sabhas. Part 7 presents overall conclusions. In each section, the discussion is along three main aspects of decentralisation--administrative, political, and fiscal. In this we look at the factors of political control, funds flow, staff control and accountability.

2. THE STATE'S VISION OF DECENTRALIZATION

Rajasthan's Vision of Decentralisation

The Past System

Rajasthan had a system of local government based on elections at the village level since 1959. This system was put in place after the Balwant Rai Mehta Committee [in the context of improving the Community Development Programme] recommended panchayats be set up in 1957 for improving participation by the people in development works. At the base was a sarpanch, directly elected at the village level. All the sarpanchs in the block together formed the panchayat samithi--one of them was elected as its pradhan. These pradhans then formed the zilla parishad, with one of them being elected from among themselves as the zilla pramukh. Both officials and some elected representatives felt that the "organic" link across levels in this system through the sarpanchs facilitated the co-ordination of activities.

The system is said to have enjoyed credibility because of the stature and probity of the persons elected as sarpanchs in the early days, not from formal power from existing laws and administrative procedures. The state government remained the sole authority in all matters. Given social conditions, these people probably represented a powerful segment of rural society and had good links at the state level. Officials explained that over the years the system decayed as society went through major turmoil in social and political terms and the old social structures began to collapse. Old feudal customs and traditions [in this tradition bound state] began to rigidify, caste distinctions began to blur, and caste differences took on a political colour. The state has faced severe caste, class and communal conflicts, and the sarpanchs, amongst others, gradually lost credibility in the changing context. Elections too were not held regularly, with sarpanches continuing long after their term expired because elections were not held. Legitimacy was lost except for MLAs who continued to represent their constituencies by winning state elections. They began to claim political authority on all local matters--and there was no one around to challenge them.

The result of this was effective power getting concentrated in officials--the collector in the district and the line departments in the capital--under the state government. These bodies were responsible for implementing projects, for disbursing resources, and they alone had access to information on these matters. As local sarpanches lost credibility, these civil servants and MLAs became powerful and played an important and decisive role in developmental matters. This was

the position in Rajasthan when the constitution was amended for the 73rd and 74th time. This amendment forced some changes on the GOR even when there was no local demand for them.

Constitutional Changes

After the 73rd and 74th constitutional amendments, it became necessary to amend these laws to bring the state into conformity with the provisions of Article 243 of the constitution. These changes were made in 1994 in this background.

Specifically, what was required was:

- ❖ A 3 tier system, with the gram panchayat at the village level, a zilla panchayat at the district level and a panchayat samithi in between at the block level. These bodies had existed earlier, in different form, in Rajasthan. Now each has to be an elected one.
- ❖ A fixed 5 year term for an elected local body. In case of dissolution, fresh elections were mandatory within 6 months. In any case, elections are to be held every five years. The second round of elections has just been conducted [February 2000].
- ❖ A state Finance Commission, modelled on the lines of the central finance commission, to advise the state government on the sharing of resources with the local bodies. While a commission was mandatory, its recommendations were advisory--the state was not compelled to accept them. The first was set up in 1995²⁴. A second state finance commission is expected to be set up soon after the elections to cover the next five years.
- ❖ A state election commission, with autonomy to prepare the voters' list, and to conduct the elections in a fair manner. This commission, in spite of a strike by state government employees, has successfully completed the second round of elections in February 2000.
- ❖ Reservations for SC/ST people in accordance with constitutional provisions and a reservation of one-third of all posts for women. An objective, non-discretionary formula for deciding on the constituencies to be reserved had to be announced. In Rajasthan a system of reservation of constituency by lottery has been accepted.

This required legal modification was made in 1994, and the new system was put in place after elections were held in 1995. Thus all the mandatory provisions from the constitutional amendments were met by Rajasthan by 1995.

In addition, officials explained, Rajasthan included reservations for OBCs, and opted for direct elections for the gram panchayat sarpanch. MPs, and MLAs--where they are registered voters--are members of panchayat samithis and zilla parishads. There are provisions for 3 sub-committees in the panchayat samithi--for finance, administration and social justice. Membership of these committees has been spelt out in the rules framed under the law. It is open to these bodies to invite experts to these committees, but they cannot vote.

²⁴ The SFC pointed out that earlier rules continued to be applicable as new rules had not been framed after the amendment. It recommended that such rules for the three tiers be framed. See Shikha Jha's paper in this series, "Fiscal Decentralization and Rural Local Government: Panchayati Raj Institutions in India" March 20, draft.

Rajasthan has also tried to meet other objectives through the PRI election process. Given the importance of family planning in India, the state law has a provision that those who had a third child after 1994 cannot stand for elections. Now an amendment has been introduced that those who owe money to government bodies are not eligible to stand for election. This is a matter that requires careful study.

A state finance commission was set up in 1995, and its recommendations have been accepted, and acted upon, by the government. The Tenth Central Finance Commission recommendation of a lump sum payment to gram panchayats for maintenance and capital works has also been acted upon.

Thus, by 1995, Rajasthan was in conformity with constitutional requirements of decentralisation after the amendments. Purely in legal terms, it need have done no more.

Greater thrust on Panchayati Raj

It is about four years after this constitutional requirement was in place, and one year before elections to PRIs were due, that the state government decided to increase the thrust on decentralisation by entrusting these local bodies with more responsibilities. [The 73rd amendment left it to the state's to decide what they would devolve]. Officials explained that this happened when a new [Congress] government took office in Rajasthan in 1998.

The officials use the term "PRIs" often as a homogeneous category. When pressed they say "the relevant level of PRI". There are 3 levels: the zilla parishad at the district level, which is a co-ordinating and approval granting body; the panchayat samithi at the block level which is a monitoring and supervisory body; and the gram panchayat at the revenue village level which is an implementation body. All three are elected bodies. At the base are the gram and ward sabhas--the set of registered voters of the area.

That the Gram Sabha is important, officials explained, is evidenced by the fact that the PRI Act begins with the gram sabha [chapter 2]. It is the set of electors in a gram panchayat area to whom the elected representatives are accountable. It is the basic unit of democracy.

The functions of a GS are:

- ❖ Rendering assistance in the implementation of development schemes;
- ❖ Identification of beneficiaries for schemes;--if the GS fails to do this within a reasonable time, the GP may do this;
- ❖ Mobilising voluntary labour and contributions in cash or kind or both for the community welfare programmes;
- ❖ Promoting adult education and family welfare in the area;
- ❖ Promotion of unity and harmony among all sections of society;
- ❖ Seeking clarifications from the sarpanch and other members about any particular activity, scheme, income or expenditure; and
- ❖ Such other functions as may be prescribed.

In the first meeting held in a new financial year, the Panchayat will place before the GS:

- ❖ An Annual Statement of Accounts of the preceding year;
- ❖ A report on the administration of the preceding financial year;
- ❖ The development and other programmes proposed for the financial year;

- ❖ The last audit report and the replies thereto.

In the meeting convened in the last quarter of the financial year, the Panchayat shall place before the GS:

- ❖ A Statement of expenditure incurred during the year;
- ❖ Physical and financial programmes undertaken during the year;
- ❖ Proposals with regard to any changes in the various spheres of activities proposed in the first meeting;
- ❖ The budget of the panchayat as prepared under the provisions of the Act.

Other issues can also be discussed, and additional meetings can be held. The quorum is one-tenth of the members. There is no quorum for a meeting adjourned for lack of a quorum.

An innovation in Rajasthan is the institution of the ward sabha--the electorate of a given ward. Given the vast distances with a gram panchayat, panchs are expected to hold ward sabhas at least twice a year. The recent amendment [January 2000] gives the ward sabha 14 functions. These are:

- ❖ Rendering assistance to the panchayat in collection and compilation of details required for formulation of development plans;
- ❖ Generating proposals and fixing priority of development schemes and programmes to be implemented in the area of the ward sabha;
- ❖ Identification of beneficiaries in order of priority, for implementation of development schemes pertaining to the area of the ward sabha;
- ❖ Rendering assistance in effective implementation of development schemes;
- ❖ Suggesting the location of public utilities amenities, and services like street lights community water taps, public wells, public sanitation units, irrigation facilities etc;
- ❖ Formulating schemes and imparting awareness on matters of public interest like cleanliness, preservation of environment, prevention of pollution, guarding against social evils etc;
- ❖ Promoting harmony and unity among various groups of people;
- ❖ Verifying the eligibility of persons getting various kinds of welfare assistance from government such as pensions and subsidies;
- ❖ Getting information on the detailed estimates of works proposed to be taken in the area of the ward sabha; exercising social audit in all works implemented in the area of the ward sabha and awarding utilisation and completion certificates for such works;
- ❖ Getting information from officials concerned as to the services they will render and the works they propose to do in the area of the ward sabha;
- ❖ Assisting the activities of parent-teacher associations in the area;
- ❖ Promoting literacy, education, health, childcare and nutrition;
- ❖ Exercising check on institutions and functionaries in all social sectors; and
- ❖ Such other functions as may be prescribed from time to time.

The decisions arrived at in the ward sabha are then taken by the panchs to the gram sabha. The GS has to be held at least twice a year on January 26 [Republic Day] and August 15 [Independence Day].

Political Decentralisation

This new thrust, according to the officials, is within the idea of such local bodies being suitable agencies for the implementation of development projects--as enunciated by the Committee to Review the Community Development Programme in the 1950s. The constitutional

concept of "bodies of local self government" does not go beyond this idea of project implementation in Rajasthan²⁵. Schemes of development are designed at higher levels--the union and state governments. Inter-se priorities among them are also decided at these higher levels.

Officials explained that local bodies then are expected to implement them as per norms defined at higher levels. This is expected to improve efficiency. Priority setting, for example, is in ordering projects among villages and within financial parameters, not in choosing across schemes. This is a step forward from the earlier situation in which local bodies had no formal status or role at all.

The GOR set up a High Powered Committee of officials in 1999 under the Chairmanship of the Development Commissioner on Decentralisation of Powers. The recommendations of the committee were accepted on 2 January 2000 and orders are being issued to implement the following changes in the line departments:

- ❖ In Medical and Health, all PHCs and subcentres to be devolved to the PRIs
- ❖ Family Welfare, to be monitored by PRIs
- ❖ Administrative control of ayurvedic drugs of category B--to village level--technical control vests with the Department
- ❖ Non-conventional energy--street lights, windmills, solar cookers--to PRIs
- ❖ Handpump maintenance to PRIs
- ❖ Village Forest Committee will be monitored by GP
- ❖ Transfer of veterinary sub-centres, with staff, to PRIs
- ❖ Fishing ponds, tanks of D category to PRIs
- ❖ Agricultural extension workers to PRIs
- ❖ SC/ST hostel supervision to PRIs
- ❖ Adult and Non-Formal Education to PRIs
- ❖ Anganwadi centres to GPs, CDPOs to PS, district level officers to ZP
- ❖ Irrigation tanks upto 200 acres to PRIs
- ❖ Khadi units supervision to PS
- ❖ Allotment and monitoring of fair price shops to PRIs at all levels

Although orders have been issued, officials felt that since government moves slowly, it would be reasonable to expect that these new changes will become operational by the next financial year--starting April 1, 2000.

Administrative Decentralisation

The existing structure of local administration has been modified to suit the new local bodies. At each level, the elected head--pramukh, pradhan and sarpanch--have been given the authority to countersign cheques of the elected body, along with the administrative head.

At the zilla parishad level, the day to day administration is looked after by the Additional CEO--often an officer of the Rajasthan Administrative Service [RAS]. He is supervised by the Project Director, DRDA, in his ex officio role as CEO of the ZP. He writes the Annual Confidential Report [ACR] of the ACEO. The PD/CEO's ACR is written by the collector of the district. The Pramukh is to supervise the work of the CEO. With the Pramukh becoming the Chairman of the DRDA, both agencies--GP and DRDA--come under the same elected person. It

²⁵ This is in sharp contrast with the vision of states like UP and MP. Please refer to the related papers.

is for this reason that officials say the DRDA funds the ZP. But the division of powers in the DRDA, officials acknowledge, makes the collector the main decision maker. Given the traditional importance of the collector's office, this is how it should be.

The BDO at the middle level can sign cheques upto Rs 2,000/- by himself. It is only higher amounts that need the signature of the pradhan. The pradhan and the sarpanch have no say in the writing of the ACRs of these officials.

The gram panchayat has a *sachiv*--a secretary--who is a government employee, paid directly by the state government. He works under the sarpanch. Cheques have to be jointly signed by the sarpanch and the secretary.

After the PRIs were introduced, the administrative system has been grafted to suit the new dispensation. Senior officials admit there could be anomalies. These will be removed with experience gained over time.

Fiscal Decentralisation

The tables below present the picture of funds available to PRIs in recent years.

It may be noted that there is a difference between what is approved and what is released. In 1995-96, Rs 3344.95 lakhs was released to all the PRIs in the state. There was no shortfall. The shortfall has also been growing in recent years--from Rs. 145.82 lakhs in 1996-97 to Rs 549.80 lakhs in 1998-99. The cumulative shortfall is Rs 840.81 lakhs of rupees²⁶.

Again, item 'e' refers to money transferred for the agency function --the PRIs acting for the GOR. This was Rs 39113.36 lakhs in 1995-96--over 77% of the total amount transferred to the PRIs²⁷. In 1999-2000, this was 72% of the total amount transferred. In 1996-97 this figure was 85%; in 1997-98 it was 71%.

It may be noted that the totals given in the official data do not add up. If the columns are added up, the difference is substantial: in 1997-98, the added total comes to Rs 51060.04 lakhs of rupees while the total given by the document is 61264.35 lakhs of rupees. The percentage given above is from the official, not added up, figure. The reason for this discrepancy will have to be investigated. At the moment it can only be noted, and conclusions drawn with extreme caution.

²⁶ This must reflect the fiscal crisis of the state. The shortfalls result from the ways and means position, in which these funds are released after other more urgent expenditures are met. This too is an indicator of the importance of PRI institutions.

²⁷ This amount rightfully should be classified not as PRI funds, but as state government funds spent by the PRIs in the districts on behalf of the state government.

Table 1: Funds devolved to PRIs, 1995-96 to 1999-2000.

FUNDS DEVLOUTION OF PANCHAYATI RAJ INSTITUTION FOR THE REPRID FROM 1995-96 TO 1999-2000									(Rs. In lacs)
Section 64 of PR Act	Funds received from and purpose of funds received	Nature of Funds	1995-96	1996-97	1997-98	1998-99	Total	1999-2000	Transferred in 1999-2000
1	2	3	4	5	6	7	4+5+6+7	9	10
a.	Contributions and grants, if any made by the Central or the State Government including such part of the land collected in the State as may be determined by the Government	TFC Land Revenue Education Cess	0.00 1792.73 25.00	5305.00 1807.77 28.11	3978.00 1794.06 32.94	5306.00 1794.09 23.51	14589.00 7188.65 109.56	5306.00 1794.09 35.00	0.00 0.00 0.00
b.	Share of taxes or other revenues as approved by the State Finance Commission	SFC	3344.96	3979.52	4399.81	5949.80	17674.09	7767.48	0.00
c.	Contribution and grants, if any made by any local authority								
d.	Loan, if any granted by the Central or the State Govt. of raised by the Panchayati Raj Institution Concerned.								
e.	All receipt in respect of any school, hospitals, dispensaries, buildings institutions or works vested in, constructed by or placed under the control and management of the concerned Panchayati Raj Institution ; (AGENCY FUNCTIONS ON BEHALF OR GOR THROUGH PRD)	Estt. Education	39113.36	46525.76	43824.58	57161.75	186625.45	66004.06	48353.65
		Estt.PRI staff	4061.12	4524.94	5727.60	6973.89	21287.55	8281.84	4260.26
		Hand pump mtns.	684.96	788.00	808.03	1099.02	3380.01	1074.02	537.00
		Rural Housing	791.31	1021.10	297.86	440.00	2550.27	864.61	164.00
		Rural Sanitation	435.81	392.60	355.54	400.40	1584.35	88.71	0.00
		Improved Chullah-CSS	154.82	88.05	31.43	45.00	319.30	45.00	0.00
		Construction of ZP/PS Buildings	95.17	0.00	15.00	10.00	120.17	74.01	0.00
		Rural Group Insurance sch.	4.65	0.00	0.00	0.00	4.65	0.00	0.00
		Contracted Exp.	50.32	0.00	0.00	0.00	50.32	0.00	0.00
	Total		50554.2	64460.85	61264.35	79203.5	255483.4	91334.82	53314.91
Note : The Column total of section e. does not tally except the last column : The actual totals obtained by addition of the figures above are :			45391.52	53340.45	51060.04	66130.06	215922.07	76432.25	53314.91

The Tenth Finance Commission has recommended--and GOR has accepted--that the money given under this head be used for capital expenditures.

The state finance commission has recommended that 2.1% to 2.3% of state revenue be devolved to the PRIs. This is given on the basis of Rs 5.25 per head per village per year to the GP on the basis of the 1991 population. For the PS a sum of 0.25 rupees per head per year has been recommended.

In lieu of octroi which has been abolished, a sum of 375 lakhs of rupees per year is to be transferred to the PRIs. This is to increase by 10% per year.

The budget of the Department of Panchayati Raj, which is the main source for transfer of funds to PRIs, was Rs 900 crores in 1999-2000. Some of the expenditure of line departments is also spent through the PRIs, but the quantum could not be ascertained. This would be classified as state government expenditure in the district, and not as ZP expenditure.

The salaries of the staff in PRIs are the same as GOR staff. This is borne by the GOR. There is no proposal to permit local bodies to recruit and pay their own staff.

The main funds of the local bodies came from the JRY scheme since PRIs were set up. This was introduced by Rajiv Gandhi in the mid 1980s. Of the JRY funds allotted by the Union government, 20% were allocated to the zilla parishad, 15% to the panchayat samithi, and 65% to the gram panchayat. But since April 1999, this has been changed. Today, 100% of these funds--the scheme is now called Swarna Jayanthi Rozgar Yojana--SJRY--go to the gram panchayat. The DRDA has to transfer them by cheque within 15 days of receipt from the GOI.

Table 2: Funds Sanctioned and funds released, with shortfalls

NOTE : 1 A.G BOOKED IN SFC & TFC AGAINST RELEASED GRANT BY GOR AS BELOW :			
UNDER SFC GRANT :	RELEASED BY GOR	AG	SHORTFALL
	AGA/SNT SFC GRANTS	BOOKING	
	(Rs. In lacs)	(Rs. In lacs)	(Rs. In lacs)
1995-96	3344.95	3344.95	0.00
1996-97	3979.52	3833.70	145.82
1997-98	4399.81	4254.62	145.19
1998-99	5949.80	5400.00	549.80
TOTAL	17674.08	16833.27	840.81
UNDER TFC GRANT :	RELEASED BY GOR	AG	SHORTFALL
	Against TFC Grants	Booking	
	(Rs. In lacs)	(Rs. In lacs)	(Rs. In lacs)
1995-96	0.00	0.00	0.00
1996-97	5305.00	5305.00	0.00
1997-98	3978.00	3978.17	-0.17
1998-99	5306.00	5306.00	0.00
TOTAL	14589.00	14589.17	-0.17

Source: Panchayat Raj Department, GOR

Funds from the EAS--employment assurance scheme--are divided between the two lower levels--the GPs get 30% and the PSs get 70%. In this scheme, 60% of the money is to be used for labour--as wages, and the balance 40% can be used for materials. Projects to be financed within this scheme are sanctioned at this level from the shelf of projects approved in the Gram Sabha. There is no "untied" money.

Accountability Mechanisms

At the political level, it is the prospect of re-election that has been cited as the most important accountability mechanism. There is also a provision for a No-Confidence motion which can remove a sarpanch/pradhan/pramukh from office.

There is a provision in the PRI Act for suspension/prosecution of the sarpanch based on complaints after due process. The collector and the government have this authority. It has often been invoked, it is reported, to deal with corruption and other offences. Officials too are dealt with under the normal discipline rules. It was stated by officials that this system works well--and is invoked, it is not a mere paper tiger.

Rajasthan was the first state in the country to enact a Freedom of Information law. This officials said, helps ensure accountability.

A recent innovation [ordinance of 2-1-2000, insertion of section 60-A] is the institution of a Vigilance Committee, which has three elected representatives in a committee of five to look into allegations of misuse etc. These reports will be submitted to the chair of the concerned PRI. The idea is to eventually involve well known NGOs into this committee.

The Local Fund Audit Department audits accounts of GPs. For the PS and ZP audit is by the Accountant General or AG.

The recent ordinance has brought in a section [19 ij] under which those who have overdues to government bodies cannot stand for elections. This has been enforced in the current elections, where the names of candidates have been checked against lists of defaulters. Defaulters are being disqualified. This can be thought of as an accountability mechanism in the sense that those who have defaulted while in office cannot qualify to contest again, because it is an eligibility criterion now.

District Planning Committee

The pramukh of the zilla panchayat has been made the Chairman of the District Planning Committee [DPC] that has just been established in Rajasthan. The DPC has the collector and the CEO as members, as well as the local MP and MLA. The secretary of the DPC is the Chief Planning Officer of the district. The CPO comes under the collector in the district administration, and the collector writes his ACR.

The DPC is to collect plans from the panchayats for rural areas and the nagar palikas for the urban areas and integrate them into a District Plan. This task will be undertaken by the local officials under the guidance of the collector and the PD/DRDA. The draft they prepare will be put up to the DPC and if approved, with or without modifications, it is then to be sent to the Planning Department.

A Steering Committee chaired by the Development Commissioner and with all the concerned Secretaries to the Government in the relevant departments as members has been set up and this body approves the district plans taking the state's constraints into account.

Thus, in the state's vision, it is essentially an administrative procedure within the budget approved by the state Assembly in which the local bodies have little substantive role.

The implementation of the approved plan will be through the PRIs. As the pramukh heads both bodies, this is expected to be a smooth process.

The Panchayati Raj Department is in the process of formulating guidelines and model plans for the DPC. These are expected to help these bodies in their work.

(Report From the Field)

3. SCHEMES AND SECTORS

The PRIs are concerned with the development and social sectors--rural development, education, health, drinking water and the like. Work in each of these sectors is undertaken through different schemes, each with a specific purpose. They are designed and funded by the various ministries of the GOI and sometimes by the line departments of the GOR, which remain responsible to the Assembly on all matters. The vehicle for implementing these schemes is the DRDA. The PRIs are meant to oversee the implementation of these schemes--no more. PRI members can bring to the attention of officials problems that may exist in a specific place where projects are being implemented.

All work at the district level is through schemes--there is no "free" or "untied" money. The District Rural Development Agency was set up in 1980 to implement centrally sponsored schemes²⁸. There was a local DRDA council which consists of district level officers--DLOs--with the Collector as Chairman. MPs and MLAs are members of the DRDA. Recently, some eminent local citizens have also been included.

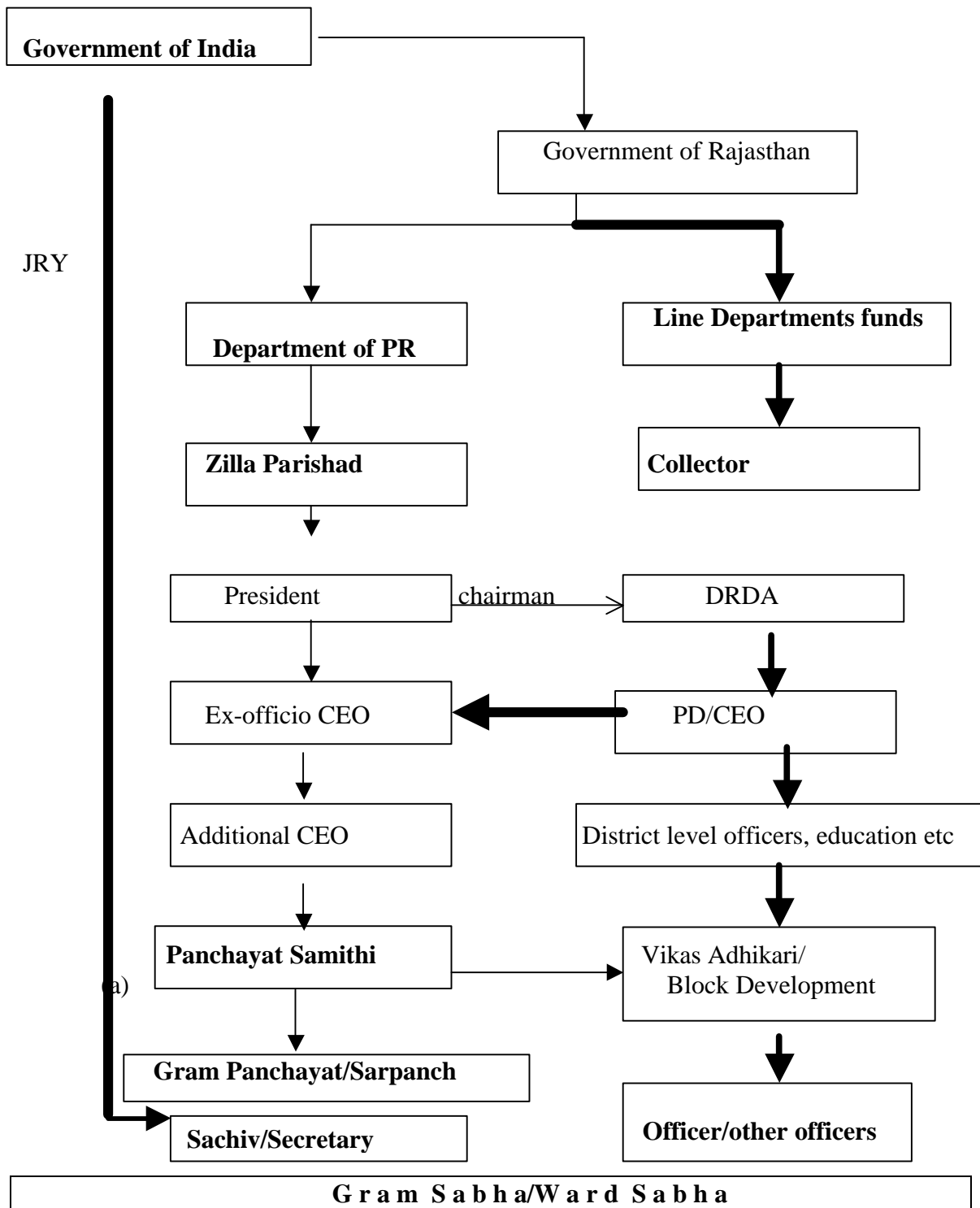
The powers of the DRDA were vested in the Collector as Chairman of the body. For day to day implementation, an Additional Collector [Development]--from the RAS or IAS was appointed to work under the Collector. The DRDA was registered as a society and it received funds directly from the different departments of the Union government and implemented the schemes. It did not have the power to re-apportion funds across schemes. This DRDA is the main agency for implementing development schemes in Rajasthan.

The difference after strengthening the PRIs is as follows. For the last one year, the zilla pramukh has been made the Chairman of the DRDA. The powers of the body have been vested in a new position of Executive Director, and the Collector has been made the ED of the DRDA. The day to day operations have been entrusted to an official of Additional Collector rank [from the RAS or IAS] who is called the Project Director or PD. Since the PD has also been made ex-officio Chief Executive Officer of the zilla parishad, an Additional CEO has also been appointed

²⁸ It was probably set up to enjoy a flexibility that a government department does not have. See my "Rural Development and Other Projects: The Question of Institutions", unpublished 1998. Available in my "Decentralisation from Above: Panchayati Raj in the 1990s", Centre for Budget and Policy Studies, Bangalore 2000.

for the work of the zilla parishad. The CEO is referred to as the PD/DRDA--it is clear where his main responsibility lies. The collector continues to exercise all powers under the designation of ex-officio Executive Director of the DRDA. The DRDA is free to choose the body that implements its projects. In this there is no change. Today, the PRIs are an additional implementation mechanism for the DRDA.

Two parallel structures exist at the district level. The structure of local administration, both political and administrative, that exists today can be shown in a diagram as follows:



Note: 1. While the GP and PS appear below the ZP in the figure it is because that is their position in the project implementation ladder. But the GP and PS are politically not subordinate to the ZP--each is an elected body with its own responsibility. The officials, however, work in a strict hierarchy in the district.

Note 2. The thicker arrows indicate greater importance.

The structure on the right is the old one. The one on the left, with the elected bodies, has been added after the 73rd amendment. Both co-exist in the district.

Through the new roles of the Pramukh [as Chairman DRDA] and the Project Director [as CEO of the ZP], it is believed that the DRDA has effectively been merged with the ZP. The DRDA is now a financing body for the ZP is how the officials described the DRDA. The decisions on what specific projects are to be implemented are taken at the Gram Sabha, forwarded to the PS and ZP, and implemented by them, with financing from the DRDA.

But it could also be argued with equal ease that it is the ZP that has been merged into the DRDA--that would be the opposite of decentralisation. This has to be studied in depth.

In the last year--in fact between July and December, a very large number of Rajiv Gandhi schools--school buildings, to be correct--have been built. These have been sanctioned in settlements--dhanas--where there was no school within one kilometre and where there were at least 25 children who wanted to go to school. A teacher from the GP area [who has passed the 5th class] is appointed on a salary of Rs 1200 per month. After training, he runs the school.

4. THE ZILLA PARISHAD, THE DRDA AND THE DPC

The elected Zilla Parishad is the new kid on the block in Rajasthan districts. Apart from a few routine functions like disbursing pensions, it has had little to do. To keep it busy, it is asked sometimes to take on ad hoc tasks, especially those of the state. One task it has been given is to recruit teachers, according to a prescribed formula--no discretion--for primary schools to be set up under the Rajiv Gandhi mission. The ZP selects the teachers. The PS is the appointing authority, and they work under the supervision of the GP sarpanch.

Political Decentralisation

The elected body approves projects that come to it from the GS, via the GP and the PS. Only these projects can be taken up for implementation in the district. These lists are processed by the local officials who work in the DRDA.

But the decision to fund them, and the priority with which they are taken up, and where, is decided in the DRDA. This is a non-elected body, in which the pramukh is the presiding officer only. Decision making power has not been passed on to the elected body yet.

The DRDA meets at regular intervals, and decisions taken by the PD and the collector are ratified. The ZP on the other hand is different. In Jaiselmer, the zilla pramukh, Smt Renuka Bhatti, lives in Ajmere. Since she is not in town, meetings of the ZP are held rarely--there has been no meeting in the past year. The Up Pramukh, Smt Gangadevi Vyas, said she could not hold meetings because "charge has not been handed over". When it had been for 8 months some time ago, she held 3 meetings of the ZP. This could be the shadow of party/caste politics or simple ignorance on the part of officials who advised her²⁹. Clearly, there is a gap between intentions and reality if Jaiselmer is typical. If the ZP does not meet, it can hardly be effective. Also, it has very

²⁹ Sec 25 of the Act on 'Handing over Charge' refers to members who have been disqualified, not to those who are out of station. The logic at the bureaucratic level may be different, but this is what happens when representatives are solely dependent on local officials for advice.

little money in comparison with the DRDA. Ms Vyas did say, however, that in her view the DRDA must come under the ZP. Today it was a separate entity.

Recently, the Pramukh has been made the Chairman of the DRDA, but the collector continues to exercise powers in the newly created position of the Executive Director. It remains to be seen if the influence of the DRDA will decline in favour of the ZP in the coming months. This is a matter to be watched.

Schemes implemented at the district level in Udaipur are given in the Annexure. This may be taken as typical of any district, with the financial allocations changing in the district. Similar data for Jaiselmer was not available.

Administrative Decentralisation

The official system remains with the DRDA. Most officials wear a second hat as officials of the ZP. The head of the DRDA--the PD--is ex-officio the CEO of the ZP, but he does not run the ZP machinery. That is done by the Additional CEO, who reports to the PD. In Jaiselmer, the ACEO position was vacant. It is only in nominal terms that the ZP is staffed. The diagram above captures this reality.

The main development functions, which had been handled by the DRDA continue to be handled there. The ZP and the DRDA function as different departments, with officials identifying themselves as belonging to the one or the other. Of the two, it is the DRDA that is seen as important.

The PD/DRDA in Jaiselmer conducted monthly review meetings to discuss progress of scheme implementation. This is attended by the heads of line departments in the district, and sometimes by block level officials where problems of some kind have arisen. There are no elected representatives in the meetings. They are never involved in such meetings. And they do not hold review meetings of their own--it is the business of civil servants. What is discussed are targets and the level of achievement. There is no discussion of process factors.

Fiscal Decentralisation

The ZPs have very little in terms of resources, unlike the DRDA. While the DRDA is seen as an agency of the union and state governments or implementing projects at the local level, the ZP is seen as the local presence of the Panchayati Raj department.

The ZP has been deducting electricity charges from the PS and GP grants before passing them on. This is because these bodies have not been paying these bills. In two years, the backlog will have been cleared, and the full amount can be passed on, the officials said. This decision was taken at the state level and implemented by the civil servants in the district. This was resented by elected officials at all levels--but they also said they would not pay the electricity bills.

The ZP has some tax powers³⁰. It can levy a fee for licensing melas and can levy a surcharge of 5% on sale of property in rural areas and a 0.5% surcharge on market fees. But neither ZP visited raised any money from taxes.

³⁰ For a discussion, see Shikha Jha, loc cit.

In Jaiselmer zilla parishad, in 1997-98, Rs 44.37 lakhs were received. They also had an unspent balance from the past year of Rs 98.57 lakhs. Thus, for 97-98 they had a total of Rs 142.94 lakhs available for various defined schemes. Expenditures were Rs 35.13 lakhs--Rs 107.81 lakhs remained unspent.

In 1998-99, these figures were: Rs 65.46 lakhs, Rs 107.81 lakhs, coming to a total of Rs 173.27 lakhs. Expenditures were Rs 23.21 lakhs--Rs 150.06 lakhs remained unspent. In the second year less was actually spent in absolute terms. The unspent balance had increased. This could also be because the money was not released on time--there are shortfalls in such releases. This needs to be probed further.

In the Jaiselmer DRDA, on the other hand, receipts in 96-97 were Rs 1530.73 lakhs against expenditures of Rs 1819.42 lakhs. In 97-98, receipts were Rs 2886.76 lakhs and expenditures were Rs 2565.47 lakhs. In 98-99, receipts were Rs 2292.17 lakhs and expenditures were Rs 2439.00 lakhs. The DRDA does not have unspent balances. This is because the administrative machinery is with the DRDA. Also, the sums the DRDA receives are much larger than what the zilla parishad receives.

Such figures for Udaipur could not be obtained due to the officials' strike.

Accountability Mechanisms

Accountability is seen by officials in terms of audit. The ZP/DRDA accounts are audited by the Accountant General of the state. The elected members of the ZP plead helplessness about getting things done. They are asked by electors what they have done--and they answer they have no power. It is in part their demand for some responsibilities to be given to them that led to the increased thrust on decentralisation in the past year, after the new government took over. And this may have paid political dividends, as the newspapers report that the Congress has done well in the recently concluded PRI elections.

The DPC

In both the districts visited, they were under the process of being set up. In Jaiselmer, the space the DPC would occupy in the panchayat bhavan had been identified but it was empty. Since the DPC has not yet begun to function in either of the districts visited, it remains to be seen how it will evolve.

5. THE PANCHAYAT SAMITHI

The PS is an important office in the system in the state vision. The PHC and the Veterinary centre are its responsibility. Decisions on sanction of the DRDA are passed on for implementation to the GPs via the PS. It plans for areas that fall outside GPs and within the PS area. This is the level at which GP plans are communicated. This body supervises the GPs.

Political Decentralisation

The PS has provisions for three committees, but in the PS's visited, only one--on Finance and Administration, chaired by the Pradhan, has any role to play. BDOs said the pradhan used this committee to make sure s/he had a car for his/her personal use and so on. They said they looked after the paper work when s/he went beyond his/her entitlements--and then they could

hardly be supervised. This was used as evidence of the corrupt practices of the local elected persons.

Two young Vikas Adhikaris [BDOs] from the RAS, dynamic and dedicated, felt that the panchayat samithi functions far too much on the basis of petty politics. They also spoke of the ignorance and lack of capacity of the elected representatives--especially women from the lower castes, to live up to their responsibilities. It is the officials who ensure that the PS does its job. If the PS was strengthened, it would increase "politics" and hinder development work.

Representatives at this level felt they had no responsibility and power. There were no projects that they could execute. Decisions lay elsewhere--above with the pramukh, and below with the sarpanch. Officials paid no attention to them. One highly educated and experienced up-pradhan --ex civil servant [in Sam] felt he had wasted his time for 5 years. He felt reserving the leadership positions in these bodies, especially for women, had made them ineffective. The older system which had no reservations was much better, according to him because it respected competence.

The PS members complained that officials did not listen to them [panches] unless the BDO intervened. Officials felt that the local panches were too ignorant to supervise, and also too corrupt to be trusted. They [officials] no longer felt any sense of responsibility as they said decisions were taken by the gram sabha, not them, and sanctions were given by elected bodies like the PS and ZP, not them. Implementation was monitored by the local bodies, not them.

For example, in Jhadol we were told that the Utilisation Certificates of works done by PRIs were as much as 8 years overdue. This was cited as evidence of inefficiency/corruption by the PRIs, which did not keep records in the proper formats. Yet, the fact remains that the PRIs are only five years old. If UCs are overdue for longer periods, then PRIs could hardly be responsible. Officials could also be corrupt and irresponsible. It is interesting that this did not strike them!

Administrative Decentralisation

The BDO can sign check below Rs 2,000/- by himself. It is only above this level that the pradhan's counter-signature is required. This is the level at which control of officials rests under the Vikas Adhikari, or BDO, who himself reports to the pradhan.

PS level officials come under the administrative control of the BDO, and s/he writes their ACRs. The officials belong to the DRDA, and work for the PS in an additional capacity. When they execute works for the line departments, they do not report to the PS, but to their departmental superiors--who often happen also to be ex officio officials of the PRIs.

Fiscal Decentralisation

The PS gets 70% of EAS funds. 60% of the EAS funds are to be used for labour. These are for works that fall within the PS area, between different GPs. The work is undertaken by the officials of the line departments at the PS level under the BDO. The PS gets Rs.0.25 per head of population [1991 census] from the state for its work. There was anger that they no longer get SJRY funds.

The PS can levy a tax on landholders--tax on assumed rental value if no rate is payable, tax on prescribed trades, callings, professions and industries, primary education cess and a tax on fairs in its jurisdiction. But these powers tax have not been used.

The fact remains that sanctions by these bodies mean nothing till financial sanction is given by the DRDA. The officials who process the papers belong to the DRDA. And even if the DRDA is presided over by the Pramukh, the powers are with the collector. And the DRDA council has a majority of District Level Officers. In the implementation of the sanctioned projects, the PRIs have a nominal role. Decision making vests with officials, but a façade of political controls has been introduced. In the districts visited, there was a clear but unstated presumption among the local officials that officials are objective and unbiased, while representatives are political, corrupt and ignorant. PRI representatives were to be tolerated because that was the law.

Accountability Mechanisms

Accountability is through the audit by the AG's office. Elected members felt they had no power or responsibility.

Those who have been elected are feeling the pressure of public opinion, for they are being reminded of promises made, and asked what they have achieved. They find they have no power, and have begun to resent the dominant role of officials--this was the case in both the districts visited, especially at the PS level.

The sarpanch is seen by PS members as enjoying some power, and so there is a keenness to attain that position. In the elections now under way, this position seems to be keenly contested. But the other positions, with the exemption of zilla pramukh, are not seen as attractive. In the election now underway, many candidates are filing their applications for positions in the PS and ZP--and, for ward panches,--because of pressure from their parties, and not out of a desire to hold those positions which are seen as powerless.

The reservation of constituencies by lottery means that an elected representative is not sure s/he can contest from the same seat the next time round. They do not know which seat they can fight for, and so do not know which constituency to nurse. They see themselves as being in office for one term only. As a result, commitment to the electorate is not as strong as it could be: problems of moral hazard could crop up.

In the time of filing of nominations, few were willing to fight for panchayat samithi seats--it was under party pressure that were doing so. At present the PS is important because it is an important co-ordinating part of the administrative graft into the PRI system. Its role as local government will have to be carefully studied.

Right To Information

On the initiative of an NGO, the Mazdoor Kisan Sangharsh Sangathan, there has been a grassroots movement on the Right to Information in Rajasthan and this has focused at the GP and PS levels. This has been a major intervention, and the Right to Information is now accepted by the GOR. Officials have to provide information on development projects to any citizen who pays a nominal fee [Rs 5, with Re 1 per page after that], within a specified time [ranging from 3 days to 15 depending on the information sought]. The campaign focused on local officials because they were seen [correctly] as being in possession of information, and of using it to hide irregularities in the system. The reason for this has been noted above in discussing the earlier system in the state. That this right has been won by struggle by largely illiterate people--and women in large numbers--is significant.

6. THE GRAM SABHA AND THE GRAM PANCHAYAT

The thrust is on implementation. The GP is the local elected body. While the panchs are responsible for wards, and work on the basis of ward meetings, power vests in the sarpanch, who is directly elected. Its job is to monitor the work of village level functionaries.

Many of the women who were members of the GP were in a ghunghat--a veil. While they were willing to speak about their work and role, they kept repeating that they needed training. They could not work like men, but they wanted to keep their position in the GP. Reservations in the PRIs had given them a sense of importance in society. With all the problems of husbands playing a role in the GP, with the problems of attending meetings held far away, they were keen to continue in the GPs if the reservations continued. They were not shy to speak to a stranger, and they spoke freely. A few were willing to fight elections on "open" seats--but these were very few. In gender terms, this policy of reservations does seem to have made a difference.

In discussions with members of the GP, they were asked what they think of the system of implementing schemes thought up elsewhere. They said they had no choice. That is the only way things work. Then they were asked a hypothetical question: "Suppose you got 12 lakhs to implement schemes as now. Or you would get 10 lakhs to use as your GP thought fit. Which would you prefer?" All chose the latter option. This issue should be pursued further.

Political Decentralisation

A recent amendment has made the committee collectively responsible, thus reducing the power of the directly elected sarpanch. This is to widen participation, and curb excessive power. Those who were filing their names for sarpanch positions did not know of this amendment made in Jaipur by an Ordinance. How they react cannot be predicted. The impact has to be seen.

Sarpanches complained about the deduction of the amount due for electricity charges from the grants due to them. Electricity, the government should provide free, many of them argued. If the money were released to them, they would use it for more important things, but not for paying the bills. This reflects an attitude that will have to be dealt with if decentralisation is to become real.

The rule that those with a third child born after 1995 cannot contest these elections, has been implemented in a rather interesting way.

There were a few GPs [Sam in Jaiselmer] in which the number of women was less than 1/3rd. This is contrary to law. It turned out that they were unseated [by whom? The GP? The election commission? This is not clear] after their third child was born.

Surprisingly, there was no case of a man losing his seat for this reason. The district officials said that men simply refused to accept paternity, and that was that. Given that there is a large muslim population in the district, they said this was a tricky matter.

This could be a case of an unexpected gender impact--it needs to be studied further.

One can ask whether such additional conditions to be eligible for standing for elections are not *ultra vires* of the constitution. When the constitution has been clear about the requirements for contesting for high posts like MLA, MP and Vice President and President of India, is this kind of restriction on eligibility justified at a lower level? Why do our governments link otherwise laudable objectives like family planning to local elections?

Administrative Decentralisation

The GP has only one person working--the secretary, who reports to the sarpanch, but is under the administrative control of the BDO. The GP can monitor development work in its area--including the work of officials stationed at the PS. They give attendance certificates before salaries are paid to Govt staff.

In the last year--in fact between July and December, a very large number of Rajiv Gandhi schools--school buildings, to be correct--have been built. This was a decision of the state government, implemented through the DRDA, with the GP playing a supervisory role. These buildings have been sanctioned in settlements--dhanas--where there was no school within one kilometre and where there were at least 25 children who wanted to go to school. A teacher from the GP area [who has passed the 5th class] is appointed on a salary of Rs 1200 per month. After training, he runs the school.

Each building costs 2.5 lakhs, and with the involvement of GPs, further contributions in kind have been mobilised for this work³¹. In Udaipur, in remote Jhadol, villagers built a kaccha road so that trucks could bring bricks to the village for the building. This building may be seen as a major asset for the village, which could be used for many things. The GP has thus been able to mobilise resources--goodwill and free labour--that Govt cannot. This was pointed out as the advantage of the GP by both elected representatives and district officials.

In both the districts there were many buildings constructed under various schemes--anganwadi, community halls, subcentres etc. This is the target approach typical of schemes. A building need not mean education--there were many empty buildings, not as many schools at work.

Fiscal Decentralisation

In terms of devolution, the GP gets money directly from the GOI under the JRY, and also some money under the EAS. The sarpanch is a co-signatory of cheques. From state revenues, it get Rs 5.25 per year per head for its work. And salaries are met by the GOR.

The GPs have some tax powers. They can tax buildings, collect octroi on animals or goods brought into its jurisdiction, vehicle tax except on those used for cultivation, pilgrim tax, tax on supply of drinking water by the GP and a tax on commercial crops. In addition the list includes any tax which the state legislature has powers to impose and which has been approved in the state. But this is a power that has not been used³².

³¹ One official in Udaipur, who like the others was on strike, told me it was not true that the government was facing a financial crisis. How can they build such expensive Rajiv Gandhi Schools, he asked? Can they not use this money to pay us better instead?

³² Rather glibly, the elected officials say "the people are too poor". They depend on devolutions only.

Jhadol GP had raised 8 lakh rupees in the previous year by converting some land to commercial use, and selling it on the market. This is income from sale of assets, not a tax.

Accountability Mechanisms

Accountability is through different channels. Audit is by the Local Fund audit department.

It was reported by some officials that some women ST sarpanchs were removed, for no good reason, under the provision for a no-confidence motion. But then, this would reflect both gender and caste problems and not decentralised governance. It is a misuse of the accountability provision.

There are also the ward and gram sabhas, but it appeared that these do not function well. The initiative is from officials--the ward sabha "is to get information from officials on what they propose to do". It is assumed that without a ward sabha, neither the people nor the elected officials will get to know what "the officials propose to do". This is a limited vision, a hesitant step forward. The question of taking forward the people's own plans and priorities has not even been posed in the way the ward sabha has been formulated.

The decisions arrived at in the ward sabha are then taken by the panchs to the gram sabha. The GS has to be held at least twice a year on January 26 [Republic Day] and August 15 [Independence Day]³³.

Attendance at the gram sabha, we have been told, is very poor. With the menu of projects to be implemented having been frozen for 5 years, people see little point in attending the gram sabha. It is not clear who "froze" the schemes that were approved five years ago. Was it the GS itself? If so, it should apply only for that particular GS. Was it the PR department? Was it the DRDA? The only answer available was "the government". This is opacity at its best.

In recent years, attendance at the GS has been dropping--some people we met did not show any enthusiasm to attend these meetings. This reduces the effectiveness of the gram sabha as a mechanism of accountability. This is ironical, for the Rajasthan PR Act begins with the gram sabha as the base for democracy. The foundation is faulty.

7. COMMENTS AND CONCLUSIONS

Context and Background

Rajasthan met the minimum constitutional requirements after the 73rd amendment by 1995. The new bodies were constituted, and the system worked more or less as before, with officials at the district and in the line departments functioning by paying lip service to the PRIs. Just as many line departments had agencies of their own at the district and sub-district levels, now the Panchayati Raj department too had them. These bodies had an elected component, but that did not change the basic character of district administration, which remained the responsibility of the GOR.

³³ There is a danger that these will become functions/celebrations with leaders giving speeches and exchanging garlands rather than transacting serious business!

This began to change a little in 1999 after the change in government. Amendments have been made to the Act, several functions have been devolved to these bodies from line departments, and the vision is to accelerate this process. While this is true, the fact remains that change has yet to reach the districts. The good intentions of state government will have to be followed up systematically. This remains to be seen.

The state is backward, ranking low on all human development indicators. It is well known that gender discrimination is rampant in the state. Many of the women panches met were using the *ghunghat*--a veil. Many were clearly proxies for a male relative. This is a deep-rooted problem that will take a long time to change. Yet, these women have all grown in confidence--they may continue to use the veil, but they were willing to speak to an outsider and a male. Reservation has made a difference, and the women know it³⁴. They want to go forward from here. This they made very clear in discussions.

While men have reluctantly accepted reservation of seats for women, they resented the reservation of leadership positions like sarpanch, pradhan and pramukh. Women on the other hand, welcome the opportunity. While conscious of the big task they face, and of their handicaps, they have no intention of looking back. Reservation has done more for gender equality than many other policies. But it is not enough. It has to be supplemented with other kinds of support--like training education and more. The women asked for this.

In the last round, it is astonishing to find that people elected to local bodies received no training at all³⁵. It is quite amazing that such training was not on the agenda of a state with low literacy levels--evidence, if it were needed, of the cursory approach to panchayati raj in the state. Those who are now finishing their term were thrown into the arena of decentralisation and had to learn to battle with lions with no help at all. It is no wonder that little progress has been made in decentralisation in this state. It is a wonder that people want to continue with the system!

There are now plans for a massive programme of training for those who will soon be elected. Five government institutions, and three private ones, have been identified, [on what basis?] and an ambitious training programme in the coming months has been planned.

But it is not clear what this training will consist of. Who will give the training? Officials were far from clear on this matter. Will it involve tax matters, explaining the importance of own revenue to the elected officials? Will it explain the difference between taxes and user charges? And so on.

Elected representatives want training--but it is more a cry for help than a specific request for a standardised programme.

In Rajasthan, where a gram panchayat can stretch over fifty kilometres, and there are isolated *dhanas* [settlements], this kind of training will be no easy task. The intention is laudable, but the task is massive, and it remains to be seen how it will be carried out.

There are clear problems of what economists would refer to as agency or moral hazard problems. There is also the danger of free-riders in the subsidy crazy culture of India. This is an

³⁴ One cannot be sure about how much--that remains to be seen. Caste reservation too has made a difference--perhaps less than gender reservation. All this has to be carefully studied.

³⁵ One woman SC sarpanch in Jaiselmer told me she did go for a 3 day training programme, but felt much more was needed.

aspect that seems to have been addressed, if at all, in a haphazard manner. Apart from meeting constitutional requirements, and responding political pressures--or perceived opportunities--the vision is an extremely limited and instrumentalist one--this amendment or that is made, but the whole picture is not seen.

Further analysis of these issues will be essential if the system is to live up to its promise. The approach of grafting an existing administration on to a new political system in a traditional society rife with illiteracy, gender and caste discrimination, and making ad hoc changes thorough amendments may not be the best way of dealing with this matter. Institutional issues of great complexity have to be dealt with. This requires careful study. And such concern has been missing in the system so far.

Right to Information

This right of the citizen to information from the system has to be extended to elected representatives too. This needs some elaboration.

On demand, officials have to provide information on local activities. If flaws are seen the officials must provide information, but the political leaders cannot be let off. If an official is asked why things have gone wrong, he is in a bind. The decision is taken at a political level, and he works under instructions. The official is answerable to his superior--at the higher bureaucratic level. Eventually, the bureaucrat works under the instructions of a political leader. The political leader must answer, and take responsibility for what has happened, as s/he will take for the good things done. This is democratic accountability.

The official cannot answer why things have gone wrong to the citizen—which s/he will certainly be asked when things go wrong³⁶. This is because the power of taking policy decisions and supervising the bureaucracy--and hence the responsibility for results--vests with the elected authorities. By putting this pressure of providing answers for shortfalls etc on the civil servant when s/he cannot make the decisions would place him/her in a double bind. He acts on orders from the political bosses, yet, he will be held accountable by the public because only the civil servant has to answer questions in this system.

The citizen must know why things have gone wrong, but this answer must be given by those elected to exercise this authority. *They* can demand an explanation from officials--and then answer the public. The Right to Information must take this additional step.

At present this would mean that MLAs and ministers must be made to answer for deficiencies in the development process, for cost over-runs and other common delays, that occur at local levels. They are the ones who make decisions and exercise power. Such powers have not been delegated to lower elected bodies. They only spend in accordance with specified rules. If the rules are wrongly designed, or if they are violated, the responsibility lies with elected leaders. It is they who must answer and take responsibility for what they have ordered, not the civil servant who has followed their instructions--perhaps wrongly.

³⁶ There have been newspaper reports that the MKSS, which has been spearheading this movement, has begun to hold public hearings on issues of corruption etc. It has introduced the idea of a social audit. This is a laudable initiative that must be supported against the opposition of vested interests that will undoubtedly come to the fore.

Once this principle is accepted, the obligation to provide information will have to come down to local [all] elected representatives as well. This will have to be part of the growth and development of the system of decentralisation as it makes progress. Officials alone cannot be made to answer for lapses. In fact, while officials must provide information, they are answerable to senior officers and elected representatives. It is the latter who must answer to the people in a substantive way. The system to implement the Right to Information has to be completed by explicitly bringing political leaders at all levels into its ambit. This requires careful study.

In political terms, the decentralisation is limited to giving a role to the local bodies in choosing from a menu of schemes, in selecting beneficiaries, and in monitoring the work of local officials on a day to basis--particularly in terms of attendance. The Gram Sabha meets and selects projects that need to be done in a panchayat area. It also selects the beneficiaries. In Rajasthan, they have taken the lists as prepared two years ago as constituting a "Five Year Plan", and this cannot be modified for the next five years. Thus, there is rigidity about projects that can be undertaken--sarpanchs and pradhans cannot influence this subject now--they complain about this. The sarpanchs feel this has rendered them ineffective. The GS too becomes meaningless if it cannot make modifications in an old list--one reason why attendance could have fallen.

It could not be ascertained if the gram sabhas chose to freeze the list for five years or that was done by the state government--though that is likely to be the case. When officials say "it has been decided" or "a decision has been taken", it is taken for granted that it is "Government" that has so decided. It could be senior officials, or the cabinet...it is not clear in this case. But it is not the local elected body--and the sarpanchs, in particular, were unhappy about this.

This change in the pace of decentralisation has happened in the last year. This was a political decision taken under the chief ministership of Shri Ashok Gehlot and is being pushed by the Minister for Rural Development and Panchayati Raj, Dr C.P. Joshi³⁷. The Congress Party which has taken this decision, has been influenced, we have been told, by the electoral success of the party under Shri Digvijay Singh in Madhya Pradesh and has been influenced by this in its policy making in Rajasthan. The earlier government, after meeting constitutional requirements, did little to deepen decentralisation³⁸. This has now changed, and officials talk of an accelerating pace of devolution. But while changes are being introduced fast, often by ordinances, two points need to be noted. One, the vision underlying these changes is not clear--there is a limit to imitating experience elsewhere. Two, the changes being introduced in Jaipur have to percolate down to the district and sub-district levels. There is a lag in this--not many DLOs knew what the newly set up DPC was. This issue needs to be studied carefully.

The vision of decentralisation of the state of Rajasthan is a limited but evolving one, starting on a bureaucratic base that is well settled, and which, along with MLAs, may be expected to resist change at the local level. Little has so far happened. If decentralisation is to become a reality, much will depend on the political will of the current government, and the demand from the newly elected PRI members. Soon the limitations of a vision that sees PRIs as mere

³⁷ There has also been pressure from those who had been elected, for clear responsibilities to be given to them. Given the local support they enjoy, they could not be ignored for long--and the Congress Party, after its win, had to respond to this pressure from below. Yet, the MLAs seem far from convinced. In the districts we visited, they wield real influence. They are more important than PRI leaders.

³⁸ The Congress and others had filed a case in the Rajasthan High Court against the earlier BJP government against certain rules that had been framed under the PRI Act--specifically rules 59 to 61, which empowered the government, through the collector, to conduct some elections. A Division Bench of the High Court [on 13-1-2000] has struck these down as only the state election commission should conduct these elections. The government does not plan to appeal this judgement.

implementation agencies will come to the fore. It is difficult to say how the state will respond, as no one seems to have thought beyond this level at this time. Ideas will be needed.

This process of decentralisation for development is no easy task, and the pressure to dilute the system will be many. The situation has to be watched--and helped. It needs a lot of help.

Annex: List of Schemes in Udaipur, Rajasthan

The list of schemes has been collected in Udaipur, and may not reflect all districts of Rajasthan. The figures are for Udaipur. The Remarks have been added to the data collected

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1. *Name of Scheme:* **Jawahar Gram Samridhi Yojana**
 2. *Objective:* [a] Primary: Creation of demand driven community infrastructure [b] Secondary: Generation of supplementary employment generation component for rural poor
 3. *Allocation:* Rs 476 lakhs
 4. *Funding Pattern:* On a cost sharing basis where 75% is borne by the union government and 25% by the state government
 5. *Sanctioning Authority:* Works upto Rs 50,000 to be sanctioned by the gram panchayats, works between Rs 50,000 and Rs 5 lakhs can be sanctioned by Panchayat Samithis and works above Rs 5 lakhs are sanctioned at the district level
 6. *Method of Implementation:* All works sanctioned are executed by the gram panchayat
 7. *Remarks:* Not clear how much above 5 lakhs the ZP can sanction. Role of officials in the process needs to be understood.

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1. *Name of Scheme:* **Indira Awas Yojana**
 2. *Objective:* To provide house to BPL families
 3. *Allocation:* Rs 207 lakhs
 4. *Funding Pattern:* 75% by central and 25% by state govts
 5. *Sanctioning Authority:* Gram panchayat
 6. *Method of Implementation:* House is constructed by the beneficiary himself/herself using locally available material and technology. The funds are disbursed in 3 instalments of 25%, 60% and 15% given at the time of sanction, at lintel level completion and on completion. The total cost of a rural house is Rs 20,000 for plains and Rs22,000 for hilly or difficult areas.
 7. *Remarks:* The BPL families are identified based on a survey and use criteria different from the NSS consumption expenditure data. Role of GS and officials in the process to be investigated.

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1. *Name of Scheme:* **MP Local Area Development Programme**
 2. *Objective:* Development of Infrastructure in the constituency of an MP on the basis of the recommendation of the MP
 3. *Allocation:* Rs 200 lakhs per MP constituency per year
 4. *Funding Pattern:* GOI
 5. *Sanctioning Authority:* District collector on the recommendation of the MP
 6. *Method of Implementation:* Concerned line departments/Panchayat samithis
 7. *Remarks:* Role of local body seems to be minimal
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1. *Name of Scheme:* **Employment Assurance Scheme**
2. *Objective:* [a] Primary: Creation of additional wage employment during acute shortage of wage employment opportunities through manual work for BPL families
[b] Secondary: Creation of durable community social and economic assets for sustained employment and development
3. *Allocation:* Rs 683.42 lakhs
4. *Funding Pattern:* The programme is funded on cost sharing basis where 75% is borne by GOI while rest 25% is borne by state Govt. Cent percent funds are provided by Govt of India
5. *Sanctioning Authority:* zilla Parishad
6. *Method of Implementation:* ZP would be responsible for approval of annual action plan. The works will be sanctioned to the concerned line departments for execution. The ZP shall supervise the implementation of work. Under no circumstances can work be executed through contractors.
7. *Remarks:* Contradictory statement on funding pattern--role of departments seems to be dominant.

1. *Name of Scheme:* **Construction of Biogas Plants**
2. *Objective:* Creation of Renewable Sources at micro level. Effective utilisation of cattle waste and ensuring sanitation in rural areas.
3. *Allocation:* Rs 100 plants are to be constructed with financial allocation of 3 lakhs.
4. *Funding Pattern:* Centrally funded--100% reimbursed by the GOI
5. *Sanctioning Authority:* PD, DRDA
6. *Method of Implementation:* The plants are constructed under technical supervision of J En on respective PS or on turnkey agency/worker
7. *Remarks:* Note point 3: Rs 100--refers apparently to 100 plants. But this kind of description can lead to ridiculous situations, where some local official will insist that Rs 100 is what is sanctioned as approved cost. Also, marginal, if any role for local body

1. *Name of Scheme:* **MLA Local Area Development Scheme**
2. *Objective:* Development of infrastructure in MLA constituency on the basis of recommendation of the MLA
3. *Allocation:* Rs 25 lakhs per MLA constituency per year
4. *Funding Pattern:* 100% funded by the state Govt
5. *Sanctioning Authority:* CEO, ZP
6. *Method of Implementation:* The works sanctioned under the scheme are executed through the respective GP/PS/Related Departments
7. *Remarks:* It is the CEO not the Pramukh who has the sanctioning authority. Also, the focus is on "hardware", not "software" or process oriented work such as training

1. *Name of Scheme:* **Swarna Jayanthi Gram Swarojgar Yojana**
2. *Objective:* Creation of opportunities for self employment generation. Upliftment of rural poor by way of providing credit and subsidy for purchase of productive assets in such a manner that the income of the swarojgari is brought above Rs 2000/- per month in 3 years.
3. *Allocation:* Rs 350 lakhs
4. *Funding Pattern:* Cost sharing--75% from GOI and 25% from state Govt.
5. *Sanctioning Authority:* Concerned bank for credit and PS/DRDA for subsidy component
6. *Method of Implementation:* The credit is sanctioned by the concerned bank upon receipt of application from the PS. The application sanctioned by the bank are then provided backending subsidy
7. *Remarks:* Re named IRDP. Lessons of experience of IRDP do not seem to have led to any changes. Focus on subsidy continues

1. *Name of Scheme:* **Apna Goan Apna Kaam Yojana**
2. *Objective:* Creation of rural infrastructure through people's participation in cost sharing
3. *Allocation:* Rs 90 lakhs
4. *Funding Pattern:* 20% of funds for TSP [tribal sub plan] area and 30% for non-TSP area are deposited as public contribution [on project cost basis]. %0% of the project cost is funded by the scheme under the state plan whereas remaining amount is dountailed from other schemes such as JSGY, EAS etc.
5. *Sanctioning Authority:* CEO, ZP
6. *Method of Implementation:* The works sanctioned under the scheme are executed through the respective GP/PS/related department
7. *Remarks:* I suspect plan expenditure is being cut in Rajasthan as in many other states. Thus, the funding pattern makes it a non-starter. It would also appear from this description that GP=PS=related department. Implications for the decentralisation study need to be worked out carefully

1. *Name of Scheme:* **Rajiv Gandhi Swarna Jayanthi Pathshala Scheme**
2. *Objective:* Universalisation of primary education in remote areas where no primary school exists within 1 km radius having population where 40 children are available for primary education.
3. *Allocation:* 100% funding from the state Govt
4. *Funding Pattern:* Allotted through the Panchayati Raj Committee
5. *Sanctioning Authority:* Pathshala is sanctioned by the GS and the shiksha sahiyogi is selected by the Ward Sabha where the pathshala is to open.
6. *Method of Implementation:* Managed by GP under the supervision of PS
7. *Remarks:* by the district officials---to attract children of weaker section of society like SC/ST for primary education, especially female education

1. *Name of Scheme:* **National Social Assistance Programme**
2. *Objective:* Providing social assistance scheme, namely National Old Age Pension for persons having annual income of Rs 1500/- and age 65 years. National Maternity Benefit Scheme for BPL families and National Family Benefit Scheme for BPL families
3. *Allocation:* On need basis.
4. *Funding Pattern:* 100% central funding
5. *Sanctioning Authority:* [1] National Old Age Pension--BDO/PS in case of rural and SDO in case of urban areas [2] National Maternity Benefit Scheme--GP in case of rural and Executive Officer in case of urban local bodies [3] National Family Benefit Scheme--BDO in case of rural and EO in case of urban local bodies
6. *Method of Implementation:* Applications are invited from eligible people through GS and PS meetings. Special campaigns are also organised to prepared application forms. These applications are evaluated and sanctioned by the concerned authority and pension benefit is given.
7. *Remarks:* Apart from well known administrative problems, how important is this in quantitative terms? Check needed.

1. *Name of Scheme:* **Tenth Finance Commission and State Finance Commission**
2. *Objective:* To provide financial assistance to PRIs for various community development works
3. *Allocation:* Rs 1678.48 lakhs
4. *Funding Pattern:* 50% each from GOI and state Govt.
5. *Sanctioning Authority:* GS decides on work to be done
6. *Method of Implementation:* by the GP/PS
7. *Remarks:* This is not so much a development scheme as a constitutional provision for devolution of funds

VII DECENTRALISATION IN UTTAR PRADESH

1. INTRODUCTION

After the 73rd and 74th amendments to the constitution, local government took on a qualitatively different hue in India, and there has been a great variety in the experience of the various states in the 1990s. Local elections have energised the system through new political institutions--politicians with a strong local base are emerging, with a firm hold in specific places. They have however yet to establish their place in the political landscape, as those who have been occupying that space till now will be loath to give up their power and influence. New conflicts over priorities, ways to set them, and implement them, are coming to the fore. People's expectations have increased, and strident demands are being made on the system. Formerly depressed and excluded groups, thanks to reservations, now have a formal role in the system, and women have become both visible and vocal. Where earlier the state government had a presence in each locality through its officials, now there is a constitutionally elected body representing the will of the people. In this sense, the system now in place is significantly different from earlier experiments in Panchayati Raj in which some states had devolved some powers and functions to local bodies of various types.

These are fundamental changes. Development projects are now implemented at these levels, and these bodies are likely to play an increasingly important role, especially in the social sector. One should expect tension when such a basic change is put into place. It is not likely that those who perceive a loss of power or prestige, or those who see former servants or bonded labourers in office, in a position to make important decisions, will accept all this without any form of resistance. Change of this kind, when brought about by legislation from the top, will have to be fought for. Those for whom the change is meant will have to earn and establish their right to govern. The picture on the ground may be expected to be a complex one, with much variation across regions, even within a state. All this makes the ongoing decentralisation process in India very important from many points of view.

This paper on decentralisation in the state of Uttar Pradesh is one of a set that includes 6 other states in India, and should be seen in that context. The objective at this time is to briefly review experience and flag issues that requires a deeper look. There is no claim at this time to robust conclusions. The paper has been written as part of a larger research project of the World Bank and is based on secondary sources and visits to Uttar Pradesh in November/December 1999 and February 2000.

UP is a large state, in a state of constant flux. When the PRIs were introduced, the state had 68 zilla panchayats, 901 kshetra panchayats and 58,605 gram panchayats. Four years later, this had become 83 zilla panchayats. The visits included field work in only four districts--Lucknow and Barabanki in December 1999, where, apart from the two zilla panchayats, one kshetra panchayat and five gram panchayats were visited. In February 2000, Ghasipur and Naini Tal were visited, where two KPs and two GPs were visited. These districts were selected in consultation with officials the GOUP. Separate meetings were held with the elected representatives at different levels and with local officials. The state's vision of decentralisation is based on the discussion with officials and on official documents of the GOUP. Financial data on devolution by sectors and PRI levels were not available and hence there is a gap in this aspect. The field observations are based on what was seen at each level of the PRIs in the districts visited

and the discussions with local elected officials and civil servants. The objective was to see if what was stated in the vision at the state level was a reality in the field--or what the field reality was. Given the size and complexity of UP, this work is necessarily cursory.

This paper is organised as follows. Part 2 deals with the state vision of decentralisation. Part 3 looks at how the various schemes of development in the different sectors are implemented at the local level. Part 4 looks at the zilla panchayats and the District Planning Committees that have recently been proposed in UP. Part 5 deals with the kshetra panchayat--the middle tier, and also looks at how sectors like health and education are managed at this level--the lowest management unit. Part 6 deals with the gram panchayats and the gram sabhas. Part 7 presents overall conclusions. In each section, the discussion is along three main aspects of decentralisation--administrative, political, and fiscal. In this we look at the factors of political control, funds flow, staff control and accountability.

2. THE STATE'S VISION OF DECENTRALIZATION

Uttar Pradesh's Vision of Decentralisation

Uttar Pradesh was the first state in India to bring in panchayats after Independence. The law establishing gram panchayats and nyaya panchayats [The Uttar Pradesh Panchayat Adhiniyam] was passed in 1947. In 1961 another law [The Uttar Pradesh Kshetra and Zilla Panchayat Adhiniyam] established kshetra and zilla panchayats. Thus there was a three tier system of a kind in UP before the 73rd amendment. Scholars³⁹ are however generally agreed that the system was not functioning properly.

After the 73rd and 74th constitutional amendments, it became necessary to amend these laws to bring them in conformity with the provisions of Article 243 of the constitution. The Secretary PRI pointed out that UP chose to amend the existing laws rather than to enact a new law. Specifically, what was required was:

- ❖ A 3 tier system, with the gram panchayat at the village level, a zilla panchayat at the district level and a kshetra panchayat in between at the block level.
- ❖ A fixed 5 year term for an elected local body. In case of dissolution, fresh elections were mandatory within 6 months. In any case, elections are to be held every five years.
- ❖ A state Finance Commission, modelled on the lines of the central finance commission, to advise the state government on the sharing of resources with the local bodies. While a commission was mandatory, its recommendations were advisory--the state was not compelled to accept them.
- ❖ A state election commission, with autonomy to prepare the voters list, and to conduct the elections in a fair manner.
- ❖ Reservations for SC/ST people in accordance with constitutional provisions and a reservation of one-third of all posts for women. An objective, non-discretionary formula for deciding on the constituencies to be reserved had to be announced.

³⁹ For a quick reference, see Shikha Jha's paper that is a part of this project, and the references in it. "Fiscal Decentralisation and Rural Local Government: Panchayati Raj Institutions in India" March 20, 2000, draft.

This modification was made in 1994, and the new system was put in place after elections were held later in 1994--and 1996 in the hill districts⁴⁰. Candidates have to contest as individuals--political parties have been kept out at this level. All the mandatory provisions from the constitutional amendments were met after this round of elections in 1994/96.

In addition, UP included reservations on the basis of population for OBCs, and opted for direct elections for the gram panchayat pradhan. MPs, MLAs and MLCs--where they are registered voters--are members of KPs and ZPs, but they cannot vote on the election of office bearers and in no-confidence motions. At all three levels, there are provisions for 6 sub-committees, all of which are to meet at least once a month. Membership of these committees has been spelt out in the rules framed under the law. It is open to these bodies to invite experts to these committees, but they cannot vote.

A state finance commission was set up, and its recommendations have been accepted, and acted upon, by the government. 11% of the states revenues are to devolve to local bodies--7% to urban bodies and 4% to gram panchayats. Since the award is in percentage terms, it is expected that the resources available to these bodies will grow with state revenues. The Tenth Central Finance Commission recommendation of a lump sum payment to gram panchayats for maintenance and capital works has also been accepted and acted upon.

It is after this constitutional requirement was in place that the state government decided to increase the thrust on decentralisation by entrusting these local bodies with more responsibilities. This has happened in the last two years. This was a political decision taken under the chief ministership of Shri Kalyan Singh and its objective was a major reform of governance. To quote from the GOUP Policy Paper⁴¹:

"Any strategy to improve the quality of governance and the effectiveness of public institutions in the State will need to have multiple components. **First**, a redefinition of the role of Government is required, specifically with a reduction of its role in the economy through deregulation and divestment is needed, so that it is able to focus its limited capacity on those areas in which it has a core concern. **Second**, Government also needs to become more transparent and accountable to the general public, by making more information on policy and programmes available, by strengthening grievance eliciting and redressal mechanisms, and by combating corruption. **Third**, a program of civil service renewal is required so that the government can better perform its core functions. This will entail restructuring departments, "rightsizing" staffing levels, improving the work environment, emphasising performance and increasing capacity through a more strategic approach to training. **Fourth**, decentralisation will have to be designed so that significant gains in service quality and accountability could be achieved through well planned devolution of spending responsibilities and revenue raising powers to elected local bodies. **Fifth**, public participation in governance will have to be structured by involving non governmental organisations who could also exercise delegated voluntary functions. **Sixth**, financial management reforms will also need to be integrated so as to improve financial accountability and provide managers with the information they need to improve performance."

This paper is concerned with the fourth of these issues, but the subject, several officials pointed out, has to be understood in the overall context of reforms in governance.

⁴⁰ The delay was due to the Uttarkhand agitation in 1994 which made the holding of elections impossible.

⁴¹ GOUP: Policy Paper on Reforms in Governance in Uttar Pradesh. This was approved by the cabinet in January 2000--after the change in Chief Ministership recently.

Rather than bring in change in an ad hoc manner, officials said that the state decided to undertake these changes in a well thought out and legally correct fashion. A Core Group on Decentralisation was set up with the Chief Secretary as Chairman, the Principal Secretaries of Finance, Planning, and other departments concerned and the Secretary to the CM as members. This core group meets every week. A Task Force was set up in the Chief Minister's Office, with the Secretary to the CM, the PRI Secretary, and the Secretary of any department being considered, to look into the implications of changes and to keep the CM informed and take his approval. This Task Force met as and when needed. All necessary legal and administrative steps were discussed in these bodies, put up to the Cabinet, and implemented after its approval. Thus, apart from the amendments to the laws, bye laws and rules have been framed under these laws, approved by the cabinet, and now form part of the legislative framework in which government functions. It is not, according to these officials, possible to reverse this process. What remains is field implementation of some of these decisions--and this is expected no later than April 1, 2000--the next financial year.

In particular, detailed rules of business for conducting meetings, based on government orders for accounts and audit, and for purchase of materials and awarding of contracts have been prepared by the Panchayati Raj department. All the GOs on the subject have been put together in one volume for easy reference. These have been printed and made available to all concerned--and they have been used in special training programmes for all concerned--Multi-Functional Workers and Pradhans--at this decentralised level in October/November.

In 2000, new elections are due. Modules dealing with government orders, works and finances for training the newly elected persons are ready. Copies have been printed and widely distributed. Programmes to familiarise newly elected persons will be undertaken between April 2000 and March 2001. The second phase of decentralisation now underway then, is a systemic one with a clear legal foundation. It is not going to be easy, according to the concerned officials, to reverse this process because of this way of doing things--it is not on the basis of one Chief Minister's wishes, but on the basis of legal changes in how the government works. While the process has not been completed, a great deal of progress has been made: "what remains are the final touches".

For example:

In UP, a geographical unit called the nyaya panchayat has been well known as a unit of administration⁴². It usually consisted of about 8 villages. It was common for line departments to post a person at the nyaya panchayat level to look after their work--irrigation pumps, agricultural extension, health extension and so on. There were 8 such departments, each with one village level worker posted at a nyaya panchayat. Since the person had to look after 8 villages, there were many problems at the local level, with the person often not available. In the first instance, it was decided to post each of these functionaries in one village, with responsibilities for the work of all 8 departments. They became multi-functional workers with territorial responsibility for just one village, working under the pradhan's supervision. This meant they had to be available at all times, and they were trained to carry out their new responsibilities. There are some transitional problems because of the low educational level of many of these workers--especially the tubewell workers who now have many responsibilities--but these are gradually being sorted out through training.

⁴² Under the Act, the nyaya panchayat, which is unit between the GP and the KP, can function like a civil court. The pradhans of the nyaya panchayat area elect a sarpanch who discharges these responsibilities. But this has not been brought into effect yet.

Likewise 5 properties--like the PHC, are being transferred to kshetra panchayats. There are provisions to prevent these bodies from alienating this property. Funds for maintenance are given by the state.

The District Magistrate [collector] has been made the prescribed authority for this purpose. For transfers at the divisional level, the Divisional Commissioner is the authority. Where inter-divisional transfers are involved, the state comes into the picture.

This process of decentralisation in UP is seen as part of a much larger system of reforms that the GOUP has embarked upon. The state speaks in terms of Reforms in Governance, and decentralisation is a part of this reform⁴³. In this paper, [page 45], a distinction is made between

" i] **Deconcentration**, which is the most common form of decentralisation, involves the assignment of central ministry or governance functions to branch offices or units in outlying areas. In effect, de-concentration extends central government's direct and immediate presence in the periphery by creating sub-units of government and allocating to them central government functions. This form of decentralisation does not encourage the development of autonomous local governments and makes little allowance for horizontal integration at the local level.

ii] **Delegation** entails the transfer of responsibility or specified functions and associated authority to an organisation outside of or indirectly controlled by government. Such delegation is frequently seen as a means to improve the quality of key services and of removing them from the reach of patronage within government.

iii] **Devolution** results in the establishment or strengthening sub-state/local units of government that are largely independent of state government control and that have broad authority for operations across a number of sectors. "

Other elements of these reforms cover public enterprises, privatisation, corruption and the use of information technology in administration and governance.

A major component of these reforms in governance is the reform of the civil service. The GOUP has brought out a **Policy for Civil Service Reforms in Uttar Pradesh** that has been approved by the cabinet. The Chief Secretary has brought out a book⁴⁴ on "The ABC of Public Relations for Civil Servants". The stress is on the need for civil servants to be accountable to the political leaders at all levels.

These are all important elements of the efforts of the state⁴⁵ to bring about reforms in governance--and decentralisation in a substantial sense is a very important part of it.

⁴³ R.S.Tolia, Rakesh Sharma, Nishneet Kumar, Vivek Kumar Singh, "Reforms in Governance in the State of Uttar Pradesh" Centre for Development Studies, UP Academy of Administration, Vol3:1, 1999.

⁴⁴ Yogendra Narain, "The ABC of Public Relations for Civil Servants", Centre for Development Studies, UP Academy of Administration, Naini Tal, August 1988, second edition June 1999.

⁴⁵ How far it is a policy of the ruling BJP led coalition and how far it was an individual priority of Mr Kalyan Singh is not clear. Most people spoke of it as the [former] Chief Minister's, not government's, priority. Given the statements of the new Chief Minister, Mr Ram Prakash Gupta about the need to change--reverse--decisions, one may be sceptical about the commitment to substantial decentralisation by the ruling coalition in UP. Many officials also said the process had got to a point where it could not be reversed. There has been some backtracking, but not a major roll back. This needs to be studied carefully.

Political Decentralisation

While the law is clear on many points, several officials pointed out that a problem has arisen as a result of the provision in the UP Act that reservations have to be made on the basis of population. First, there was no information in the census on the number of OBCs. Secondly, the castes that are to be included in the list of OBCs is a political matter that can be controversial. Many said that the inclusion of kurmis--a well off farmer caste--was a case in point. In 1994 a "Rapid Survey of OBCs" was undertaken across the state. The objectivity and reliability of the results are matters of debate across the spectrum of UP society. On the basis of this survey, a number of seats for OBCs were reserved in the local bodies.

The problem arises from the fact that the population of different groups is not uniform in districts across different regions of the state. In the hill regions, the population of STs is very small, and the population of SCs is around 16%--below the UP norm. The population of OBCs is much lower in the hills. By averaging across the state, in some areas the number of unreserved seats came down to below 50%--and this makes the rotation of seats impossible. This has led to different kinds of resentment. With elections due in the plains of UP in a few months⁴⁶, this matter has to be resolved quickly.

Reservations apart, local bodies are being given control of staff and resources in stages. A gradual shift has a better chance of succeeding--and it is possible to learn from experience in this way.

The Secretary PRI spoke of another problem that arose early on. The GOUP suggested that, in forming the sub-committees of the GPs, those who were runners-up in the election of the pradhan, be made members. The pradhans protested, saying those who lost elections had no place in the committees. But members of the Kshetra Panchayat feel they [the runners up in the election] should be members of GP sub-committees. This is indicative of the tension between pradhans and KP members. The pradhans won this round, but it shows the kind of situation that exists politically for these bodies. This, the officials said, is an example of the kind of situation that has to be faced when this law is being implemented.

Administrative Decentralisation

So far as local staff [village levels officials] are concerned, they have been transferred to the local bodies. In future, these bodies will be responsible to recruit and pay their staff--the state government makes available a certain minimum as salary, but more can be paid from their own resources if they so choose. The field staff of the 8 departments from whom the multi-purpose worker has been drawn, have been declared "dying cadres" [the state will no longer recruit anyone as a state government employee into these cadres], and future recruitments will be at the GP level. They can make their own rules for this purpose--even go beyond what the state provides as salary, if they have the resources.

⁴⁶ This was the big issue that officials were busy with when the second round of field work was undertaken in February.

Given the past history of improper appointments⁴⁷ [leading to high salary demands] being made by Adhyakshas [ZP presidents] in the past, a GO was issued on October 12, 1999 prohibiting such appointments and holding the district level officers of the state government personally responsible [under the discipline rules of the government] for implementing such orders of Adhyakshas. These officers have been asked to report such instances to the state government [PR department] which will then deal with the matter. Several cases of such appointments have been rejected by the PRI department since this order was issued. Order is slowly coming into the system.

Guidelines have been framed by the PRI department to help them [elected officials] discharge their responsibilities, and training for this purpose is being given. The elected representatives--the pradhan of the GP, the pramukh at the KP and the adhyaksha at the ZP, have the right to write comments in the annual confidential report of the officers reporting to them. The ACR itself is written by their administrative superiors, but the elected person's view must be included. They also have day to day administrative powers--to sanction leave, for example. At the GP level, for the staff coming under their jurisdiction, like teachers, salaries are only paid after a certificate is given by the pradhan. While the DM writes the ACR of the Chief Development Officer, he must include without change the comments of the adhyaksha.

The powers devolved have been given to the panchayat, not its head. Decisions can only be implemented after the body meets and decides--by voting if necessary. While the Secretary PRI said voting will take place when needed, and that MPs and MLAs do not have voting rights, other officials spoke of the undesirability of the voting process, and the need to work with consensus.

The fact remains that there has been a great deal of moral hazard in these matters in UP⁴⁸. Officials said this was the ground reality of the state. Leaders at the higher levels of government have seen office as an opportunity to further their personal interests, with utter disregard for the long term consequences on the state's well being⁴⁹. They are the role models for lower level elected representatives, who see their present position as a step towards higher political office. Reforms, of which decentralisation is a part, have to be carried out in this difficult context.

It is for this reason that a strict and enforceable legal regime is important. It should not depend on the whim of any one political leader⁵⁰, but have a base in the system of governance.

⁴⁷ Decided upon by the adhyaksha personally without going through the recruitment procedures of the state government.

⁴⁸ Also referred to in Shikha Jha's paper, loc. cit, with references.

⁴⁹ The Times of India, Lucknow edition, December 10, 1999 carries a story on the findings of a Committee [chaired by T.N. Kaul, former Cabinet Secretary] which brought out gross irregularities in the functioning of the UP Electricity Board because of the collusion between the Energy Minister and the Board Chairman, which led to the decline of the Board. These irregularities included petty matters like transfers of officials, with orders given in the morning being cancelled in the evening, for extraneous reasons. I understand this is only one case that has dramatically come to public light. Transfers, for example, are referred to as a "lucrative industry" for politicians.

⁵⁰ The newspapers in Lucknow [December 8,9,10] have been full of reports about how the new Chief Minister is busy nullifying all of the decisions of his predecessor, Mr Kalyan Singh. There have been reports that school teachers will be taken out of the purview of the gram pradhans, thus taking a giant step backwards so far as effective decentralisation is concerned. Pradhans say they will resist this move, as their ability to supervise the work of teachers has led to a marked improvement in the functioning of schools in their villages. In February, it was found that teachers were taken away from GP control and placed under the Basic Education Board--a step backwards. The functioning of fair price shops has also been

This is the reason why so much effort went into defining the vision of reform in detail and into putting in place the legislative framework to carry it out systematically. What remains is the ground level implementation of this vision, and it has begun and will be speeded up in the coming year.

Fiscal Decentralisation

The funds meant for the local bodies are transferred directly to the *nidhis* [funds] set up at each level from 1999-2000. A percentage of the state's total revenue is devolved. GPs and ZPs also have tax powers, and they can keep what they collect for their own use⁵¹. The GPs have been empowered to collect irrigation tax and deposit the amount in the Gram Nidhi. They can impose a surcharge on land revenue and keep the money in the gram *nidhi*.

At all three levels, bank accounts are operated under the joint signatures of the officials [the executive heads--the CDO, the BDO and the GP secretary] and the elected head. Decisions on how money is to be used are made by the panchayat as a whole--the Pradhan has no individual powers. According to the Planning Department⁵² document:

“All assets which are related to the functions given to the GPs and located in the village will be transferred to the gram panchayats on a date to be fixed by the district magistrate after wide publicity in this regard. The amount which was so far being spent by the concerning department on maintenance of these assets will be given directly to gram panchayats.”

Further,

- Funds will be provided to the gram panchayat for those works which have been transferred to them.
- Funds would be provided by government for the maintenance of assets transferred to them
- Funds would be provided to the GP for paying salary of the staff transferred to them.
- Funds for payment of honorarium to teachers and new staff appointed by the GP would be provided to them.
- Besides funds given for execution of functions transferred to them, these institutions are also being given directly a four per cent share in the total tax revenue of the state for the development of the villages.

UP, the officials pointed out, is the first state to have committed itself to a non-discretionary transfer of funds. This has led to substantial resources becoming available to the GPs in recent years. In 1996-97, the GPs got Rs 20 crores. In 1997-98, it rose to Rs 255 crores. In 1999-2000, it is expected to be 328 crores of rupees—this the devolution of 4% of tax revenues.

taken away and placed with the Civil Supplies Department. Pradhans are unhappy about this. The question of decentralisation is in a state of political flux. This matter will have to be carefully watched.

⁵¹ Detailed information on this is not available. Even the state finance commission had to depend on a survey, and the responses were far from adequate. The picture is confused. See Shikha Jha, loc. cit for a discussion of this issue.

⁵² UP State Planning Commission's *Annual Plan 1999-2000*, [Vol 1, Part 1, Chapter 7], Lucknow, August 1999.

Apart from this, rural development funds are being transferred to gram panchayats, as also funds as per the recommendations of the Central Tenth Finance Commission. The total for 1999-2000 is expected to be 1100 crores of rupees. This is a substantial amount. The officials say that funds are not a constraint on the functioning of the PRIs.

The PRI department has been taking the position that the transfer of funds also means the transfer of decision making on the use of those funds--for example, where a road will be built must be locally decided.

Given the fiscal position of the state, money often is disbursed late. It tends to depend upon the ways and means position of the state government.

The fiscal crisis in UP may, some officials argued, in fact be the biggest opportunity for sticking to decentralisation. The revenue deficit, which was Rs 2002.74 crores in 1994-95, when the first steps for decentralisation were taken, was Rs 7093.75 crores in 1998-99--that is last year. The situation has not improved since then. The old way of the state government doing everything itself can continue no longer. Decentralisation then is another way of doing things.

Officials pointed out that when there is little money to bestow favours, transparent systems are essential for any results to be seen. MLAs, who have been dealing in local roads and transfers, do not like to see elected bodies taking over these functions in their constituencies. Directly elected Pradhans resent this erosion of their traditional authority, and argue vigorously against it. But those who are now enjoying local influence are beginning to assert themselves. A constituency for decentralisation seems to have been created.

A reversal of the system, according to these officials, will require funds on a scale it is difficult to imagine given the magnitude of the fiscal crisis. Thus, on balance, although there are political forces for reversing the decentralisation that has taken place, it may be difficult to do so. In February, officials pointed out, that the reverses that had taken place were small. This matter requires close scrutiny.

Accountability Mechanisms

Apart from the provisions for a No-Confidence Motion at each level [two-third majority required], there is a requirement for local audit--by the local audit fund as well as the AG's office. Accounts have also to be placed before the Gram Sabha when it meets, and citizens have a right to ask for information, which must be given within a time frame.

Placing the village level employees under the GP has been a positive step. Salaries are not paid to them if the GP does not certify that they have worked. The heads of these bodies also have a right to record their views of the work of the secretary/BDO/CDO in the annual confidential report.

The Act has provisions for the suspension of local body members and for the dissolution of the body itself under specific conditions [usually financial impropriety], and after due process. The DM has the watch dog role for GPs, the divisional commissioner for KPs. For the ZP, matters are referred to the government.

The District Planning Committee has been set up following a provision of the 74th amendment. The state passed the Uttar Pradesh District Planning Committee Act in 1999.

The DPC will consist of members elected from the rural and urban bodies on the basis of the population. The election will be conducted by the state election commission. 1/5th of the members will be nominated by the state government. This will include:

- ❖ One member of the state cabinet--often a person not from the district. The law says this person will be the chairman, though some of the officials felt it would be the ZP president. Since the bodies have not been set up, this ambiguity may be based on incomplete information, informal discussion under way etc.
- ❖ The head of the ZP
- ❖ The head of the urban body in the district headquarters
- ❖ The District Magistrate
- ❖ Co-opted members--the government does the co-opting.

The size of the DPC will vary between 20 and 40 persons. MPs [Lok Sabha and Rajya Sabha], MLAs MLCs will be permanent invitees. It is not clear if they have voting rights.

The CDO will be the ex-officio Secretary of the DPC, and the district Economics and Statistics Officer will be the ex-officio Joint Secretary of the DPC.

The DPC will have the following functions:

- ❖ Determine local needs and objectives of planning as part of national and state objectives
- ❖ Collect, compile and update data on natural and human resources and prepare block wise maps
- ❖ To enlist and ascertain facilities available at village, block and district levels
- ❖ To make plans for the maximum/optimal use of natural and other resources
- ❖ To consolidate annual and five year plans of the district in accordance with larger national and state priorities and objectives
- ❖ To prepare employment schemes for the district
- ❖ To assist in financial planning for the district
- ❖ To review, evaluate and provide feedback on schemes being implemented in the district
- ❖ To allocate the cost of implementation for sectoral and sub-sectoral projects within the overall structure of the district development scheme

The DPC will meet at least once in 3 months. With the constitution of the DPC the earlier committees and processes will cease to exist.

The DPC will co-ordinate the planning process. Each village will be asked to make a plan and send it to the KP, which will prepare an overall KP plan. These will be sent to the ZP, which will prepare a district plan. Together with the plans from the urban bodies, the DPC will prepare and approve the district plan.

The DPC will go through these plans and after discussions, will make amendments if it feels are necessary. The DPC will also finalise site selection for different works. Following a set procedure [devised by the Planning Department], the DPC will finalise the plan, based upon cost of implementation, which is determined by the state government according to a formula. The DPC can approve the final plan at its own level within the budget approved by the vidhan sabha.

Provisions will be made in the state government budget for the full amount of the total cost of implementation of the district plan. Once the DPC finalises the plan, funds will be released by the DM at the district level. This should facilitate improved planning and

implementation. For this purpose, the DM has been designated a Special Secretary of the Finance Department for the district.

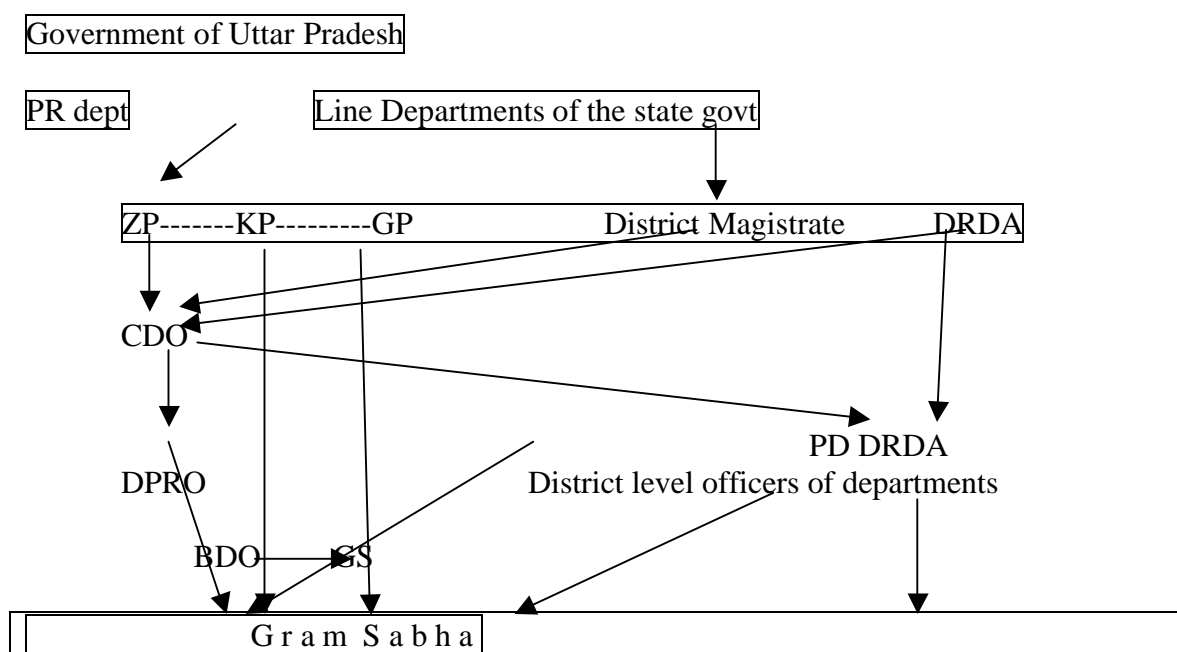
These bodies will operate from the financial year 2000-2001 which begins from April 1, 2000.

Report from the Field

3. THE FIELD REALITY: SCHEMES AND SECTORS

The main responsibility of the PRIs falls within the social sector--education, health and welfare broadly understood. From the subjects that come under the state government the implementation of some has been passed on to these bodies--in particular, the GP. This responsibility for sectors is undertaken by the state through a large number of line departments, each of which works through schemes for specific purposes. There are 29 line departments, each with its complement of staff at the district and sub district levels. There are well over 200 schemes [central and state] in operation at the district level across the country. The presence of elected officials at the local level is expected to improve the efficiency with which schemes are implemented. This is a vision that goes back to the Balwant Rai Committee recommendations. Thus, the PRIs have been "added on" to the district administration.

The district administration which implements the schemes in the different sectors can be shown as follows:



The line to the left represents the PRIs which have been added on to the district as a political entity after the 73rd amendment.

The Chief Development Officer [CDO] is the key figure in this structure. In small districts, having less than 8 blocks, the CDO can be from one of the Provincial Civil Services or

the PCS allied services. In districts with 8 to 15 blocks, the CDO will be from the PCS itself. In districts with more than 15 blocks, the CDO will be from the IAS cadre.

Each district has a District Panchayati Raj Officer from the PR department, whose job it is to render support to all the PRIs in the district. They guide the elected representatives, and junior officers, on the law, and on the procedures laid down in the elaborate rules developed in the state. They provide an interface with the PR department in the capital, following up on the requirements of the PRI bodies in the capital.

The District Magistrate is no longer part of the DRDA. Having been its Chairman, it was not possible to function in a lower capacity. The DM of Ghasipur felt liberated by this. He felt he could work freely now, without being in a position in which ulterior motives could be attributed to him.

The DRDA is responsible for approving projects under the various schemes. The ZP is only one of the agencies through which such projects can be implemented. If a road has to be built it is open to the DRDA too assign the work to the RES--Rural Engineering Services or the PWD--it does not have to assign it to the ZP. This is done on the basis of cost estimates received from these agencies.

In all cases, the supervision and monitoring of such projects is with elected officials at the GP and KP levels. The KP is responsible for block levels project, and for inter GP co-ordination. The projects being executed must be from the shelf of projects approved by the GP/GS--not very clear which of these two. Many referred to them interchangeably. Civil servants at the local levels now feel no responsibility for shortcomings in implementation as the supervision is with elected officials.

All expenditures are through schemes which are designed at higher levels. The work of 12 departments at the local level has been passed on to GPs, along with funds and staff. These are: education, tubewells, handpumps, youth welfare, medicine and health, women and child welfare, livestock, ration shops, agriculture especially extension, rural development and PR schemes.

There is no flexibility in the system. Schemes have to be implemented in accordance with defined norms set by the designer of the scheme--the GOUP or the GOI.

In addition, GPs will disburse pensions and award scholarships. In every district visited, it was found that there were cheques for pensions in the name of non-existing people--the local bodies returned these cheques after verification. Who was encashing these cheques all these years, they asked? The local bodies use this as a example of how corruption has been reduced by them.

The GP is an implementing body for schemes, not one which decides on priorities and ways of meeting them with funds available. Most of the elected representatives wanted some freedom in this matter--to decide on what should be done, and what should be implemented, and how it should be implemented. Most civil servants felt that it was essential to work through schemes as they were "objective" and reflected true national and state priorities.

With the transfer of properties, like handpumps and school buildings to these bodies, and the release of funds--SFC funds are meant for maintenance and new capital works--the

groundwork for improved efficiency has been laid. But the system in the places visited, is barely in place.

Now that staff have been transferred--teachers to GPs, PHCs to KPs, most elected representatives said that things were working better. With teachers being taken away from GPs, GP members are complaining that attendance has fallen. Supervision of fair-price shops has also been taken away.

There is according to the elected officials, a great need for upgrading the skills of the multi-purpose workers who have been placed under their jurisdiction. They have experience of work only one department--the one they come from and have much to learn about other needs of GPs. Some have less than five years for retirement and have no desire to learn new things. They would like to recruit more capable people.

Primary school teachers, are however, agitating, and want to be part of the department of education and not report to the pradhans. They do not want to be treated like the para teachers. Pradhans say they will fight to retain control. Given that there are two lakh teachers and six lakhs panchayat members, the tussle will be an interesting one. This has become a matter of speculation in the GPs after the change in leadership of the state government. The GOUP has now backtracked and removed teachers from the control of the GPs and placed them with the Basic Education Board of UP. Whether this is a minor withdrawal, as claimed by senior officials, or the first step in a retreat, remains to be seen.

4. THE FIELD REALITY: THE ZILLA PANCHAYAT AND THE DISTRICT PLANNING COMMITTEE

At the district level, the ZP is an elected body, with the Adhyaksha being elected from among the members in line with the reservation policy. It works through 6 subcommittees.

Development work at the district level had in the past been routed through the District Rural Development Agency--the DRDA. This was headed by the district magistrate. The authority included the MPs, MLAs, MLCs, nominated representatives of the public, and district level officials. In the past the officials were in a majority, but now, with the representatives of the public, that is not so. While officials can vote, voting is seldom resorted to. Funds from the central and state government for the development of the district flow through the DRDA

Political Decentralisation

The ZP has been conducting meetings at regular intervals in the districts visited. The Adhyakshas however felt that not much was achieved. The meetings went on political lines. At this level, the women members were usually educated, and often belonged to "political" families. They had come into the electoral fray because of the reservations. Without this, they doubted they would have got into politics. It is not clear to what extent they are guided by male relatives.

There was not much by way of decision making in the ZP. Proposals from the lower levels were approved and sent to the DRDA for funding. But there was no assurance that the DRDA, after approval, would assign the work to the ZP.

The DRDA continues to exist. The Adhyaksha of the ZP has, however, been made the chairman of the DRDA in place of the district magistrate. The chairs of all the ZP committees, and the pramukhs of one-half of the KPs--in rotation for one year--have also been made members of the DRDA. Other elected members of the ZP are not part of the DRDA. The decisions of the DRDA will now be made by this governing council.

In place of the district magistrate, the executive director of the DRDA will be the chief development officer of the district. It is to the ED that powers have been delegated. Thus, the CDO of the district, who is the ED of the DRDA will have a second hat as the CEO of the ZP.

Similarly, the Fisheries Development Authority and the Irrigation Board of the district have been re-organised, with the ZP president replacing the DM as the chair of these bodies. At a political level, the Adhyaksha has been recognised as the "head" of the district in place of the collector or DM.

These are new arrangements that have just come into effect. In Lucknow and Naini Tal only one meeting of the DRDA has been held so far under the chairmanship of the ZP president. In Barabanki, not even one meeting of the new DRDA has so far been held. So it is too early to talk of how this will work.

It is not clear why the DRDA is not being abolished⁵³, with the functions being transferred to the ZP. The DRDA can only consider projects submitted by the GPs. But it can refuse to fund such projects. Why is there a need for two bodies, when an elected one is in place? By having a second hat as ED of the DRDA, will the CDO have freedom from the ZP's decisions?

Administrative Decentralisation

Staff at the district level have been transferred to the ZP and will work under the control of the CDO, who will write their ACRs. The ACR of the CDO will be written by the DM, with comments of the president of the ZP being recorded without change. This seems to be a significant step forward in terms of empowering the local bodies, but it has to be seen how this works.

The reporting system continues as before, with the change that the executive head--the CDO, the BDO and the GP secretary, now have to report on a routine basis to the elected official at each of the respective levels. On matters of leave, travels etc, they need the approval of this person. The other staff come under the senior civil servant at that level.

On matters outside the PRIs, like DRDA projects, the civil servants are accountable to their departmental seniors. Financial approvals remain as before, the change being that the elected official must co-sign cheques. Conduct and disciplinary rules remain unchanged for civil servants. The elected officials have no role in this process.

Fiscal Decentralisation

In the field, the following problems were noticed: while money is to be spent at the local level, the things they are to be spent on are decided by the minister and his officials. This is

⁵³ One senior official connected with the reform process said that it was the GOI that insisted on the DRDA being in place. This needs to be checked.

contrary to the rules, which provide for such decisions to be taken by the relevant panchayat. Yet, decisions are being imposed. It is also true that this has been a long standing practice, and that adhyakshas and others are now beginning to protest this practice.

In Lucknow zilla panchayat, the Adhyaksha, Mrs Pushpa Rawat, told of how the release of funds came with instructions from the minister's office on which roads were to be built. These were in the city of Lucknow and in the neighbourhood of the houses of the minister's personal staff. The Lucknow zilla panchayat refused to endorse this "directive" and a tussle resulted. Her position was simple: "if you have decided what is to be done, then go ahead and do it. If you want us to rubber stamp your decision, we will not agree. If it is our money for road building, we will build them where our members decide". A negotiated solution was found.

Dr Seema Yadav, Adhyaksha of Ghasipur ZP also said the same thing about imposing decisions from above. This is an indicator of how things worked in the past, and how the new system is slowly leading to changes that are being resisted at a higher level. It is interesting that two of the Adhyakshas in ZPs visited were women--and educated and articulate ones at that. They were in complete control of their office. They also had clear political affiliations, and spoke of it quite openly.

In Lucknow ZP, there was a problem about how the ZP staff who were given jobs earlier without going through the formal recruitment process were to be paid--the ZP had to use its own resources and they were not enough. Funds had to be diverted from other uses somehow and this led to many problems.

In Lucknow ZP, money for 1996 was released in 1998--and explanations were asked for why money had not been spent on time! The SFC grants for 2 years were given in a lump sum recently [1999]. Delay in the release of funds seems to be the norm, not the exception. Salaries, for example, could be delayed by months in the local areas. With payment of salaries in arrears, it is difficult to get the staff to work.

Mrs Rawat told the story of how the GOUP had decided that the Lucknow ZP needed a big Panchayat Bhavan--building--and after approving the funds, entrusted the construction to one of the state engineering agencies. The building was to be completed in 18 months. Now four years later, it was not even half done, and the cost had gone up by 300%. If the task of construction were given to us, she said, "we would do it faster, better and cheaper". And this because there would be no leakages due to corruption. This is a claim many made in the course of discussions in the field.

Accountability Mechanisms

The ZP has only a few functions delegated to it--distributing pensions, for example. These funds are passed on to GPs for actual distribution. Yet, political responsibility remains with it because the menu of projects from which the DRDA makes selections are approved by the elected bodies. Since the information about procedures to be followed etc is something the political people have yet to master, they are guided by the civil servants at the local level--and so much of what happens depends on the quality of these officials. For irregularities, there is the No-Confidence motion in the ZP; there is the inquiry process which will be initiated by the DM and in the case of the ZP, referred to the Govt through the Divisional Commissioner. For officials,

there are the regular inquiry procedures. Several cases have been launched against ZP presidents, and some have been removed from office. Most of these have been for financial irregularities.

So far as the DPC is concerned, it does not have a presence in the districts visited. The Adhyaksha of Ghasipur, Dr Seema Yadav, did not know about it. She was surprised when told she is the Chairperson of this body. Some of the district level officials too did not know what the body was supposed to do. On the other hand, in Naini Tal, a meeting of the District Planning Committee [DPC] is slated for March 2000 to approve the budget and action plans for the next financial year.

Officials said [at the end of the visits] that the DPC has however stalled. For one, if all the MLAs were to be accommodated in it, then it would become an unwieldy body of about 60 people. If all MLAs are not included in a body that is to deal with matters that they were lording over till now it would be a non-starter. And questions arose if the DPC, which is essentially a plan co-ordination body under the law, can have executive functions given to it. The result [February 2000], is that it has been put on hold for the time being. The associated changes in the budget system are also on hold.

5. THE FIELD REALITY: THE KSHETRA PANCHAYAT

The kshetra panchayat is the middle tier of the local government system. In addition to a postman's role of being a two way link between the GPs and ZPs, the KP has been given specific functions in UP. For one, it is responsible for executing works such as roads, that fall between different GP jurisdictions. Secondly, it has been given the responsibility for rural development work at the block level. It will look after the Primary Health Centre, the Veterinary hospital and the seed centres of the agriculture department. The KP will also monitor the stocks in the godowns of the public distribution system. The staff will report to it, and the funds for medicine etc will be made available by the state government. As with other tiers, the KP works through 6 sub-committees. 10% of the amount being devolved to local bodies is earmarked for the KPs from 2000-2001. The funds will be operated by the pramukh and BDO jointly.

The KP could play a role in making GP action plans more realistic. As of now, these plans are a list of things that should be done, with some priority assigned to them by the gram sabha. Since funds are not available for all that is needed, there is a need for dispassionate discussion at this level of what the practical priorities are. This could then be discussed at lower levels and consolidated on a more realistic basis before being sent off to the ZP. This was what was told by the officials of the KPs visited.

Political Decentralisation

This level does not seem to have stabilised around this role. The elected members however--who are elected from a ward of about 2000 people, were unhappy with this situation in which pradhans have responsibility for supervising works. They refer to themselves as BDC members--Block Development Council in the earlier system--not as KP members. They want executive authority, to implement projects. They are jealous of the pradhan, who they say exercises power even in the area they are elected from. Since the pradhans from the KP area are ex-officio members of the KP, they feel swamped. In Naini Tal, Haldwani block, there are 49 KP members but 69 pradhans who attend the KP meeting. The pradhans can outvote the "elected" members in their own body. Tension between pradhans and KP members was noticed everywhere in the visits.

The "BDC members" demanded a BDC fund of the type MPs and MLAs get. Without executive authority, they felt there was no point in having a KP.

Administrative Decentralisation

The staff report to the BDO, and the BDO to the pradhan. But the line departments are also at work, and the KP has no executive role. Thus, though they may monitor projects in their area, they are out of the administrative loop, caught between the ZP/DRDA above and the GP below. The GP pradhan can complain about local civil servants and exercise some authority over them, but the KP members felt they could do nothing. The tasks assigned to the KP, they felt were unimportant ones. Many of the KP members said they would not like to contest for the KP again.

Fiscal Decentralisation

The KP does not get funds it can spend on projects. It has enough for its office, and the officials stationed at this level are paid by the state. The BDC members resent this deeply. They are aware that they have some powers to levy tax--they say people are too poor to pay tax, and this is not an option they consider relevant. They want a devolution of funds that they can use for patronage. If MLAs and MPs can get such a fund, why not us they ask. Then we could make the pradhan listen to us!

At the KP level the cheques are signed by the pramukh and BDO. But all the members of the KP want cheque signing authority for their wards. Why should the pradhan have this power, when we have been elected by a larger electorate in the same area, is their question.

Accountability Mechanisms

Apart from the No Confidence Motion [with 2/3rd majority] in the KP, the members can be inquired into by the DM if complaints come in. The first round inquiry is conducted by the DPRO, and if some violation of rules is seen prima facie, and further action is recommended, then the DM looks into it. The process followed is similar to the one that applies to civil servants facing an inquiry. If found guilty, then action against a KP Pramukh can be taken by the Divisional Commissioner who can remove him from office.

The DPRO Naini Tal said he was flooded with complaints about KP members. Most had no basis except political rivalry. He said often many complaints were filed about the conduct of women members--proportionately more, but he could not say why. Out of a hundred complaints, about ten merited further action. But there were cases on which elected officials were found guilty [usually of financial irregularities] and removed from office. This included women members. In such cases, new elections were called to fill the vacancy.

6. THE FIELD REALITY: THE GRAM PANCHAYAT AND THE GRAM SABHA

The gram panchayat is the basic unit at which works are implemented. In UP, for historical reasons, the GP generally consists of 1 to 2 villages. There is some talk of making GPs into larger units, but at present they are small. UP has classified them into groups: GPs with a population upto 1000 will have a pradhan and nine members; those with a population upto 1500 will have a pradhan and 11 members; those with a population upto 2000 will have a pradhan and

13 members, and those with larger populations will have a pradhan and 15 members. The pradhan is directly elected.

Administrative Decentralisation

The employees of 4 departments--[1] basic education, [2] medicine, health and family welfare, [3] women and child welfare and [4] Livestock Development-- have been transferred to gram panchayats via an amendment to the law, in such a way that one worker is always available in each village. In larger villages, there may be two VDPOs--one of whom will be appointed by the GP as secretary. Gradually, the number of departments to be covered by the multi-purpose worker is to be increased.

In the next phase--by the end of this year--the workers of 12 departments are to be transferred to the GPs. There will be no further recruitment by the state in these areas--this will be done in future by the GPs themselves on a contractual basis. They will be paid an honorarium of Rs 2250 per month--this money will be made available by the state government. [This should be compared to the average salary of Rs 7,000 that state government employees now get.] Model two years contracts have been suggested by the PRI department. The necessary changes in rules to prevent such employees from claiming government servant status --permanent employment--will be made by the end of December. Only the last step of cabinet approval before issue of orders remains to be taken. Secretary PRI believes this will be completed by the end of December as it is now a routine matter⁵⁴.

There were complaints in all the GPs visited about the capacity of these multi-purpose workers to do the job expected of them. Most were poorly educated, and knew only the routine work of the department from which they came. Most found it difficult to learn new tasks. Many were a few years from retirement and did not want to take the trouble of learning. The best of the lot were from the agriculture department.

Financial Decentralisation

Property like handpumps has been transferred to GPs--with the proviso that the GPs cannot alienate them. Gram nidhis [funds] have been set up, and funds are deposited in them. In fiscal terms, they are operated on the joint signature of the elected head and the main official--the secretary at the GP, the BDO at the kshetra and the CDO at the ZP. This was made operational in April 1999.

In two GPs of Barabanki district, pradhans complained that the bank where the GP account is maintained had received written instructions from the BDO that no money from the GP accounts should be released without his approval. And this approval is given only when the BDO is given his "commission" of 10-15% of the amount of the cheque. Sometimes it went up to 30%. The pradhans felt they could do little in this matter except to pay the commission.

There is an anomaly in the distribution of tax powers. The earlier UP Act empowered ZPs to collect taxes on weekly markets--and they do so. But the 73rd amendment gives this power to the GP--which cannot now collect this tax as the ZP is already collecting it for many years.

⁵⁴ This could not be confirmed in February--there was a new Secretary in position, and he was busy with a number of other things.

Further, GPs with a 7 km radius of a municipality have a problem. If they have land that be used for commercial purposes--say shops--the permission for such use is given by the ZP. But the development charge that is levied on the shop-keepers goes to the municipality. The GP gets nothing. They wanted at least 50% of such a development charge to be given to them.

Stamp duty when documents are registered are paid to the state. The state had promised to give 25% of this amount to the GP in which the registration took place. But the money has not been given to the GPs. This was resented.

The government side of the argument is that this money goes into a divisible pool from which GPs get a share according to the finance commission recommendations. This entire issue may need to be carefully probed.

The GPs will be responsible for management and maintenance of these properties. The GPs will also be responsible for disbursing scholarships and pensions. This has been implemented since April 1999. In each GP, cases of wrong payment of pensions have been detected, and fake names struck off the rolls. In one case, a woman who had been dead for 16 years had been sent a cheque--and it was being encashed. In another GP, non-existent persons were getting cheques. Such irregularities have been plugged by the GPs--with the full support of the ZP Presidents.

Political Decentralisation

In the hill areas, typified by Naini Tal, a large number of persons had got "elected unopposed" to the GP--including the position of pradhan. In these areas there is a tradition of a "siana"--a village elder, who fulfils the role of judge. If he suggested names for election, then there would be no other candidates. The wishes of the siana must be respected. This did not happen at higher levels of the PRIs.

Nowhere did women contest on unreserved seats. Effectively, the current reservation works as a 2/3rds reservation for men. There was a clear anger at the reservation of leadership positions for women. Membership was fine, but leadership, no.

<p>In Barabanki district, in two GPs, husbands of pradhans--"pradhanpatis"--functioned as pradhans. Both were referred to as pradhans--and had been pradhans earlier. Both were politically well connected. After the reservations, they got their wives elected, and these men continued to function as pradhans, and this was accepted by the local people. They knew of the rule about male relatives not being allowed to attend official meetings, but they attended--and conducted--them anyway. One said he went to the meetings as a bodyguard for his wife. He also said he signs papers--but this could not be verified.</p>
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Accountability Mechanisms

Accountability is supposed to be through the gram sabha, which is given pride of place in the law. There is not much discussion about the Gram Sabha--the collective of all citizens in a village, however defined. Pradhans we met used the words gram panchayat and gram sabha interchangeably. One used the term jan sabha for a citizen's meeting. Another used the term "open [khula] meeting". Some said they were not regularly held. In the hill areas there is greater awareness of the GS than in eastern UP--if Naini Tal and Ghasipur are typical of these regions.

Two meetings of the gram sabha--the rabi and khariff meetings, are mandatory. In these meetings, accounts of the past six months, and audit comments are to be presented and discussed. This body is also responsible for selecting beneficiaries for different schemes, like the JRY and its newer forms. Attendance does not appear high. A few who were met felt there was no point in going to these meetings, as nothing useful was done. This needs to be probed further.

People also have a right to information. The gram panchayat secretary is obliged to provide photocopies on nominal payment [minimum Rs 5/-. And Re 1/- per page after that] within 3 days, after which action can be taken against him--it is not clear by whom.

7. COMMENTS AND CONCLUSIONS

Although all three levels of the PRIs in UP are to be on a non-political party basis, everyone belongs to a political party. The main ones were the SP, the BSP and the BJP. Party politics is a reality. By holding these elections on a non-party basis, it is not clear what has been gained.

When Mr Kalyan Singh decided to go in for decentralisation, for whatever reason, he set up an institutional mechanism to go about the task in a legal correct and administratively systematic manner. The J.L. Bajaj Committee did a great deal of work on the basis of which the decentralisation reforms were to be brought in. Decentralisation was seen as a long term solution to many of the problems of the state, not in itself, but through the processes it is made up of. The focus in UP has been on these processes, not immediate events.

With a Core Group headed by the Chief Secretary that met every week, and a Task Force in the CMs office, officials felt that meaningful discussions took place. The result was a two step process of decentralisation that took different forces into account in designing the system that has been described. The result is a well thought out scheme of decentralisation, with devolution of funds, transfer of staff, checks and counter checks, for the exercise of decision making at district and village levels. Legally, it is a well considered system that has begun to be put into place. It is an intellectual exercise by senior civil servants and politicians.

Yet, in these committees, there were only officials. Interaction was with ministers. Politicians at the local level did not find a place in these committees. This may lead to problems that could have been avoided when implementation of the decentralisation process begins.

Officials are aware that the field reality is quite different from the rosy picture of panchayati raj in the state vision. They believe that it is in setting up appropriate systems and letting people work their way through them that a solution can be found to the basic problems of UP. That is the reason for the work put in to bring out manuals for awarding contracts, keep accounts etc. These are complex, and will require much capacity building. This is an area of prime focus.

Officials felt that people have now woken up to their rights, and are demanding results from the system. In the coming years, they expect the PRIs to be very active. For example, reservations are leading to very many major changes in the social fabric⁵⁵. In particular, reservations for women have forced men to accept a role for women that would have been unheard of only a few years ago. In the disappointment of seeing "pradhan patis" substituting for

⁵⁵ There is independent support for this. Shikha Jha loc. cit, cites the work of Dreze and Guzdar and Ravi Shrivastava in this connection.

their wives, this major social upheaval must not be lost sight of. It became clear in the field that reservations for women as members of GPs are now accepted however grudgingly. The need for women's education has been understood in the context of GP functioning. Education would have helped them perform much better.

This acceptance by men does not, however, hold for the reservation of leadership positions, about which there is much resentment. A man would like to be Pradhan, not a Pradhanpati! And yet, that is all he can have now. And it is likely to change soon, as women come to grips with the new reality. But there will be struggles--and defeats on the way. The process will have as many downs as ups.

Training on a much larger scale is needed, but there is little clarity about the content of this training. It is also not clear who is in a position to offer such training. It could be argued that this is a case for learning by doing. This matter requires careful study.

Officials argue that a process has been started and this process is positive. Aberrations⁵⁶ in the system should not lead one to question the changes being introduced. It is important to emphasise this: so many felt the new system was a failure because of such glitches. The reasons for them must be better understood. Decentralisation processes must be given a chance over a few election cycles before a judgement can be made on their efficacy.

The changed political scenario, after the change in Chief Ministership when Mr Ram Prakash Gupta took over as CM, and the subsequent expulsion of Mr Kalyan Singh from the BJP, seems to have led to demand from some sections for a reversal of some of the essential steps of this decentralisation process. For example, teachers, who have a terrible professional reputation, do not want to be supervised by the gram panchayat. This is a clear principal-agent problem. It has to be squarely faced at some time--and that time has come quite soon.

But there are also forces to oppose these moves. Pradhans are loath to give up a control they have begun to exercise on teachers. How this will be solved is anyone's guess. But this is a tension that one must expect to crop up at various times in the coming years. But the recent show down with the workers of the UP Electricity Board over its re-structuring, in which the government stood its ground over a strike that lasted for about two weeks, shows that there is also a constituency that supports reforms. The officials' conviction that this is an irreversible process may be correct over the long term.

While a reversal is always possible, the fiscal crisis of the state of UP may prove to be a factor that supports decentralisation. Another is the wide vision--decentralisation as a part of the process of reform in governance. If the government gives in to teachers, as it has recently done, its salary bill will bloat well beyond its ability to pay. It will also have to face the pressure that is now coming from below for accountability--the teachers will have to be made to do their job. For how long can the impasse continue? But how will the logjam be broken? These questions have come to the fore.

The Govt will have to weigh the impact of teachers votes against those of gram panchayat members. It will have to see where resources can be found for the salary expenditure if

⁵⁶ While delayed release of funds is an aberration in the system, it reveals both the fiscal crisis of the state, and the attitude of the higher level politicians and bureaucrats who give PRIs a low priority in this matter. The actual experience in the field is different from the intent of the law--a fact known to the senior officials. But with PRIs growing, this will have to change. We have to wait and see.

the process is reversed. And since such demands are coming from many sectors, it may be very difficult for the government to provide sops to all these sections of society again. Decentralisation will be very much of "a step forward, a step backward" process--with the steps forward becoming more important over time as the new system settles down.

The fate of decentralisation in UP is tied up in real politics at this time. Its attraction lies in the opportunity it provides for a way out of the fiscal crisis. Its weakness comes from the groups who will have to share power with hitherto marginalised sections of society. How this will be solved now remains an open question.

Since decentralisation is but a part of the planned reforms in governance, it is the latter that must succeed. Approval⁵⁷ by the government is only a tentative first step.

⁵⁷ GoUP, Policy Paper on Reforms in Governance in Uttar Pradesh. Approved in January 2000.