

# **Rural Development through Panchayatiraj in India**

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## **Abstract:**

The rural development is the main pillar of the nation's development. The reasons for this are obvious. In spite of rapid urbanization, a large section of our population still lives in the villages. Secondly, rural India lagged behind in the process of development because of varied historical factors. In order to adjust the developmental imbalances and to accord due priority to the development in rural areas, the Government of India is implementing a number of programmes aimed at sustainable holistic development in rural areas. The main deficiency was the lack of adequate administrative and technical manpower at the block and GP levels. The lack of manpower adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of stipulated records at the block and GP levels. However, since their inception, the roles of panchayats have been gradually changed and the scope of their functioning has been. Besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency, and made it difficult to verify the provision of the legal guarantee of 100 days of employment on demand. Planning was inadequate and delayed, which resulted in poor progress of works. Systems for financial management and tracking were deficient, with numerous instances of diversion/ mis-utilization, and delay in transfer of state share. Monthly squaring of accounts at different levels to maintain financial accountability and transparency was also not being done. Maintenance of records at the block and GP levels was extremely poor, and the status of monitoring, evaluation and social audit was also not up to the mark.

**Keywords:** Rural development, panchayatiraj, institutions, India

## **1. Introduction**

The rural development is the main pillar of the nation's development. The reasons for this are obvious. In spite of rapid urbanization, a large section of our population still lives in the villages. Secondly, rural India lagged behind in the process of development because of varied historical factors. In order to adjust the developmental imbalances and to accord due priority to the development in rural areas, the Government of India is implementing a number of programmes aimed at sustainable holistic development in rural areas. The thrust of these programmes is to bring out all-round socioeconomic, political-cultural vicissitude in rural areas, through a multi-pronged strategy, aiming in the process, to reach out to most disadvantaged sections of the society. In order to catalyze development in rural areas, during the last few decades, top priority has been accorded to rural development, not only in terms of budgetary allocations and resources but also through introduction of modified and novel programmes and restructuring of existing institutions and agencies. The preamble of the Indian constitution manifests the constitutional

commitment on the part of the democratically elected government and entrusts the latter to take up the task of fulfilling the national goods of achieving social, economic and political justice to all the people in the country. The Directive Principles of State Policy of Indian constitution also spell out till idea of rural development and state that the state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order, in which justice social, economic and political shall inform to all institutions of economic life to achieve and reach the above destination, the programme of rural developmental has been envisaged. To achieve the objectives of rural development several programmes were undertaken, new approaches were adopted and experimental and pilot projects were launched during pre and post Independence era. Even prior to Independence, Mahatma Gandhi had succinctly pointed and said “India lives in villages” and if India is to develop as a whole the villages were to be developed. No doubt, substantial efforts were made in the past to develop rural areas and yet the rural poor continue to live in abject poverty. Independence and the series of Five Year Plans have fetched little benefits to them and meant little change in their age-old ways of living. The major shortcoming of the efforts made to develop villages was that they were piece-meal in nature and did not take into account the kaleidoscopic difficulties of rural areas varying in pattern from region to region. Rural development is not an easy task as not only economic problems are involved but also the social and psychological issues are inter-mingled with stagnant agriculture and lack of allied activities. The caste problem is again a major issue as about 23.6 per cent of the rural population (16.64 crores) comprises scheduled castes/tribes.<sup>1</sup> Consequently, inertia and indifference have taken deep roots giving rise to suspicion and the lack of urge to develop.

### **Scope of Rural Development**

The scope of rural development is very vast and quite elastic. Yet, an attempt has been made here to indicate some of the broad areas of rural development which needs an integrated approach.

1. Developing social consciousness of people about rural development and its lasting benefits.
2. Solving the basic needs and problems by collective decision making and collective action.
3. Building up dedicated village leadership.
4. Use of science and scientific knowledge to devise appropriate technology for improving productivity at all levels.
5. Development of agriculture and allied sectors.
6. Improved water management by building tanks, small dams on the nullas and building canals etc.
7. Creating new employment opportunities by subsidiary occupations.
8. Developing cottage and village industries based on local resources.
9. Developing non-farming skills to promote and sustain service sector.
10. Developing an efficient delivery system, leading to easy supply of inputs, credit and good outlet for their products.

### **Agencies for Rural Development**

There is no dearth of agencies for rural development. At present, one could list out 45 agencies/institutions including nine international organisations, which have been actively working for the rural development in India. The list is incomplete. Among these, co-operatives, commercial banks, regional rural banks have been working at the grass-root level. Under the multi-agency approach, the commercial banks, re-organised primary agricultural co-operatives

are functioning in rural India. In the present context, it is expected that the banking system would be an instrument for bringing about socio-economic change/revolution in rural India through (i) reducing 4 regional and sectoral imbalances; (ii) promoting growth and distributing justice and (iii) harnessing science and technology for improving the productivity of rural assets- land, labour, livestock, water, forests, grassland, etc., and neutralising the liabilities of poverty, unemployment, indebtedness, etc. All these call for crystallizing the role of specialised branches/units set up by banks. besides, the financial and other agencies also play a catalytic role in rural development. This apart, the corporate sector and the voluntary and Non-governmental agencies have also engaged themselves in the task of rural development. In addition, a number of scientific and technical organisations like research stations of the ICAR, Agricultural Universities', Regional Research Laboratories, Krishi Vigyan Kendras, Community Polytechnic, Indian Institutes of Science and Technology etc, are located in various parts of the country. Mobilisation of resources and its development in agricultural, non-farm activities, rural artists, cottage industries, and integrated rural development is a continuous process. Agencies for Rural Development The following are the main agencies of rural development in India.<sup>4</sup>

1. Central Government
2. State Governments
3. Village Panchayats, Panchayat Samitis, Mandal Panchayat, and Zilla Parishads
4. District Rural Development Agency (DRDA)
5. District Industries Centres (DIC)
- 5 6. Council for Advancement of Rural Technology (CART)
7. National Institute Rural Development (NIRD)
8. National Co-operative Development Corporation (NCDC)
9. Primary Co-operatives (Agricultural/Non-agricultural)
10. Primary Land Development Banks (PLDB)
11. Large-sized Multi-Purpose Societies (LAMPS)
12. Farmers' Service Societies (FSS)
13. Scheduled Commercial Banks (Branches in Rural Areas)
14. Regional Rural Banks (RRB)
15. National Bank for Agriculture and Rural Development (NABARD)
16. Rural Electrification Corporation (REC)
17. Agriculture Finance Corporation (AFC)
18. Internal Fund for Agricultural Development (IFAD)
19. Agro-Industries Corporation (AIC)
20. National Land Resources Conservation & Development Commission (NLRCDC)
21. National Land Board (NLB)
22. State Farms Corporation of India (SFCI)
23. Cotton Corporation of India (CCI)
24. National Dairy Development Board (NDDB)
25. National Committee on the Development of Backward Areas(NCDBA)
26. Khadi and Village Industries Commission (KVIC)
27. Rural Marketing and Service Centres (RMSC)
28. District Supply and Marketing Societies (DSMS)
29. Composite Rural Training Centre (CRTC)
30. Industrial Houses (IH)
31. Adult Education Centres (AEC)
32. Indian Dairy Corporation (IDC)
33. Institute of Rural Management (IRM)
34. World Bank (WB)
35. Agro-Industries Corporation (ADC)
36. Afro-Asian Rural Reconstruction Organization (AARRO)
37. Centre on Integrated Rural Development for Asia and Pacific(CIRDAP)
38. Food and Agricultural Organization (FAO)
39. United Nations Educational, Scientific and Cultural Organisation (UNESCO)
40. World Health Organisation (WHO)
41. United Nations Industrial Development Organisation (UNIDO)
42. International Development Association (IDA)
43. Organisation for Economic Co-operation and Development (OECD)
44. Rural Management Institutions (RMI), and
45. Voluntary Agencies (VA)/ Non Governmental Organisations

Rural development is a part of the same process of economic

development and social change. They have to go on simultaneously. Although, various agencies are working in this direction, the rural development programmes lack co-ordination and cohesion. Moreover, until 7 and unless a strong will for development develops within the rural community the development process would not gather momentum.<sup>5</sup> The country is poised for growth and the rural environment is conducive for concerted action in improving rural standard. Financial institutions, particularly banks have been helping in multidimensional way in achieving their goals. The need of the hour is a co-ordinate action on the part of the government, corporate bodies, banks and voluntary agencies. It is also important that efforts and resources deployed by various agencies may not overlap. In fact, each agency should supplement the efforts of others and treat the programme as a joint endeavour with one single purpose. The principal objective of rural development is the development of the rural people, particularly the rural poor. The three crucial inputs in rural development are the motivation of rural people, the relevant technology and management and implementation of the transfer of technology to rural poor.

### **Panchayat Raj and Rural Development**

Democracy and decentralisation are often presented as the sine qua non of the rural development and the poverty reduction programmes. Democratic decentralisation, it is argued, results in a state apparatus more responsive to local needs and aspirations. This in turn produces systems of governance that are more effective. Panchayati Raj Institutions (PRIs), in the context of rural India, are these systems of governance, which respond to the needs of the democratic decentralisation. <sup>8</sup> Democratic decentralisation can be defined as a meaningful authority devolved to local units of governance that are accessible and accountable to the local citizenry, who enjoy political rights and liberty. It thus differs from the vast majority of earlier efforts at decentralisation in developing areas (which go back to the 1950s in India), which were largely initiatives in public administration without any serious democratic component. If one must locate PRIs in the given definitional format, the periodic elections provide an important means of ensuring government responsiveness and accountability on broad social issues. “At the same time”, as Blair argues, “elections are crude instruments of popular control, since they occur at widely spaced intervals... and address only the broadest issues”.<sup>6</sup> In the rural context, arguments encouraging democratic decentralization are often associated with improvements in public accountability, environmental sustainability and the empowerment of poor and vulnerable groups. Central to this is the notion that large and centrally administered bureaucracies represent an inefficient and potentially destructive means of allocating resources and generating wealth within the society. The solution, it is argued, is to make governments more accountable and more responsive to local people. Studies on decentralization show that the devolution can enhance rural livelihoods in a variety of ways. First, the establishment and empowerment of local resources user groups can improve the ways in which poor people are often disproportionately dependent.<sup>7</sup> Second, and related, collaboration <sup>9</sup> between public agencies and local resources users can produce ‘synergistic’ outcomes, in which citizens and civil servants co-operate to provide goods that would be unobtainable were they acting alone. Third, the democratization and empowerment of local administration bodies can enhance representation and participation in

decision-making fora, particularly among groups that have been traditionally marginalized by local political processes. This increased participation offers significant benefits in itself. One, participation in local, democratically elected bodies can lead to improvements in self-identity and worth, which can help to break down customs of inequality and discrimination. Second, membership in local administrative bodies can provide important skills that can be transferred to other walks of life. Regulations stipulating the inclusion of such groups (reservation policy) can help to ensure that poor and marginalized group have a voice in local bodies. Among some of the successful cases of democratic decentralization, the systems of local democratic governance have also been shown to improve the efficiency and responsiveness of public officials.<sup>8</sup> Stating the Indian context, during the 1950s, there was a need felt by the Government of India to formally decentralise governance and devolve power by introducing the Panchayati Raj Institutions (PRIs) as institutions of local self-governance, following the Balwantrai Mehta Committee's recommendations after reviewing the Community Development Programme, to enable the rural masses to participate in the micro-planning and implementation of the various development schemes. By the early 1960s, many states had taken the necessary legislative measures to establish PRIs, <sup>10</sup> but there was scarcely any representation of the women in the elected panchayats. In order to make PRIs more responsive and productive in its socioeconomic responsibilities, the varied committees and the recent 73rd Constitutional Amendment hailed important landmarks its democratic decentralisation, devolution of power, financial autonomy and provided space for participation of the women and the marginalised sections in the decisionmaking process at the grassroots level. Over the years, despite the constitutional provisions and several other recommendations, the ground reality shows the inadequacy of the PRIs to become pro-people, peoplecentred and innovative in approach because of the age-old inequality, domination, subjugation and subordinated relations in terms of gender, caste, class and power in rural landscape. Besides, politicisation of the democratic institutions, frequent interference by the bureaucrats, irregularity in holding elections, etc., have posed a major threat for sustaining the democratic local self-governance system, which called for a review and introspection. The passage of the 73rd Constitutional Amendment in 1992 was a turning point in the history of rural development in India. In fact, it has evolved as a watershed in the history of decentralised governance, planning and development of rural society in the country. It paved the way for a fundamental change in the way the public goods and services are delivered in rural areas of India. Since then, more than a decade has been passed, crores of rupees have invested and plenty of experiments have been made, but basic contradictions, which were haunting the rural self-governing institutions of India in the past, have continued to prevail. The success and failure of the system in the country varies from region to region and from state to state depending on the nature of their political economy, social structure and cultural diversity. An attempt has been made in this paper to critically view the system of Panchayat Raj in India - its evolution, transformations, contradictions, scope and limitations for sustainable rural development - on the basis of reviewing mainly secondary literature.

**Statement of the Research Problem**

One of the tasks stressed from the beginning of Panchayati Raj activities was to assist for the development of rural areas. This has been held to be the objective of various plans, programmes and schemes. The successive Five Year plans and the programme evaluation organizations underlined the need of equitable distribution of fruits from development and the people's participation in the plans of rural development. The welfare services such as health care, housing, water supply, rural roads, nutrition, tribal development and social welfare are being provided with a view to offer reasonable opportunities to the rural masses in general and under privileged sections in particular. Today the challenge of rural poverty cannot be met without the active involvement of Panchayat Raj. Panchayats are looked upon as a means to achieve socio-economic transformation of our rural societies. With this noble aim, Panchayati Raj institutions have been introduced in India. Panchayati Raj has been made its way from its uncertain past to its so significant present, in spite of the so many adverse situations it had to encounter on its march. Now it is generally believed that the socio-economic benefit of Panchayati Raj and rural development has not gone to the needy people. The introduction of this system in Andhra Pradesh as elsewhere had aroused lofty expectations in the minds of the rural masses, especially downtrodden sections of the society. But these institutions do not appear to have made much impact on the development of rural areas. Hence, the study makes a humble attempt to analyze, evaluate and assess the role of Panchayat Raj institutions in the development of rural areas with special reference to MGNREGS in westgodavari district, Andhrapradesh, India.

**2. Review of literature**

Critical Observations of Some Studies and Comments In the Panchayat Raj system, the most significant institution for direct people's participation is Gram Sabha (or Palli Sabha in Orissa, or Ward Sabha in Kerala or Gram Sansad in West Bengal) where the entire electorate actively participates in the debate, discussion and decision-making regarding development of village as a whole. In fact, all over India, the attendance of the people in these meetings has been unsatisfactory except that in Kerala. According to latest government data, even in the politically conscious state of West Bengal, the average percentage of attendance in the Gram Sansad meetings in May 2002 varied between 18 per cent in Jalpaiguri district and the low of 6 per cent in Howrah district. The percentage of women leaders' attendance was dismal. After 73rd amendment, the Eleventh Schedule of the Constitution lists 29 items or functions that state legislatures could devolve to the local governments. In reality, most of the states have made such devolution as for mere ostentation. Some states and union territories have not yet fully transferred their earlier functions to local self-governing bodies in most of the states.<sup>28</sup> However, only Karnataka, Kerala, Rajasthan, Sikkim, Tamil Nadu, 29 West Bengal and Daman and Diu have transferred all 29 subjects. While Arunachal Pradesh, Assam, Bihar, Jharkhand, Goa, Gujarat, Andaman and Nicobar Islands, Chandigarh and Pondicherry have not devolved any function. The remaining states and union territories have transferred only some functions ranging from three in Dadra and Nagar Haveli to 25 functions in Orissa. Although several states have given a number of responsibilities to the Panchayats, but these have not been put into

practice. This, in turn, has adversely affected the efficiency and effectiveness of the Panchayats.<sup>29</sup> According to Fernandes (2003:2873-74), “agrandiser government, in most states, continues to hold on to most powers, even as they have been formally devolved to local government through conformity legislations”.<sup>30</sup> In fact, the conformity legislations of most states have not significantly transformed the functional domains of Gram Panchayats, across the country. The studies conducted in Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Tamil Nadu, Orissa, Punjab, Haryana, Assam and Goa also discovered the fact that most of the states granted a plethora of functional responsibilities without executive follow up of granting adequate powers, staff and additional financial resources. Bureaucracies in most of the states were indisposed to have elected PRIs. Quite obviously, the main issue was not devolution of additional responsibilities but granting them necessary powers, staff and funds within the present dispensation itself. Thus, it is evident that there is lack of political and administrative will in several states to strengthen their PRIs. <sup>30</sup> Although all the states have passed their conformity legislations within the stipulated time, but it is disheartening to note that most of the states passed them only on the eve of the deadline without having serious debate on the subject in their respective assemblies. This shows a lack of seriousness on the part of the states in piloting their legislation in conformity with the spirit of the Constitution.<sup>31</sup> Elections have been held, reservations for women and the depressed castes have been implemented, and finance commissions have been set up in almost all the states. These are formal steps required under the law. The 73rd amendment left it to the state assemblies to decide upon the details and the subjects which could be transferred and how. It was meant to provide flexibility to the states which differed from each other in so many ways. If any change needed, then, it could be possible only through the state assemblies.<sup>32</sup> According to the Central Act, elections to all tiers of the Panchayat Raj had to be completed within six months of its coming into force. Even Article 243(N) also allowed the panchayats to complete their full term, if they were constituted immediately before enforcement of the Central Act. However, all the states and union territories, covered under the Central Act, have constituted the panchayats except Arunachal Pradesh, Jharkhand and Pondicherry. But elections were not held in time in a number of states. In most of the cases, the delay in holding elections was due to court cases, natural calamities or law and order problems. The Working Group on Decentralised Planning and Panchayat Raj for the Tenth Plan observes that <sup>31</sup> “in most of the court cases, i.e., grievances of aggrieved parties related to reservation of seats for the SCs/STs/OBCs/ women, delimitation of constituencies, percentage of reservation of chairpersons from lower tier to higher tier, etc., the state governments have not pursued these pending court cases vigorously. This reflects the apathy of the states in ensuring participation of women and marginalised communities in their local self-governing bodies. In most of the states, mere compliance with the law does not mean that local governments have begun to function. The existing governmental system is so large that its different arms speak with different voices. For instance, the Planning Commission has been urging for greater devolution of powers, while the Ministry of Rural Development has been insisting on the continued operation of the DRDAs, which systematically bypass local governments.<sup>33</sup> The DRDA, which

shared major part of rural development budget, was not within the panchayat set up, though now it has been brought under the purview of Zilla Parishad. Though the Zilla Pramukhas are to be chairmen of DRDAs, which run all poverty alleviation programmes, yet in practice, they will only preside over the meetings of the governing councils of the DRDAs. While the financial powers will rest with the collector who would continue as the chairman of the Executive Committee of the DRDAs. Thus, the relationship between panchayats and DRDAs needs to be clearly specified.<sup>35</sup> In fact, the Panchayati Raj system, in its new incarnation, is designed to engage more as an agency of local self-government than as an agency of decentralised development in rural India. But, practically, the mode of 32 delivering various rural development programmes and services continues to be bureaucratic even today.<sup>34</sup> Speedy development in rural areas depends on the quality of panchayat leadership and their involvement in local activities. The quality of leadership rests on the perception of panchayat leaders about their local problems which depends on their level of education, training, occupational pattern, age and frequency of their meeting with the common people. Furthermore, their efficiency also depends on level of income, sex and political alliance.

### **3.Objectives of the Study**

1. To study the role of Panchayat Raj Institutions in the development of rural areas.
2. To assess the role of three tiers of Panchayat Raj Institutions in the implementation of MGNREGS.
3. To examine the knowledge and awareness of peoples about different tiers of Panchayat Raj Institutions and various facets of MGNREGS.
4. To analyze the perceptions of beneficiaries and non-beneficiaries on the role of Panchayat Raj Institutions in the implementation of MGNRES and;
5. To suggest measures for the effective implementation of MGNREGS with the active participation of people and representatives.

### **4. Research Methodology**

The methodological aspects of the study such as the area of the study, the sample, sources of data, analysis of data and the chapter scheme have been detailed hereunder: Study Area The field investigation of the problem has been carried out in west Godavari district, which is well known for droughts in the whole country. Due to prevailing drought the Central and State Governments extending all rural development programmes to the district in the first phase. Keeping in view of the drastic conditions in west godavari district, the Government of India formally launched the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) assigned several powers and functions to the Panchayat Raj Institutions at three levels i.e. Gram Panchayat, Mandal Parishad and Zilla Parishad.

### **Period of Study**

The beneficiaries of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) during the period of April 1, 2014 to March 31, 2017 were interviewed for the study.

Sample Design For in depth study on the role PRIs in the implementation of MGNREGS multi-stage random sampling method was followed. In the first stage five revenue divisions of West Godavari district were selected. In second stage two Mandals were selected from each revenue division. Among them one Mandal which has highest percentage of MGNREGS beneficiaries and another Mandal which has lowest percentage of MGNREGS beneficiaries was selected. In the third stage from each selected Mandal 2 Gram Panchayats which have highest and lowest percentage of MGNREGS beneficiaries were selected. In the fourth stage 6 beneficiaries of MGNREGS and 6 non-beneficiaries from each Gram Panchayat was selected by taking in to account the socio-economic background of beneficiaries. So, the total sample constitutes one district, 5 revenue divisions, 10 Mandals 20 Gram Panchayats and 120 beneficiary and 120 non-beneficiary respondents.

### **5. Scope of the Study**

Panchayat Raj institutions are studied from different points of view, viz., as an extension of democratic decentralization to the village level, as an agency of government to implement the developmental programmes/ schemes, etc. So the present study looks at Panchayat Raj institutions from purely developmental point of view. The whole study centers on the role of Panchayat Raj institutions in rural development.

### **6. Data Collection**

Both primary and secondary sources of material have been used in the collection of data on Panchayati Raj in general in the district and more specifically on the rural development programmes vis-à-vis Panchayati Raj institutions in the district. For the collection of primary data Interview Schedule was prepared for administrating on the beneficiary respondents. For the illustration of the data tables, percentages and charts have been used wherever necessary. The secondary data has been collected from the published books, journals, periodicals, published reports, action plans, official documents, brochures and official records. Data has been collected from the various offices like District Panchayat Office, Mandal Parishad Offices, and Office of the Zilla Parishad, Research Institutions, and different Libraries.

### **7. Analysis of data and use of statistical tools**

The collected data have been processed and analyzed both manually and with the help of a computer. Both primary and secondary data were tabulated to bring out systematic analysis of the role of PRIS in the development of rural areas in the study area.

#### **Need and Importance of the Study**

The Panchayat Raj System is playing important role in rural development. The PRIs has taken the responsibility of implementing various rural development programmes of both state and central governments. The study is needed for evaluating the role of Panchayat and the impact of the same on the development of study area.

**Origin and Growth of Panchayat Raj System in India** Since ancient times, a number of systems of community-based management of local affairs had been evolved in India. These institutions, in most of the country, were known as 'panchayats' which literally means a council of five persons. Their functions mainly focused on local governance akin to what was developed in

other countries during their agrarian phases like the Russian 'Mir', the German 'Mark' and the medieval 'Manor' of England. In most parts of India, however, the panchayat system was based on the traditional caste system, social status and family-kinship relations. The concept of 'local self-government' was first introduced in the urban areas and later in rural areas during the British rule in India, particularly in the later half of the 19th century. The colonial rulers constituted municipal corporations around the trading centres as early as in 1687 (Madras). In 1870, Lord Mayo got a resolution passed by his council for decentralisation of powers in order to bring about administrative efficiency. After a decade, during Lord Ripon's Viceroyship in 1882, the British government passed a resolution for providing local board with elected leaders. The apologists of the colonial rule in India generally aver that whatever might be the shortfalls of colonialism, the British government attempted to modernise various institutions of Indian society. Since then, it took more than one hundred year for the local self-government bodies to become a part and parcel of the Indian Constitution. These bodies are termed as 'panchayats'. Although the concept of 'self-governing system' and the welfare of villages were at the centre stage of the Indian Independence Movement, led by Mahatma Gandhi, but when the Constitution of Independent India was being drafted, they did not figure in its main body, except a reference in the Directive Principles of State Policy. But, the Directive Principles of State Policy are not justifiable. While Article 40 of the Indian Constitution says: "The State shall take steps to organise village panchayats and endow them with such power and authority as may be necessary to enable them to function as units of selfgovernment." Even though no state government took Article 40 as seriously as expected. The Indian nation-state was functioning as a federation only at two levels - union and the states. The Constitution, adopted by the Constituent Assembly on November 26, 1949, envisaged a strong Centre and left the states at the periphery.<sup>11</sup> Even at the time of independence, the rulers of India and political leaders did not think it necessary to build up an alternative system of new institutions or to reform the existing ones for an independent local governance. Because, the most important goal for them was the task of nation-building and maintaining the unity and integrity of the country. <sup>13</sup> This concern was so strong that the Indian Constitution retained a unitary bias and created a federal structure in which even the autonomy of the states was unreasonably curbed and the question of decentralisation of power at local level did not arise. Even, the pressure to retain the existing preindependence system of district governance came from one of the main architects of our Constitution, Dr. B.R. Ambedkar, who argued against the empowerment of Village Panchayats on the ground of fear that the landed gentry of the upper castes would invariably dominate them and use them for perpetuating the exploitation of the lower castes people in particular and the poor in general. The original Constitution of India had retained an entrenched administrative system at district and block levels. But, there was a strong pressure to retain the pre-independence, system in independent India. The system of local governance which was adopted, so much deep-rooted in the elitist understanding that the local self-government institutions became massively defunct in functioning and were accustomed to serve under the surveillance of local bureaucracy. In fact, the emergence of Panchayat Raj system in independent India could be seen from the point of

view of development. The Government of India, after the transfer of power from the British in 1947, decided upon a path of major social and economic transformation in which the Union Government played a major role through a chain of hierarchical western bureaucracy. Soon after independence, the Community Development Programme (CDP) emerged as the first gigantic project of rural development. It was launched on October 2, 1952. The First-Five Year Plan, through CDP, sought to initiate a process of transformation of social and economic life of the village India by increasing agricultural production, by promoting transport and communication facilities, and by providing adequate health and hygiene as well as educational services to the rural people. It was envisaged as a programme of aided self-help for individual and collective welfare of rural people. As an aided programme, the CDP provided for infrastructural facilities, technical help and material assistance to accelerate the development activities in the rural areas. In order to achieve the above-mentioned objectives, it heavily banked on extension service with block as its main unit of operation. Generally, a block consisted of 100 villages with an area of 150 to 200 square miles and a population of 60 to 70 thousands. But, in actual definition, it varied from region to region depending on the nature of communities concentrated or spread in an area. The Second Five-Year Plan, however, simply extended the CDP with a view to cover every village in India. Towards the end of 1950s, it was observed that the programme was dominated by the official bureaucracy who, in reality, had complete control over its planning, decision-making and implementation. Soon after, it was discovered that its performance left much to be desired. While diagnosing the failure of CDP, the Balwantrai Mehta Committee attributed it to lack of people's participation in planning, decisionmaking and implementation of the programme. Thus, the Committee recommended that there should be decentralization of planning and administration for the effective implementation of the programme. Accordingly, the CDP was put under the control of Panchayat Raj system as a formal organization comprising the elected representatives of the people as well as an agency of democratic decentralization for socio-economic development of rural people. The Panchayat Raj system in independent India emerged as a system of local self-government. It stands for mainly decentralization of power and administrative authority in the country. As a system of democratic decentralization, then it emerged towards the end of 1950s mainly due to failure of CDP to achieve its desired objectives. Corresponding to the objectives of CDP, the Panchayat Raj system was based on the following principles: 13 (a) There should be a three-tier structure of local self-governing bodies from village to district level, with an organic linkage from the lower to the higher ones. (b) There should be a genuine transfer of powers and responsibilities to these bodies. (c) Adequate financial resources are to be transferred to these bodies in order to enable them to discharge their responsibilities. (d) All rural development programmes and welfare schemes at these levels should be channeled through these bodies. (e) The system evolved should be such as to facilitate further decentralization of powers and responsibilities in future. 16 However, the development administration remained with Panchayat Raj for a short period only, as Panchayat Raj eventually became defunct in many parts of rural India. The point needs to be emphasized here is that the basic motive for the support given to the Panchayats was to enlist in a very limited way people's

participation in a programme conceived and directed by the central government. Thus, legitimizing a central government-led development programme was the hidden agenda behind the move. It is also not a surprising fact that out of three tiers of Panchayat Raj system, the Balwantraji Mehta Committee (1957) made the intermediary tier, namely, the Panchayat Samiti or the Block Panchayat, as the most powerful unit, which systematically marginalised both the Gram Panchayat and the Zilla Parishad because the block was chosen as a new administrative unit to implement the CDP.<sup>14</sup> Though the block was converted into an operational unit of the rural local power structure, but the definition of 'local' was determined by a bureaucratic fiat and was not left even to the imagination of the community. Though Pandit Jawaharlal Nehru considered the three-tier system of Panchayat Raj as a form of governance by the local self-governing institutions, but it was administered and controlled by the bureaucracy. In the meanwhile, the image of Panchayat Raj got transformed from an agency of decentralised development to more of a political body defining the new power structure of rural India. There was no attempt to replace the bureaucratic administration to democratic governance at the bottom level. The forces in favour of centralisation of power were so strong that even little concessions given to the first generation of panchayats were not tolerated for long. Though the system had existed formally in most of the major states of India since the early 1950s, but in most states it was not an effective body of governance until the early 1990s. Even elections for the panchayat bodies were not regularly held for years and the panchayats did not assume any active role in the process of rural.<sup>16</sup> The system collapsed in almost all the states, except Maharashtra and Gujarat, soon after Nehru's death in 1964. The next decade was ruled by Indira Gandhi. Her tenure faced many political and economic problems like wars, internal threats, terrorism, inflation, communal conflicts, instability of government and period of emergency etc. Then, there was a period when other political parties strived to gain mass support for forming a government alternative to the dominant Congress. They promised to pursue some populist ideas including decentralization and extension of local democracy. Realising the fault, the central coalition government formed another committee of eminent persons headed by Ashok Mehta in order to examine exclusively the question of institutionalising panchayats. This Committee also re-emphasised on the decentralisation of power. Because, by the end of 1970s, the lack of progress (in terms of outcomes) in the social sector, in areas like health and education, began to be taken seriously. Thus, the Ashok Mehta Committee, appointed by the Janata government in 1977-78, spoke strongly of the need for locally elected governments. The Committee made a number of recommendations for revitalisation of PRIs which included: (i) assigning more powers to PRIs; (ii) making Zilla Parishad as primary unit in PR system; (iii) political parties taking part in panchayat elections; and (iv) imparting training 18 to panchayat members. Later, the Santhanam Committee was appointed to study the problems of resources and finances of PRIs. It also recommended measures like:<sup>17</sup> (i) Giving powers to panchayats to levy special taxes based on land revenue, house tax etc.; (ii) sanctioning of grants to panchayats by state governments; (iii) handing over sources of revenue to PRIs; (iv) evolving mutual financial relations between different levels of PRIs; (v) augmenting financial resources through gifts and donations; and (vi)

setting up Panchayat Raj Financial Corporations to provide loans and financial assistance to panchayats and help them in providing basic amenities to villages. But, the Janata government that set up this committee fell shortly after and these recommendations were ignored by the Congress government that followed.<sup>18</sup> Except appointing a committee, however, the coalition government of different political parties led by Janata Party did precious little to achieve the goal of democratic decentralization. Only three states, viz., West Bengal, Andhra Pradesh and Karnataka, seriously accepted the recommendations of the committee and established or empowered their PRIs. In West Bengal and Andhra Pradesh, where regional opposition parties emerged with populist ideas and charismatic leadership by challenging the Congress Party. Only in Karnataka, there was a genuine attempt to develop autonomous local governing institutions at village and district levels. However, the experiment<sup>19</sup> faced problems later when the party, which launched this programme of decentralisation, was voted out of power.<sup>19</sup> In the 1970s and 1980s, a series of movements occurred in different parts of the country based on ethnic, religious or linguistic assertions of regional communities who had developed a feeling of alienation from the mainstream Indian society. There were also militant movements in the northeast region, Kashmir and Punjab, besides the Gorkhaland movement, Jharkhand movement and Uttaranchal movement. The government was in difficulty in maintaining the unity and integrity of the country. The democratic republic of India was under stress and instability. In the mid-1980s, the danger of government's policy for maintaining India's multicultural society became apparent. Thus, a need was seriously felt to share power with the grassroots local communities. In the mid-1980s, the Congress Party was out of power in many states, though it continued to be in the government at the Centre. The opposition parties in different states were mounting pressures for more administrative and fiscal powers for the states and they were not ready to accept the centre's decision, which caused sufficient irritation to the central government. The Prime Minister was in danger as many stalwarts were forcefully asserting their views on national issues of integration, stability and progress.<sup>20</sup> Under this situation, it was thought by the central leaders that if decentralization of powers takes place at local power structure, the autonomous local self-government institutions would create similar problems for the ruling opposition parties of the states, as these bodies would claim<sup>20</sup> devolution of powers and resources from the states. The idea to initiate a basic change in the administrative system at the district level and below - from a non-representative, autocratic and bureaucratic administration to a representative and responsive elected system of governance - was first mooted by former Prime Minister and the Congress Party President Rajiv Gandhi and it was placed before the conference of chief ministers by him for obtaining a consensus. The main reason behind this was his search for an efficient administrative delivery system. Initially, he had thought that if Panchayats were used as supplementary to the existing administrative structure, the outreach of the government's development programmes could be enhanced and the leakage or misuse of huge resources for rural development could be curbed. Later, when he toured the entire country, and directly met the local leaders and interacted with the district collectors or magistrates in several regional seminars, then, he realised that there is a need of a systematic transformation of district

administration from bureaucratic administration to democratic governance at the district level and below. Being a greenhorn in the political arena, Rajiv Gandhi could take an independent view and stridently advocated for strengthening local democracy.<sup>21</sup> Even then, there were a number of causal factors, which led to the failure of PRIs in bringing about development in the country. There were some crucial problems in the functioning of the Panchayat Raj system until early 1990s, which could be underlined as follows: (i) functions and powers given to panchayats were limited; (ii) panchayats were ill-equipped in terms of manpower in order to undertake planning; (iii) panchayats had no power to generate their own resources through 21 taxation, etc.; and (iv) elections were not held on a regular basis. Therefore, the high expectations with regard to the panchayats were unfulfilled. The main reasons for the failure of the PRIs could be outlined as: (i) non-legalistic status of PRIs, (ii) irregular elections, (iii) frequent suppressions and suspensions, (iv) inadequate representation of the weaker sections, (v) insufficient powers given to panchayats, (vi) lack of financial resources, (vii) indifference and non-cooperation of the bureaucracy, (viii) lack of people's participation, and (ix) lack of genuine political will. Barnabas (1998) has also identified five major causes for the failure of Panchayat Raj system before 73rd amendment. These are: (i) confusion about functions of PRIs; (ii) absence of autonomy; (iii) confusion in administrative arrangement; (iv) absence of coordination; and (v) fragmented and overlapping structure.<sup>22</sup> In 1984, the Prime Minister wrote to chief ministers to hold overdue elections to PRIs as well as to revitalise their functioning's. Subsequently, two more committees were appointed in 1985 (G.V.K. Rao Committee) and in 1986 (L.M.Singhvi Committee). The former recommended the following measures: (i) PRIs have to be activated and provided with all required support in order to become effective organisations; (ii) PRIs at district and block levels should be assigned with the works of planning, implementation and monitoring of rural development programmes; and (iii) Block Development Office should be the spinal chord of the rural development process. The observations of the Singhvi Committee were as follows: (i) the PRIs were not functioning properly due to lack of political will; (ii) lack of evaluation and feedback; (iii) indifference to corrective measures; and (iv) reluctance of PRIs to raise revenue resources through exercising their taxing powers. Thus, the Singhvi Committee gave some suggestions: <sup>22</sup> (i) locating proper means to ensure availability of adequate financial resources to PRIs; and (ii) making provisions for compulsory and optional levies. In the early 1990s, while taking into consideration the views, recommendations and suggestions of these committees, the central government, led by BJP coalition, decided to amend the Constitution, which was made by the Lok Sabha in December 1992, and by the Rajya Sabha in December 1993 and then after being ratified by 17 State Assemblies, it finally came to be known as the 73rd Constitutional Amendment Act, 1993. Practically, it came into force in 1994. In this way, the Panchayat Raj system in India could be seen as evolved through six phases: (i) pre-formative phase, before independence; (ii) formative phase, between 1950-1960; (iii) readjustment phase between 1961-1964; (iv) critical phase between 1965-1985; (v) reformative phase between 1986-1993; and (vi) progressive phase, 1994 onwards.

Nature of Panchayat Raj System after 73rd Constitutional Amendment The Parliament of India, on December 22-23, 1992, passed two Constitutional Amendments (73rd and 74th) and on April 24, 1993 they were incorporated as Part IX for the rural panchayats and Part IX-A for the urban municipalities. The salient features of the 73rd Constitutional Amendment are as follows: (i) formation of Gram Sabha at the village level; (ii) uniform threetier system at village, block and district levels with exemption for intermediate level in states with a population of less than two million; (iii) direct election to 23 all seats for all members at all levels; (iv) indirect elections for chairpersons at intermediate and apex levels (however, mode of election for the lowest level is left to the state; (v) reservation, on rotation basis, for the SCs and STs in proportion to their population both for membership as well as chairmanship of panchayats at all levels; (vi) reservation of not less than one-third of the seats and offices for women; (vii) tenure of each body at all levels as fixed for fiveyear term; (viii) fresh elections within six months in case of suppressions or dissolution of panchayat bodies; (ix) devolution of powers and responsibilities by the state in preparation and implementation of plans for economic development and social justice including implementation of schemes related to the subjects listed in the Eleventh Schedule of the Constitution; (x) setting up State Finance Commission, after every five years, in order to review the financial position of these institutions and to make suitable recommendations to the state on the distribution of funds among panchayats; (xi) setting up State Election Commission for holding panchayat elections under its superintendence, direction and control; (xii) while under the 74th Constitutional Amendment, a provision was made for constitution of District Planning Committee to prepare a Draft Plan of the whole district comprising panchayats as well as municipalities. Although this provision is a part of the 74th Amendment Act, all the states have been agreed to extend it to the 73rd Amendment Act.<sup>24</sup> The 73rd Constitutional Amendment Act (hereafter, also Central Act of 1992) was, in fact, a watershed in the history of decentralised governance, planning and development in India. As a land mark achievement, it has made 24 the panchayats as the third tier of government with providing reasonable substance and content of powers and authority as well as creating adequate space for the empowerment of women and marginalised groups or communities in the Indian federal system. Following this episode, another Act was passed by the parliament under the name of Extension to the Scheduled Areas Act of 1996 (henceforth, also Extension Act of 1996) by which the decentralised democracy was extended to the Fifth Schedule areas of the states through the provisions of the panchayats. In December 1996, the parliament extended the 73rd amendment to the Schedule Fifth areas where tribal populations predominate (Pal, 2004:137). While the Extension Act of 1996 is an important step for enabling state legislatures to make laws for the well-being of the tribals that ensure their control and rights over natural resources as well as for conserving and preserving their identity and culture in a participatory manner through the institution of the Gram Sabha. The salient features of the Extension Act of 1996 could be identified as follows:<sup>25</sup> (i) Every village shall have a Gram Sabha consisting of persons whose names are included in the electoral rolls of the panchayats at the village level. (ii) Reservation for the STs shall not be less than half of the total number of seats at all tiers of the panchayats. Reservation of the tribal

communities shall be on the basis of proportion to their population. The chairmanship shall be reserved for the STs at all levels of panchayats. In case, some of the ST communities have no representation at intermediate (block or taluka) or district level panchayats, the state government shall nominate such underrepresented STs. But, such nomination should not exceed one-tenth of total number of elected members of the panchayats. (iii) Every legislation on the panchayats in Fifth Schedule area shall be in conformity with the customary law, social and religious practices and traditional management practice of the community resources. (iv) The Gram Sabha shall be competent enough to safeguard and preserve the traditions and customs of the people, their cultural identity, community resources and customary mode of dispute resolution. (v) The Gram Sabha is empowered to approve plans, programmes and projects for social and economic development, to identify beneficiaries under the poverty alleviation and other programmes, and also to give certificate of utilisation of development funds for various plans and programmes. (vi) The Gram Sabha or the Gram Panchayat at the appropriate level would be consulted before making the acquisition of land for development projects and before resettling or rehabilitating people affected by such development projects. However, actual planning and implementation of the projects shall be coordinated at the state level. (vii) Recommendation of the Gram Sabha or the Gram Panchayat at the appropriate level is mandatory for the grant of prospecting licence or mining lease for minor minerals, and grant for the exploitation of minor minerals by auction. 26 (viii) The Gram Sabha and Gram Panchayats are endowed with powers to enforce prohibition or to regulate or to restrict the sale or consumption of any intoxicant, ownership of minor forest produce, to prevent alienation of land, to manage village markets, to exercise control over money lending, to exercise control over institutions and functionaries in all social sectors, to exercise control over local plans and resources for such plans including the Tribal Sub-Plans. (ix) Planning and management of minor water bodies shall be entrusted to the panchayats at the appropriate level. The state legislatures may endow the Panchayats with such powers and authorities, as that may be necessary to enable them to function as institutions of self-government. The statutes shall contain safeguards to ensure that the Panchayats at the higher level do not assume the powers and authority of any Panchayat at the lower level or of the Gram Sabha. So, the cardinal principle of allocation of functions has been provided to a greater extent in the Act itself. The state legislatures shall endeavour to follow the pattern of the Sixth Schedule of the Constitution while designating administrative arrangements in the panchayats at the district level. By introducing 73rd amendment to the Constitution, however, the Government of India has once again tried to revive and strengthen the Panchayat Raj system. Today, these democratic institutions have gained new contents. Rural Development The most significant rural development initiative of the Eleventh Plan period was the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Over the last six years, MGNREGA has delivered the largest employment programme in human history, which is unlike any other in its scale, architecture and thrust. Its bottom-up, people-centred, demand-driven, self-selecting, rights-based design is new and unprecedented. Never have in such a short period so many crores of poor people benefited from a Government

programme. In many parts of the country, spectacular successes have been recorded in water harvesting. Distress migration has been arrested in several areas. Some State Governments have been leaders in this and the National Consortium of Civil Society Organisations on MGNREGA has also set up examples of excellent work.

These include: providing civic amenities, infrastructural facilities and developmental activities. Broadly, these functions may be described as health and sanitation (control of epidemics, construction and maintenance of lavatories, maintenance of burial grounds, cleaning of roads, tanks, ponds and drains), public works (construction and maintenance of roads, drinking water pumps, wells and streetlights), agriculture and animal husbandry (distribution of improved seeds, and pesticides, planning for increasing agricultural production, arranging cattle fairs, improving cattle breeding, development of poultry and fishing), uplifting the weaker sections (arranging for their education, cultural activities and residential houses), and some miscellaneous works (meeting calamities, encouraging and strengthening cottage industries, strengthening co-operative societies, development of forests, welfare of women and children and adult education programmes). However, since their inception, the roles of panchayats have been gradually changed and the scope of their functioning has been.

**8. Conclusion** The main deficiency was the lack of adequate administrative and technical manpower at the block and GP levels. The lack of manpower adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of stipulated records at the block and GP levels. However, since their inception, the roles of panchayats have been gradually changed and the scope of their functioning has been. Besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency, and made it difficult to verify the provision of the legal guarantee of 100 days of employment on demand. Planning was inadequate and delayed, which resulted in poor progress of works. Systems for financial management and tracking were deficient, with numerous instances of diversion/ mis-utilization, and delay in transfer of state share. Monthly squaring of accounts at different levels to maintain financial accountability and transparency was also not being done. Maintenance of records at the block and GP levels was extremely poor, and the status of monitoring, evaluation and social audit was also not up to the mark.

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