

Inter-State Study on Rural Decentralisation



**Dr MCR HRD IAP Campus
Road No. 25, Jubilee Hills
Hyderabad 500033**

2004

Contents

The Research Team

Acknowledgements

List of Abbreviations

1. Introduction	1
1.1 About the Study	1
2. Experiences from select states	3
• West Bengal	4
• Maharashtra	24
• Madhya Pradesh	46
• Kerala	59
• Karnataka	75
• Andhra Pradesh	93
3. What can States do to improve their PRIs	109

The Research Team

Dr P. K. Mohanty, Executive Director, CGG

**Mr V. K. Parigi, Workstream Leader,
Accountable Government, CGG**

Project Coordinator: Dr Vinod Vyasulu

Team Members

**Dr Poornima Vyasulu, CBPS
Dr Shashikala Sitaram, CBPS**

**Mr Vivek Misra, CGG
Mr Kurian Thomas, CGG**

The entire group worked in conceptualising the research plan. CGG took the responsibility for coordination with the states. Vinod Vyasulu, Poornima Vyasulu, Sashikala Sitaram and Vivek Misra visited West Bengal; Sashikala Sitaram visited Maharashtra; Vinod Vyasulu visited Madhya Pradesh; Vivek Misra visited Karnataka; and Kurian Thomas and Vinod Vyasulu visited Kerala. The Karnataka chapter is written by Vivek Misra; the Kerala chapter by Kurian Thomas; and the others by Poornima Vyasulu, Sashikala Sitaram, and Vinod Vyasulu. Errors and opinions are the sole responsibility of the authors.

Acknowledgements

This study was sponsored by the Centre for Good Governance, Hyderabad, and undertaken by the Centre for Budget and Policy Studies, Bangalore. We are grateful to the CGG for initiating this collaboration and for financial support.

The research team was fortunate in receiving a great deal of support from all concerned with Panchayat Raj in the various states. To start off the study, all the researchers [except Mr Kurian] went together to West Bengal; the other states were divided up amongst the researchers with frequent meetings among themselves to ensure that the work remained on track.

Mr P. V. R. K. Prasad, Director General, CGG and Dr P. K. Mohanty, Executive Director, CGG, took personal interest in the study, and their support has been invaluable. They contacted the Secretaries in charge of Panchayati Raj in the states we visited, and ensured that we received excellent cooperation from the various state governments. Mr Vasant K. Parigi, Workstream Leader, Accountable Government, took an active interest in the study and facilitated the process of decision-making right through the study. He organised several interactive meetings during the course of the work, which were very important to the team. We acknowledge this help with thanks.

We are grateful to the officials of the various state governments, too numerous to mention individually, for their wholehearted support to our work during our visits. In West Bengal, Maharashtra, Madhya Pradesh, Karnataka and Kerala we received not only logistic support, but also a whole lot of wisdom based on concrete experience that was invaluable to us. In a study like this, where fieldwork in a number of states is involved, it is such support that makes research possible, and we were indeed fortunate that so many officials, in so many locations, took the time, amidst many other preoccupations, to cooperate with us.

The Research Team, while acknowledging the considerable help received by them from many quarters, takes responsibility for the overall study. The chapters on Karnataka and Kerala are the primary responsibility of Mr Vivek Misra and Mr Kurian Thomas. This study does not in any way reflect the views of the governments of the states visited, or of the CGG or CBPS. Errors and omissions are the sole responsibility of the authors.

We hope that this study will contribute positively to the debate on the strengthening of panchayats as institutions of self governance in Andhra Pradesh and the rest of the states in the country. Feedback from readers will be most welcome.

Vinod Vyasulu
Project Coordinator

List of Abbreviations

ACR	Annual Confidential Report
AP	Andhra Pradesh
APARD	Andhra Pradesh Academy of Rural Development
BDO	Block Development Officer
BLSC	Beneficiary Level Sub-Committee
CBPS	Centre for Budget and Policy Studies
CGG	Centre for Good Governance
CEO	Chief Executive Officer
CR	Confidential Report
DDRC	District Development Review Committee
DEO	District Education Officer
DM	District Magistrate/Collector
DPAP	Drought Prone Area Programme
DPC	District Planning Committee
DPDC	District Planning and Development Council
DPIP	District Poverty Initiative Project
DPO	District Panchayat Officer
DPRDO	District Panchayat and Rural Development Officer
DRDA	District Rural Development Agency
DWCRA	Development of Women and Children in Rural Area
EGS	Employment Guarantee Scheme
GB	General Body
GO	Government Order
GoAP	Government of Andhra Pradesh
GOI	Government of India
GoMP	Government of Madhya Pradesh
GP	Gram Panchayat
GS	Gram Sabha
GSA	Gram Sampark Abhiyan
GoWB	Government of West Bengal
HDR	Human Development Report
IEC	Information, Education, Communication
ISL	Individual Sanitary Latrine
JB	Janmabhoomi
JGSY	Jawahar Gram Samrudhi Yojana
MEO	Mandal Education Officer
MLA	Member of Legislative Assembly
MP	Mandal Parishad
MPDO	Mandal Parishad Development Officer
MPP	Mandal Parishad President
MPTC	Mandal Parishad Territorial Constituency
MRO	Mandal Revenue Officer
NGO	Non-Governmental Organisation
NIRD	National Institute of Rural Development

PD	Project Director
PHC	Primary Health Centre
PMGSY	Prime Minister's Gram Swaraj Yojana
PRI	Panchayati Raj Institutions
PRTC	Panchayat Raj Training Centre
PS	Panchayat Samiti
RDD	Rural Development Department
RDPR	Rural Development and Panchayati Raj Department
RGM	Rajiv Gandhi Mission
RKS	Rogi Kalyan Samiti
SC	Scheduled Caste
SEC	School of Education Committee
SFC	State Finance Commission
SHG	Self Help Group
SIPRD	State Institute of Panchayat and Rural Development
SSA	Sarva Sikshana Abhiyan
SSK	Shishu Samrakshana Kendra
ST	Scheduled Tribe
VEC	Village Education Committee
VDC	Village Development Council
VDO	Village Development Officer
VP	Village Panchayat
WB	West Bengal
YASHADA	Yeshwantrao Chavan Academy of Development Administration, Pune
ZP	Zilla Parishad
ZPTC	Zilla Parishad Territorial Constituency

1. Introduction

This is a compilation of the experiences of the CGG team that was part of an inter-state study on Panchayati Raj Institutions (PRIs). The study mandate was to gather information on the nature of rural decentralisation in select Indian states and best practices in this regard in order to strengthen the PRIs in AP. This report documents the same.

The study was conducted between June and December 2003. Apart from Andhra Pradesh, which was visited several times, the team covered West Bengal, Maharashtra, Madhya Pradesh, Kerala and Karnataka. In this chapter, we provide a background to the study undertaken and the context of AP from which point of view the field visits to other states were conducted. This discussion is followed by a chapter each on our observations from the states visited. In each of them, best practices have been identified.

1.1 About the Study

With the introduction of the 73rd and 74th Amendments to the Constitution, rural and urban decentralisation with its emphasis on people's participation in the process of governance and development has gained considerable importance in India¹. Following these amendments, GoAP passed the Andhra Pradesh Panchayati Raj Act in 1994. Elections under this Act have been held, and the legal constitutional requirements have been met.

Decentralisation is increasingly seen as allowing better service delivery. GoAP has plans to transfer powers in the 29 subjects onto PRIs and local bodies. There are however limitations in respect of capacities, systems and functions as well as limited authority to execute various functions. GoAP has recommitted itself to strengthening the delivery of services at the district level and creating further efficiencies in the planning, administration and financing of these services. GoAP therefore wishes to examine how decentralised institutions can be strengthened and play a more effective role in the district and sub-district levels. One way of doing this is through an inter-state study of best practices on decentralisation strategy and measures to strengthen the PRI system. This study has been undertaken with this objective.

The objectives of the study were:

- To examine in detail the Panchayat Raj decentralisation strategy of selected state governments and evolve a realistic and a workable plan for Andhra Pradesh, taking into account the ground realities that prevail.
- To make initial and short term recommendations to strengthen systems and procedures so that GoAP's stated policies on decentralisation are better implemented in the PRI system of AP.
- To document best practices from a study of delivery of services by the PRI system in the states selected for study.

The study has been conducted in close cooperation with the Department of Panchayati Raj and Rural Development of GoAP in a participatory manner. The scope of the work included:

¹ These amendments give the state legislature considerable leeway in implementation. Apart from the reservation of seats, the setting up of independent election and finance commissions, everything else can be decided by the states. The 11th schedule is not binding, it is a guideline for the state assemblies. There is thus considerable variation in India in the actual implementation of the 73rd amendment. This study was designed to learn from this diversity of experience.

- Examining the legal and regulatory framework within which PRIs function; and
- Examining the roles and responsibilities of governance institutions at the district level, including the existing roles and responsibilities of PRI structures and the roles envisaged for them.

The team visited the selected states and observed the PRI structures and systems and held discussions with all stakeholders in the PRI system – state government officials, civil servants concerned with Panchayati Raj at the various levels in the administrative hierarchy, and with elected representatives at all levels. Secondary information that was available, as well as earlier studies available with the CGG, was drawn upon. The World Bank report from an earlier study of decentralisation in the Indian states, conducted in 2000, was found to be useful. However, no primary surveys or data collection were conducted in this study. After further discussions with CGG, it was decided to visit the following states to focus on specific dimensions of decentralisation:

1. Kerala: Micro-planning, People’s Campaign and Gender Budget
2. Maharashtra: Administrative Structure, Primary Education, long experience with decentralisation
3. West Bengal: Long unbroken experience with Panchayats, Land Reforms
4. Himachal Pradesh: Devolution of Judicial Functions, Improvements in Education²
5. Madhya Pradesh: Newcomer to Decentralisation, Education Guarantee Scheme, District Government, Grama Swaraj
6. Karnataka: For the dramatic start in the 1980s, and the later backtracking, For insights into the processes that help/hinder decentralisation.

The experience of the states visited by the team is presented in the following chapters. In these states, discussions were held with the Secretary, PRI and officials concerned with these issues. At least one district was visited in each state, and in that district, both GPs and middle level panchayats were visited. Details are given in each of the state chapters.

This Inter-State Study focussed on the 7 key dimensions of Decentralisation as it was felt that these would give a good insight into the process of decentralisation. The 7 dimensions are:

- PRI Structure and Staffing
- Devolution of Functions
- Devolution of Finances
- Operating Procedures
- Accountability Mechanisms
- Information Management
- Interface with people

The state reports discuss the situation in the state along these dimensions in detail. They also describe the context in which the decentralisation process is set – for what is attempted and made possible is determined by the economic, social and political context of the state. The State reports also have a section on ‘Best Practices’ of each state.

² After work had begun, it was learned from discussions with the Secretary Panchayati Raj in Shimla that we had been misinformed about the devolution of judicial functions to panchayats in Himachal Pradesh. There has been no such devolution. The visit to HP was therefore dropped.

2. Experiences from Select Indian States

West Bengal

1. Introduction

This chapter is based on a study visit to West Bengal from 1 September, 2003 to 9 September, 2003. GoAP had written to the Secretary, Panchayati Raj in GoWB, seeking their help, and we had the full cooperation of the latter for our work. Apart from discussions in Kolkata with the concerned officials in several departments, we also visited Midnapore and 24 Parganas North districts. We met the elected representatives at all three levels of the PRIs. We also had the opportunity to meet the Minister in Charge of Panchayati Raj [as well as Health, Family Welfare and Rural Development], Dr Surjya Kanta Mishra on 5th September. We interacted with faculty members in several academic institutions – the Centre for Studies in Social Sciences in Patuli, the Indian Institute of Management, Calcutta, and the West Bengal Institute of Panchayats and Rural Development in Kalyani. Based on this, and our reading of the documents we had collected, we present below our impressions of the functioning of the PRIs in this state and seek lessons for AP from this exercise. We hasten to note that this is the start of a dialogue, not the final result of sustained research. It is meant as an input into the ongoing work in the Decentralisation Workstream in the CGG.

The chapter is organised as follows: In section 2 we discuss West Bengal's vision of decentralisation. In section 3 we discuss the following issues relevant to the functioning of Panchayati Raj Institutions in India – structure, functions devolved, finances, operating procedures, information management, accountability mechanisms and interface with people. Section 4 moves on to a discussion of the state's best practices, while section 5 looks at possible lessons for AP. Section 6 concludes the chapter. Supporting materials are given in the Appendices.

2. West Bengal's Vision of Decentralisation

The vision of devolution and decentralisation is based on GoWB's interpretation of Marxist political economy in a specific context³. In a predominantly rural and extremely poor State, good governance must ensure that people at each level can work for their own betterment without exploitation from the rich and powerful. The experience of Naxalbari had shown the limits of the path of violence. Democracy, therefore, was to be the base for political change. The government must be pro-poor, which is very difficult in the context of existing class relations. What is possible at any given level should, however, be done at that level (the principle of subsidiarity). Just as the state had been demanding greater autonomy from the union, it must also give greater autonomy to the local governments. West Bengal has the political will to make this happen, and this is a necessary condition for the success of decentralisation. But progress will be slow and gradual. To quote from the Minister's paper (page 333) cited above: "...land reform in West Bengal was a programme of limited reforms which could not radically alter the relations of production. It did not completely do away with the baggage of pre-capitalist relations of production...despite these limitations, the land

³ For a detailed analytical account, see Surjya Kanta Mishra and Vikas Rawal, "Agrarian Relations in Contemporary West Bengal and Tasks for the Left" in V. K. Ramachandran and Madhura Swaminathan (eds.), *Agrarian Studies: Essays On Agrarian Relations in Less Developed Countries*, Tulika Books, New Delhi, 2002. Surjya Kanta Misra is the Minister in charge of Panchayati Raj in West Bengal.

reform carried out...has brought significant economic and political benefits to the working people in the state."

From the coming to power of the Left Front in 1977, a process of decentralisation through elected panchayats has been put in place. "The panchayats in West Bengal were given a substantial share of the state's resources and a range of responsibilities that were earlier assigned to the district level bureaucracy" (page 334, op cit). One of the immediate tasks before them was the implementation of an ambitious land reforms programme, the Operation Barga, which ensured security of tenure to the small and marginal farmer. The necessary laws had been in the books before this government came to power, but remained unimplemented. Today, 75% of the land is cultivated by small and marginal farmers – the highest proportion in the country. This land reform is seen as another necessary condition for the success of decentralisation, as it enabled the poor and discriminated sections of society to voice their opinions effectively in these bodies.

Thus, these bodies have a long history in this state, with the post 1994 bodies being referred to as second-generation panchayats. Reservations for women and key positions are a new element in these second-generation⁴ panchayats. The state has basic objections to many of the provisions of the 73rd amendment – such as reservation of leadership positions, or the role envisaged for the gram sabha – and the West Bengal Legislature has not endorsed the 73rd and 74th amendments. But since it is now the law of the land, they are implementing it faithfully.

From relief work, disaster management and self-employment when they first came into existence, to developmental work in the social sector today, especially in education and health, Total Sanitation Programme and Self-Help Groups, it has been a long and difficult struggle that is still continuing in the face of adverse external forces such as globalisation. It is political mobilisation and deeper democracy that is the key element in the Panchayat Raj system in this state. This will facilitate the implementation of developmental programmes for the poor. As we were told, it is the 'will' that is important, not the 'bill; it is not so important to 'enact', but to 'act' that counts, and for this the state has a long-term perspective which it has been pursuing in the quarter century it has been in power. The amendments to the Act are well thought out. They focus on the underlying processes and have been continuously upgraded (so far 22 amendments have been passed) besides being implemented faithfully after enactment. The state does not generally proceed on the basis of executive orders that can be easily modified.

An interesting aspect of this commitment to uplift the poor by enabling them to work for themselves is the oath that all who are elected to local governments are required to take. Under the law, there is a standard oath of office. Yet, because of social pressures, all elected representatives take an oath to work towards poverty alleviation, ensure that all children are sent to school and are immunised. This has clearly more than just symbolic value.

In Midnapore and in 24-Paraganas districts, elected representatives have played an important role in encouraging poor women to organise themselves into self-help groups to take advantage of opportunities in the local markets – for example, by producing leaf plates.

⁴ However, the presence of women representatives at the various tiers of the panchayats is not considered to be a new phenomenon. Informal sources cite 10 to 15% as the number of seats occupied by women prior to the Amendment and subsequent reservation for them.

Making the elected representatives and local civil servants partners in development has been paying dividends in the state.

The state, which has done so much in rural areas, has, however, done little in the urban areas, or in the operationalisation of the 74th amendment. Perhaps, this is because West Bengal is predominantly a rural state with high rural poverty. By focussing on rural areas, the Left Front government has been able to achieve both quick dividends as well as political consolidation. This area merits a deeper probe.

3. Key Dimensions of Decentralisation

3.1 Structure

The state has had a three-tier structure of panchayats from 1978, when the first round of elections was held under the Left Front⁵. The PR Act of 1973 was amended in 1994 to come in line with the 73rd amendment, bringing in reservations for women and for leadership positions that are for a full term of 5 years. The Constitutional Amendment is claimed to take-off from the WB State PR Act. All leadership positions are by election from among the members. A recent amendment has brought in five Standing Committees, with clear mandates and powers, and these are being introduced to the gram panchayat (GP) level this year⁶. The GP consists of about 10 villages and usually covers a population of about 10,000. This gives it minimum economic size.

Below the gram panchayat is the gram sansad, at the level of the constituency/polling station, consisting of about 800 voters. After the Gorkhaland Accord, there is a separate Act for the hill districts. The state has also passed an Act to set up the District Planning Committees, and these have been set up with the Sabhadipathi (Chairperson of the Zilla Parishad) as the Chairperson. But they are not functioning well. For one, given the weak municipality system in the state, the zilla parishad dominates the planning scene. Everything concerned with participatory planning come under the ZP.

The state has 17 ZPs with 716 representatives, one Mahakuma Parishad (with 7 representatives), 341 PSs with 8579 representatives, and 3358 GPs with 51,200 representatives.

⁵ Dwaipayana Bhattacharyya, "Writers' Buildings and the Reality of Decentralized Rural Power: Some Paradoxes and Reversals in West Bengal," Paper presented at the workshop on Local Governance organised by the Centre for the Study of Law and Governance in cooperation with the UNDP/UN-Habitat at the Jawaharlal Nehru University, New Delhi, 11-12 April 2002.

⁶ There has been considerable debate on this. See D. Bandyopadhyay, "Panchayat Puzzle" in *The Statesman*, 11-12, and 12-13 August, 2003 and the response by Arun Kumar Bhaduri, "Panchayats Not Functioning Properly," *The Statesman*, 4 September, 2003, in which the political nature of the panchayat is commented upon.

Organogram

State:

Chief Secretary

Principal Secretaries

Secretaries of the Department (P&RD)

Director of P&RD

District:

Executive Officer - District Magistrate

Additional Executive Officer - Additional District Magistrate

Secretary ZP

Deputy Secretary

Additional Deputy Secretary - Extension Officers

Office Superintendent and other Staff

The District Magistrate is the Executive Officer of the ZP. An Additional Officer of the rank of Deputy Collector is associated with the ZP (could be IAS or from WBSCS). The DM, in developmental matters, works under the supervision of the ZP. The ZP Sabhadipathi has the rank of a minister of state in the government.

The Office Superintendent and others are engaged by the ZP, against vacancies shown by the P & RD department. The recruitment is by the ZP. The recruitment committee is a sub-committee of the Finance Standing Committee and the decision is finally vetted by the GB.

The heads of the different Line Departments work as the nodal officers of the ZP. (For example, the District Inspector of Schools is the Nodal Officer of the ZP from the department of School Education). For the execution of various departmental programmes, consultation with the ZP is necessary. This helps in the smooth functioning of the line departments too, as this would ensure peoples' participation via the elected representatives. In this State, the public acceptance of the elected representative is more than their acceptance of bureaucrats.

The services of engineering staff of the rank of District Engineer and Executive Engineer and below are also vested with the ZP. Other than this, a number of engineers are also hired on contract basis.

The District Rural Panchayat & Rural Development Officers (State Cadre) are also placed at the district for purposes of facilitating and monitoring the works of all the three tiers. S/he is answerable to the DM who heads the district. The DPRDO is the prescribed authority of the

panchayat who executes the government decisions (not considered the staff of the panchayat). The Deputy District Panchayat and Rural Development Officer of the rank of Joint BDO and two District Officers – an extension officer and a panchayat accounts and audit officer (District Cadre Officers and assistants) are placed with him/her.

The departments of PR & RD were merged in 1996. The DRDA, re-named as DRDC since 1997-98, is part of the ZP. The Sabhadipathi heads the Cell and the District Magistrate is the Vice-Chairman. The Project Director of DRDC is the member convener. The PD is answerable to the DM, in DM's capacity as the Executive Director of the ZP. There is no DDRC and so the review of the Cell is carried out by a Committee that would be formed at required times to review programmes like SJSY.

The Cell operates/implements programmes like SSA, PMGSY, SSK, and SJSY. The ZP implements programmes covering all the plan and non-plan funds that are received from the State, all the pilot projects of the Government of India, Rural Infrastructure Programmes (NABARD) and the grants-in-aid of the different departments. **The ZP funds are six times more than the DRDC funds, clearly indicating the relative importance of each.**

Panchayat Samiti:

BDO - Executive Officer

Joint BDO - Additional Executive Officer

Extension Officers

Technical Staff

The BDO is the Executive Officer of the PS and all the Officers placed with him/her are with the PS. The Joint BDO also works as the Additional Executive Officer. The Extension Officers of the Block concerned with Minimum Wages, Backward Classes, Mass Education, Evaluation and Progress, Industrial Development Officer, Panchayat and Panchayat Audit and Accounts Officers, along with the technical staff have been declared as PS officers and their services are placed with the PS.

Apart from this, the BDO indirectly governs many officers like the Agricultural Officer, Block Youth Officer, Block Medical Officer of Health services whose services are placed with the BDO, in his/her capacity as the Executive Officer of the PS. This does not amount to either transfer or deputation of staff.

Gram Panchayat:

Staff of GP: The GP has four full-time workers – the Executive Assistant, Secretary, Job Assistant and Sahayak (assistant). In fact, these workers form the basic technical/sectoral capacity of the GP; they are not mere clerical or class 4 employees. The Pradhan appoints them but the selection is facilitated by the selection committee headed by the DM, which also has representation from the government. The post of Executive Officer was introduced fairly recently, about three months ago.

The state deutes staff to these bodies and pays their salaries. It has not been possible to post them permanently in the local bodies as they have approached the High Court which has ruled that the GoWB is their employer. Gradually, as the finances of the local bodies improve, they will be able to hire their own staff. Till then, this arrangement is expected to continue.

District Council: The leader of the opposition is the chairperson and supervises accounts of all the tiers. The other members are from the ruling party in the ZP. Officials also participate. The constitution of the District Council is likely to be revised. The move now is to give representation to an opposition member on every Standing Committee, in order to ensure direct participation of the opposition in the affairs of every Standing Committee.

Ten Standing Committees are placed at both the ZP and the PS to facilitate effective functioning of the respective tiers. Three to five members are in every Standing Committee; a member can be in two committees but can head only one committee. **The Chairs of the Standing Committees allows for the representation of different members, thus ensuring lesser dominance of the sabhadipathi/sabhapathi.** The latter heads only the Finance Committee. The Standing Committees meet once a month and the General Body, once in three months.

The GB does not usually reject what transpires at the Standing Committee, unless it is found contradictory to law. Except the committee on finance, all other committees read out the respective reports at the GB for confirmation. Only those relating to the finance committee are read, discussed and approved. This clearly indicates that the work facilitation can be made easier within the system by what is termed as the Committee system of governance (Maharashtra paper- Overview Report).

The heads of the three bodies (and the vice-chairpersons) and the heads/chairs of the different standing committees are full-time workers of the PR (see Act). Their mandate is to give political direction and motivation. The chairpersons of all the Standing Committees feel that they need to work full-time. Every Standing Committee has a budget given by the General Body/ the GB Chair which they need to stick to.

Organic linkage: The West Bengal Panchayat Act provides for the representation of the Chairpersons of the lower tier at the higher one. The representatives of the lower bodies also have voting rights in the general body decisions of the upper tiers. With the unit of self-governance in place, the linkage where the representative of one tier is placed at the other is considered by some as unnecessary. However, many of the representatives of the three tiers at 24-Parganas vouched for this. They reason out that the tiers are interlinked by way of programmes. The execution of many of the programmes is not exclusive, either geographically or functionally, to one tier; the tiers play complementary roles. **The representatives consider the inter-linkage of the system as the essence of the PR Institutions.** This linkage is necessary as the districts are big and the linkages smoothen the process of implementation.

3.2 Functions devolved

All the 29 functions, in a technical sense, have been devolved to the panchayats⁷. But these bodies have limited powers. Further, devolution often means implementation, and there is still the need to co-ordinate at the state level, settle inter-district issues and so on. So devolution does not necessarily mean that line departments have no other role. This changing role of line departments is also an evolving one, as the local bodies gain experience. To reinforce this devolution, each department has been asked to earmark about 50% of its own budget for passing it on to the local bodies. But because of the state's financial crisis, it has not been possible to actually pass on this money.

An example of this was given in the area of beneficiary selection in Extension activities of the Agriculture sector. An important Extension activity through which agricultural productivity issue is addressed is the 'MINI-KIT distribution' for crops chosen as thrust areas, say of pulses or oil seeds etc.

In general, this scheme is implemented by the Agriculture Extension personnel of the district, with targets allocated for each taluk, block and so on. The extension staff, using their contacts of the T&V systems, identifies who should get the minikits for use/trial on their lands. There is hardly any involvement of PRI elected representatives in such processes; at best, the GP secretary or head may be consulted to make the beneficiary list.

In WB, we were told that the beneficiary selection for distribution of Mini-kits is made by the Panchayat Samiti. The rationale for this is rooted in how the agriculture department sees its role vis-à-vis the PRI; they see their role as catalysts that will assist the panchayats with inputs for farmers and demonstration of technology to be adopted. For these demonstrations, it is the GP who organises meetings with farmers. In the selection of beneficiaries of minikits, the village extension worker (krishi karmaadhyaksha) sits with the pradhan and the panchayat samithi to make the list. At the ZP level, the line department is involved in planning the outlay for extension activities but at the GP level the PRI has a voice. This participatory approach gave impressive results in tackling falling wheat production in north Bengal in 2001 due to micro-nutrient deficiency in the soil.⁸

Another example we were given was in the area of beneficiary selection for Indira Awas Yojana, which is done in the gram sansad. The line department may make a provisional list, but it is finalised in the public meeting to which all concerned/interested villagers come.

3.3 Finances

There is little by way of local resource mobilisation by taxation. People do make voluntary contributions for some projects, and this is reported to be considerable. 16% of the state's

⁷ In fact it is at this point that discussions on the term devolution leads to various ways in which it is interpreted. Each state claims to have devolved the 29 functions as required but each interprets it in its own way, leading to varied levels of devolution. For some it is deconcentration of powers from the State level structures to district level, to others it is the physical relocation of officers to out of state capital, but still under the state govt, to some others it is transfer of finances to the district treasuries. In WB, they do not see devolution as a one stroke act but rather as a process of increasing responsibility on the PRI and reducing voice of the state government offices.

⁸ We were also told that WB has maintained impressive rates in agricultural productivity despite natural calamities like drought and floods. This has been made possible not only by land reforms but also active participation of local self governance bodies.

own resources have been recommended for devolution by the SFC, in the ratio of 50, 30 and 20 to GP, PS and ZP. But in fact, this was achieved only in 1st year; now the devolved resources are down to about 10% due to fiscal crunch.

It was reported that 50% department budget was notionally earmarked for ZPs, but this too was not done in the last year due to fiscal crunch. However, the various line department schemes are implemented only after consultation with the relevant levels of the PRI.

Fund flow for different development projects is from the state to the ZP from which it is released to the lower tiers. The government, through the line departments, may also give funds directly to the PS and the GP.

All the Centrally sponsored schemes are routed through the ZP to the other tiers. ZP may release monies to the GP directly; PS is however informed of it so that it can provide the technical guidance. The general practice is to give execution of schemes which are less than Rs.1 lakh to the GP, those above Rs. 1 lakh but below Rs.2 lakhs to the PS, the concept being that the ZP should not get bogged down in small projects.

For example, the ZP of the district 24-Paraganas received Rs.3 crores as untied funds (2001-02). This amount is sectorally allocated and spent based on the annual plan prepared by the Parishad. The untied amounts are generally used to meet exigencies like floods, natural disasters, etc. If there are any shortages in the resources needed for the different government programmes, these untied funds are used to fill the gaps too. However, the untied funds form a very small portion of the total funds available to the ZP. In Bankibunk GP, Medinapore district, in the year 2002-03, an amount of Rs. 18 lakhs was transacted. Of this, the untied funds were Rs.1.20 lakhs which was released by the government directly to the GP, (the untied funds to each GP is calculated on the basis of an index that takes into account the population, SC/ST population etc) and the additional amount of Rs.30,000 collected by way of tax component (for land, building plan approval etc).

The major sources of funds are from schemes like Indira Awas Yojana, Swarna Jayanthi Rojgar Yojana, the 10th Finance Commission, and also by way of a few state government development programmes.

AUDITING

The audited figures of the GP reflect the amounts spent directly by the GP; there are other funds too which go into the GP finances. Some are spent directly by the PS too. A perusal of the audited accounts of a GP showed that, of the 11 lakh rupees collected, Rs.2 lakhs was by way of fees, building plan approval, etc. We were told that the members competed in this area to collect this from their constituent areas with the promise to the electorate that the benefits would go to them/their constituencies.

3.4 Operating Procedures

The PRIs at each level enjoy autonomy in operating procedures, in the sense that the elected bodies debate and decide on what is to be done and how funds are to be used. Line departments cannot bypass the elected bodies, and over the years, the elected bodies have grown in experience and competence – in part due to the training from the SIPRD. Thus, though budgets are approved through line departments and operated through them, the local

political influence is clear, and acknowledged. Officials do not act independently on the basis of order from their administrative superiors. The ZP is a powerful body and all district level agencies act through it. It is similar at the PS and GP levels. Over the years, the political masters have asserted themselves, and officials accept this fact and work through them. This does not mean debates do not take place, or that everything the political representatives want is done. On technical matters, the civil servants and line departments have an acknowledged role. But the politician is the master.

3.5 Information Management

We found that Information Management in WB is very different from some other states – IT and computerised database can hardly be seen at the PRI levels. But this is not to say that there is no database or information available; they just have not gone IT savvy. At the GP level, for example, we found a lot of valuable data on the local population, its health and education status, local resources, need for basic amenities, etc. Each GP has an old fashioned gram register (not computerised) that gives a good base for development planning. After this database is made, there is a process by which it is verified with villagers and the corrections/changes are noted in red in another column. We were told that they have no immediate plans for going into extensive computerised database as this is not seen as essential. For them, the political process/mobilisation is seen as more important.

It was in SPIRD that we saw an impressive use of information in training. The library makes available vast material – conceptual, ideological, hard data, etc., for both faculty and participants in Bengali, English and Hindi, to be used in training to develop a critical view of developmental goals for rural WB. We also found it interesting that most of the faculty of SPIRD have been functionaries in PRIs, which can bring in live case studies into training.

At another level, by way of information for accountability and transparency, there are systems in place like – reading out details of decisions made, plans for works, resources allocated, etc., at the various tiers of PRI bodies. Display of these on notice boards in Bengali is mandatory, written information is circulated at the Grama Sansad and at the Grama Sabha meetings. The display boards are placed where the works are executed and amounts and details of the programme, etc., are written. Despite this, there are complaints about non-availability of adequate information; there is a yearning for more information at all levels.

On the whole there is reluctance for computerisation and data management using IT, as this is seen as a threat to employment opportunities. Computers are preferred only for purposes of communication. So, if we do not insist that only IT-enabled information can be considered and that any system that has a database organised into an information system used in decision-making, then WB's information management is quite good.

3.6 Accountability Mechanisms

Quite often, the term 'Accountability' is interpreted in as one of upward accountability to superior, boss, employer, etc., this is especially so in the parlance of bureaucracy in the normal course.

But in PRIs and local self governance, it is also important to look at downward accountability, i.e., the civil servants having to be answerable to local governments or elected

heads at the three tiers of the PRI. It is this accountability which is the foundation for decentralised governance.

In addition, accountability can also be 'lateral,' i.e., the elected representatives also being accountable to the bureaucracy. In some states, the head of the bureaucracy at the district is guided by disciplinary powers to deal with corruption in the PRIs and civil servants.

On financial accountability for public funds, preparation of budgets and the need to get it approved through due process and the auditing of accounts is an important accountability mechanism.

In WB, we were told that programmes being planned were to be read at gram sansad meetings and the statements of expenditure displayed to public. Like in other states, here too there is a provision for a No Confidence Motion for removing an elected representative if he or she is found unworthy of holding office.

Accountability manifests itself in other mechanisms in W.B. The Chairs of the different bodies and also the elected representatives are answerable to the General Body of the respective tiers and to the members of the respective tiers. For example, The Pradhan can be removed not only by a two-thirds majority of members who elect him/her but also by the DM, if the situation demands that, in his/her capacity as the District Panchayat Officer. The DM cannot, however, remove the ZP Head or member.

Another mechanism of accountability to the PRIs by the bureaucracy is through the fact that the Sabhadipathi is given the rank of the Minister of State which makes the DM answerable to him/her. **The essence of the PR Act is that the Sabhadipathi will execute all the powers and functions through the Executive Officer.**

The General Body can recall its Executive Officer by passing a resolution to this effect and forwarding it to the Government; however, this right is also rarely exercised.

Unlike in other States, the DM does not review any department dealing with development issues outside the ZP, i.e., only with the line officials. All departments are reviewed at the DPC in which the Sabhadipathi is the Chairperson and the DM is the Secretary.

The Secretary of the ZP writes the Open Performance Report of the staff working below him/her. The Secretary's and the Deputy Secretary's ACRs are written by the DM in his/her capacity as the Executive Officer.

For the administrative staff of the line departments, the internal discipline is with the line departments but the officials are placed with the PR institutions. They should work and report to the local bodies.

A very effective downward accountability mechanism that was explained to us in WB was that of the **'Beneficiary committees,'** made up mainly of various local stakeholders. This body plays a very critical role as a watchdog in the implementation of village level works. Typically, when a village level works are taken up after the due process of planning and approval at the samithi level, the beneficiary committee is formed and depending on the size of the work, it could be ten to twenty members who would benefit from it. They review the

work, look at daily progress, use and quality of materials, and check whether the local labour is used as per roster and so on. If they have any complaints, they take it to the pradhan who has to check the Measurement Books. If they are not satisfied with the pradhan's action, they can take it to the BDO who has the powers to inquire into the complaint. The Beneficiary Committees are involved in this way in most of the programmes of the GP – in Nari Unnayan (women's development), economic development, Infrastructure development, Rural Industrial development and so on.

Audited report

This year onwards, the audited report – AG WB – is for all the three tiers. Earlier it was only for the PS and ZP. In 24-Parganas, the report for the ZP is completed up to March 2002 – it has been received and answered up to March 2001.

The GP accounts are audited every quarter by the Panchayat Audit and Accounts Officer. The Extension Officer, Panchayats, further audits this annually. The audited report is sent to the BDO who is designated as the Inspecting Officer of the GPs. Of the 200 GPs in 24-Parganas, 75% to 80% are working well as their accounts are being audited by the Panchayats Accounts and Audit Officer. The audited report enumerates all schemes that are being executed by the GP.

The indicators of “good” performance are to be based on the two aspects of governance – statutory and developmental. While evaluating the statutory clauses, the number of meetings held in accordance with the Act, etc., becomes the indicators and while development schemes are evaluated, the programmes that are taken up, performance, etc., are to be gauged. (The indicators in WB would show negative marking if done based on own tax collection).

3.7 Interface with People

The Gram Sansad meetings are a very important forum of interface between the people and governance. The Panchayat Resource Persons and members of other committees also act as bridges between the elected representatives and the people. Two examples of this were the involvement of local women's SHGs in immunisation programme taken up at the para level and the motivating and encouraging participation of many children.

The second example is that of the Village Education Committee (VEC) – started in 1997, as a part of the DPEP in five districts, now covering 10 districts. The VECs are at the grassroots and there could be one or two VECs at every grama sansad, five to twenty in a GP area. The cluster resource centres form the support centres of the VECs. The elected representative of the constituency is the Chairperson and the teacher of the school is the secretary.

The enrolment, retention and quality of school education are looked after by every VEC. The construction of school buildings is also undertaken by them, for which they can hire masons directly. Monies for this purpose are released directly to the VEC (not through the PRIs).

The VECs are said to be working well, but their potential has not been tapped to its fullest. The major constraint is that the teacher who is the secretary of this committee is also on other committees and so is hard pressed for time.

4. 'Good' and 'Best' Practices⁹

In this exercise, we have gone by what the state has told us of their 'good' and 'best' practices. The identification has not come about as the result of the application of any specific criteria. From what we saw in the state, we tried to identify those that might have some possible application – in a modified form – in AP. This is no more than a preliminary discussion at present.

A) Decentralised Planning at the lower levels of PRI

Many state governments have realised the value of development planning using Participatory and Decentralised approaches. This is also the case with WB and development planning has been an important agenda of the government, the process having been given impetus by a recent amendment to the PR Act. The State has put in place a body called 'Gram Sansad' (Ward Sabha in other parts of the country) that consists of all registered voters in a given polling station. This is the smallest unit of democracy, consisting of about 800 people on an average. The Gram Sansad must meet at least twice a year, and is presented with reports on funds and audits. It is responsible for beneficiary selection for various poverty alleviation programmes. The elected gram panchayat member from the area chairs the Gram Sansad.

Each gram panchayat appoints six Panchayat Resource Persons – of whom two must be women – who work on a voluntary basis (expenses like bus fare are met by the GP) to explain the process of decentralised planning to the people, collect data on the prescribed formats and prepare a report for the gram sansad, which is also discussed at each *pada* (habitation). Once approved by the gram sansad, the report goes up to the gram panchayat, where it is integrated with the plans of the other gram sansads in the GP jurisdiction (usually about 10), keeping in view the resources available. If changes are to be made, these are communicated downwards, and through a process of discussion the gram panchayat's plan is finalised. The same process is repeated at the Panchayat Samithi and Zilla Parishad levels to arrive at plans for each level. This process ensures the matching of wants, needs and available resources in a democratic manner, and is dynamic, in that, changes can be made depending on circumstances. It also encourages the people to give voluntary contributions for projects of importance to them – often in the form of *shramdaan* (voluntary labour).

In this entire exercise that is being done over the past few years, the limitation is the shortage of funds. This restricts the results of the planning process.

In Shilboni, which we visited, we saw this process at work. It is called as Community Convergent Planning (CCA); it was tried on a pilot basis in 4 blocks, one each in 4 districts – Salboni, Jalpaiguri, Nadia and Purulia.

The key personnel in this process of CCA are the Panchayat Resource Persons who play multiple roles – data collection and verification, interface with people, ground-proofing and so on. Realising their critical role, the training of the PRPs is done in detail at the SIPRD. The PRPs we met were highly motivated and quite capable of doing their job¹⁰.

⁹ Here the terms 'good' and 'best' are not used in the grammatical positive and superlative sense. It is not claimed that these practices are the best among several we have looked into. They are to be seen as practices that have an element of innovation which has given good results and they provide valuable lessons on how an activity or process should be done to reach some goals.

¹⁰ Their job is honorary; however, of late, they have been asking for some compensation for the time and energy they put into this work.

At the Gram Sansad level, trained PRPs with the help of other local resource persons take up the ground work for CCA planning – collecting baseline data in formats¹¹. After this basic ground work *pada* level meetings are organised to verify these and also identify gaps in needs/wants and available facilities. This information is presented at the Gram Sansad. In November and May, meetings of the Gram Sansad are held where the problems and the action to be taken up are put through a priority setting process and later a matching of wants and availability of resources and funds are made. Sometimes it is at this stage that the community comes up with local voluntary contributions for works of high priority but very limited funds. Later sectoral issues are also taken up at the Gram Sansad and GP level where the line officials add to the nature of discussions. This whole process takes about three months.

After the finalisation and approval, the concerned line department takes it up for execution, first preparing a technical and financial estimation. At this stage a beneficiary committee is formed to play the role of a watchdog.

In Midnapore, we were told how the principles of CCA – participation and contribution – got inculcated into other processes like programmes of women’s health and children’s health, in the involvement of SHGs in community development, in Joint Forest Management, and in mid-day meal schemes in schools with the SHGs taking up the responsibilities.

This process was first initiated in the year 2000, where the people who attended the Gram Sansad were about 90. This figure is said to have increased over the years, with at least 150 voters participating subsequently. It seems that their interest has grown, but everyone expresses the need for more. The Gram Sansad meetings last three to four hours and many issues are discussed. At least two and half hours are spent for planning in these meetings.

The planning process in 24 Parganas is slightly different – here the three-tiers, in all the districts, prepare an action plan. The action plans are formulated at the Gram Sansad and at the Gram Sabha wherein the priorities that are expressed are stated as proposals. The plan covers (a) own funds, (b) funds of schemes received by the GP directly, and (c) any development works executed by the GP. This is sent to the GP. The GP prepares a plan, passes it to the PS which sends the consolidated plan to the ZP. ZP’s consolidated plan is sent to P&RD Department. Based on the monetary requirements mentioned in the plan the total amount is requested by the department from the state during the budget preparation.

The allocation by P&RD department to different ZPs is increased/decreased on the basis of ZP’s performance. The parameters for adjudging the performance is one of achieving the targets within the specified time. At least 75% of the requested amount would be given to the ZP; this is true of 24 Parganas.

On the whole, the impression we had was that the plans are necessary not so much to help in the execution by the GPs, but to present their needs to the other higher tiers. The GP goes ahead with the execution without waiting for approval from above. To some extent, the flexibility in implementation is limited as the schemes are specified “from above”; however, there is flexibility in terms of beneficiary selection and the areas in which the programmes can be executed.

¹¹ On key demographic data, number of school going children, natural resources, water, sanitation, work force available, days of employment, cattle population, other animals, landholding...this is an indicative list.

Another example of the efficacy of the CCA approach was the Literacy Mission which combined Immunisation goals, called the Literacy Immunisation Mission (LIM). It was tried out in one block and is now being extended to all the gram sansads¹². The state government is aware of the benefits of this approach to development planning but also realises that it will take time to apply this across the state in decentralised planning.

B) Rural sanitation¹³

In the field of Rural Sanitation, the term ‘Midnapore model’ has been quoted as a very significant experiment which has achieved impressive results. What is of interest to our study is the way in which the sanitation issue has been tackled with the involvement of the PRI in WB.

From our field work in Midnapore,¹⁴ we gathered the following key features of this experiment:

- It was taken up as a Total Sanitation Programme.¹⁵
- Every household was to have sanitation facilities.
- The programme offered a choice of 5 models to suit all budgets – from Rs.375 to Rs.4500; this was a demand-driven approach in terms of the users deciding on the level of service based on their budget. Each user made the superstructure as per their affordability.
- Where possible, incentives like bathing areas, smokeless *chulas*, etc., were given when latrine construction was taken up. Also where possible, they dove-tailed the programme with activities of WB and GOI and UNICEF sanitation schemes.
- NGOs were involved as partners in the implementation at all stages, especially in IEC, demand generation, social marketing and in providing construction support.
- The programme provided for ‘Shared Latrines’; a model wherein a habitation of 3 to 4 close relatives living in neighbouring houses were provided one or two shared toilets.

The programme has achieved an impressive coverage of 44% from the 4.7% since it started in 1990. The significance of this is can be seen in contrast when we look at the National Rural Sanitation coverage of around 9.81%.

The GPs play a very important role in this programme – they survey the necessity in the *pada-s* (localities), assess the requirements of the area/the people and build it into plans, coordinate the work of the different organisations involved in the field like community-based organisations, ICDS and so on. They prepare a list to monitor the work of construction and motivate the people to use the toilets.

The programme ensured that all the hardware needed for construction was available in local markets (rural sanitary marts) and that some source of water was available in the vicinity. It brought in a very effective community organiser, i.e., the Ramakrishna Lokasiksha Parishad, to form ‘Naksha Diyas’ at the cluster levels.

¹² Reported in detail in *Development for the People – Innovations in Administration* by M.V. Rao, Subarnarekha Publishers, Kolkata 2002. M.V. Rao was the collector of Midnapore when we visited it.

¹³ Reported in detail in *Development for the People – Innovations in Administration* by M. V. Rao.

¹⁴ Midnapore District was an ideal choice for this experiment as it has the reputation of being very progressive and effective in community response to participatory development work.

¹⁵ It included a much-needed School Sanitation component.

However, the State is not complacent about what has been achieved in one district. Some GPs, like the Chhotojaguly GP, are not so happy, as they feel the scheme was not clear and that in urban/semi-urban areas, it is not such an urgent need. Whether Rural Sanitation is a need or not is not the question here. If it is indeed identified as a priority, how can the local self governance work effectively towards the goal is the issue and the 'Midnapore model' offers some insights.

C) Sishu Siksha Karmasuchi – a model for Non-Formal Primary Education

The WB State Government's initiative in the field of non-formal education is another good practise that can be emulated by other states. The programme – Sishu Siksha Karmasuchi or SSK as it is known – promotes people's participation and it is entwined into the PRIs in several ways.

The Programme and its operationalisation

The Child Education Programme – Sishu Siksha Karmasuchi – was initiated in the state in 1997-98, with the goal of providing access to education to all children in the age group of 5 to 9 years. The focus is on children who are either dropouts or those who never went to school or for whom schools were inaccessible due to locational factors.

Community participation and decision-making

The guidelines for dealing with the programme specify that it should be a felt need voiced by the community. A group of villagers from a habitation or a village decide on the need to start a centre, pass a resolution to that effect and submit it to the GP. In areas where the community feels the need but fails to put in a request, the GP steps in and ensures that the community is mobilised to articulate the need by enlisting the help of the NGOs, SHGs and other local organisations.

When the community makes the request, the GP should verify it within a stipulated time of three weeks and pass on the request to the Panchayat Samiti. The PS and subsequently, the ZP verify the request and recommend the case to the District Planning Committee for approval. The PS and the ZP are also given a time limit within which they need to scrutinise this request.

Management of the CEC

A managing committee (MC) with 9 members is set up to manage each centre. Of the 9 members, 7 are guardians of children enrolled at the centre. In addition, a person interested in this (preferably a woman) and the GP member of the area are also members (Note: The CEC guidelines specify that the selection of the managing committee members is done at the Grama Sansad/Grama Sabha; but this is not often the ground reality. The positive aspect is that the formation/selection of the committee is not done through bureaucratic intervention.). The GP member is an ex-officio member of the Committee.

The MC's role is one of arranging for infrastructure, motivating parents to admit their children to school, and also decide on the convenient timing for running the centres. The committee employs the teachers and also supervises the quality of education. (The contract for teacher appointment is drawn by the committee and the teachers). The committee also undertakes repairs and maintenance of the school buildings.

The idea of having a management committee at this level is sensible because the GP covers a wide area, both geographically and functionally. The GP members of Chhotojaguly are of

the opinion that the GP has too many other functions to perform and may not be inclined to take up the task/s assigned to the managing committee. Also, public contribution by way of funds, land, building, etc., are easier mobilised by the MC than for the elected representatives who are looked at as “government”.

Requests for much needed text books and teaching-learning material are made by the management committee to the Education Standing Committee of the PS. This is scrutinised at the PS and sent to the ZP, which forwards it to the School Education Department. Delivery of text books follows a similar route backwards where the concerned authorities of the ZP channelise it to the PS, which hands them over to the management committee.

Funds Flow

The management committee can get funds from: a) P&RD department, b) the three tiers of the panchayat bodies, and c) by way of public contributions.

The teachers’ (Sahayaks) honorarium of Rs.1000 per month paid by the P&RD department is routed through the ZP and PS to the management committee (about Rs.45.6 crores totally, covering 38,000 Sahayaks in the State). The honorarium of the appointed academic supervisor is paid by the ZP through the general allotment made for this purpose.

The contingency amount of Rs.1000, covering the administrative expenses and purchase of teaching-learning material, flows to the management committee through the PRIs. The funds for this are placed with the ZP and passed on to the management committee through the PS. The committee is made accountable to the PRI as it is required to submit the utilisation certificate to the PS. The Education Standing Committee of the PS scrutinises this. The subsequent funds are approved by the general body of the PS based on this. The internal audit process of the PS also scrutinises these accounts making the PRIs accountable too.

The GP or PS may be requested for help in the construction of the school building by allocating funding from SJRY and other such schemes.

Accountability mechanisms

The GP’s role, as found in Chhotojaguli GP, is one of inspecting the functioning of the SSK. If any inadequacy is found, the Pradhan questions the Sahayak. The question of the Sahayaks not obliging the Pradhan does not arise as the GP plays the pivotal role of identifying children and motivating them to join the centre. The Pradhan can also complain to the managing committee, in case of non-compliance by the Sahayak/s.

The scrutiny by the Education Standing Committee and the submission of the utilisation certificate by the management committee to the PS also provide the necessary checks and balances.

The ZP, on a contract basis, appoints a supervisor to look into the academic performance of every 20 centres. The Academic Supervisor reports to the nodal officer/DPRDO of the ZP/DRDC. The SSA and SSK programmes are placed with DRDC. The review of this programme is by a committee which is headed by the sabhpathi. The guidelines prescribe that the sub-divisional officers, the extension officer of the PS and director of the panchayats are also entrusted with the overall monitoring of the programme. In reality, the nodal officer of SSA monitors this and the MSK programme.

The outcome of this programme is that the SSK complements the formal system of education; the children of the centres are given an admission test prior to joining the formal school. According to the officials, this programme has indicated that the community can be trusted and is capable of running a programme like this successfully, and that such a programme can empower the community too.

The inter-linkages between the committee and the PRIs clearly indicate that the panchayats form the broad umbrella under which the committee/groups work. The functionaries are not appointed by the panchayats because of the problems related to “recruitment” in WB. The functions of the different bodies are clearly defined: while the committee looks into the day-to-day running of the schools, the panchayats take up supervision and monitoring. The flow of funds that is channelised through the panchayats also ensures that the institutions are not demoralised. Since the management committees are ad hoc bodies, the sustainability of the programme is ensured by attaching greater importance to the democratic institutions.

Beneficiary Committee

Like in other programmes, work-specific committees are formed at appropriate levels. A minimum of five members are placed in each committee, with representation given to women and STs/SCs, and from different political parties. **The presence of representatives from different political parties provides the necessary checks and balances.** The other advantage of the Committee is that it helps in collecting contributions from the public. **It also speeds up implementation,** as it comprises people who benefit from efficient execution of the project.

D) Training and Capacity Building for Local Self Government – The SIPRD

In enabling the rural local bodies to function in such an effective manner, the contribution of the SIPRD has been fundamental. This Institute, like the other SIRDs, is a joint venture of the state government and the NIRD in Hyderabad. It has, over the past two decades, taken a lead in training elected representatives in different skills – first, in the processes of governance, the roles and responsibilities of elected representatives, and then on the schemes of development, the norms for their implementation and so on. Now they are moving into accounts and decentralised planning processes. Spread out in two large and well-equipped buildings at Kalyani, some three hours away from Kolkata, it has the classrooms, library and faculty to do its job properly. The members of the faculty are drawn from government officials who have worked in the PRI system in various capacities, and they share this experience with both elected representatives and officials. When we visited it, the SIPRD had 23 faculty members on a full-time basis with specialisations relevant to PRI functioning.

Elected representatives from each level are also brought in as guest faculty to speak on specialised topics in which they have experience. All the courses have a practical thrust, but are grounded in the philosophy of decentralisation that underlies the policy of the state government. Elected members from the opposition parties are included in the training programmes. The course material draws heavily on the research conducted by the faculty – from evaluation studies across the state to more basic but applied research. The results feed back into courses and act as feedback to both officials and elected representatives. We were pleasantly surprised at the high quality of some of the publications – for example, "On Measurement of Poverty in India" or the interesting exercise "In Search of a District Development Index".

The work in WB on rural sanitation discussed above had its beginnings in the SIPRD. It was here that the nature of the problem was identified, and different strategies debated. The technical options, the social constraints and opportunities, and different forms of involving both elected representatives and ordinary people were discussed here. From these emerged the general principles on which the programme was designed. Once it got into implementation, the training/orientation that was essential for the success of the programme was provided by the SIPRD. Such involvement of a training institution in programme design and implementation is rare. Without the SIPRD, we do not think WB could have made such progress in decentralisation.

Training

Many elected representatives have undergone training programmes offered by the SIPRD. Some of the representatives of the ZP, trained as trainers, have also been able to impart knowledge to others. Of the 50 members of ZP of 24 Parganas, 10 to 15 have been trained as master trainers. The programmes are appreciated as it covers modern concepts of decentralisation and also deals with ways of implementing the schemes.

The Sabhadipathi of 24 Parganas has taken part in many training programmes at the Kalyani Institute, and also at NIRD and at ATI, New Delhi. She has also contributed to the process by being a Master Trainer.

In 2003-04, the SIPRD is offering 161 courses on a range of topics. Of these, 28 are off-campus courses.

5. Lessons for Andhra Pradesh

In Decentralised Planning

West Bengal has based its devolution on ideological moorings. AP, like many other states, may not accept the ideological basis of this planning process. But there may be potential for AP to adopt some features from the decentralised planning process of WB. The need for a common and simple format for the collection of data at the gram sansad level – the lowest physical level – is the obvious one. The process of collecting such data, through the PRPs – Panchayat Resource Persons, appointed by the gram panchayat – is another. The discussion of the report prepared by the PRPs in the gram panchayat and the gram sansad gives it a legitimacy that is important when it comes to implementation.

The training in different aspects of such local level planning through the SIPRD is another feature that can be adopted by AP. AP could interact with the SIPRD and customise this training for its specific requirements. The AP institution that is given this responsibility should also be given the required resources and research freedom. The research work¹⁶ done by the SIPRD contributes substantially to its effectiveness in training.

The linking of local programmes and departmental schemes/plans by requiring departments to earmark funds meant for the districts ensures that what is planned at each level is coordinated. If this is not already in place in AP, it would be useful to build in such a practice.

¹⁶ For example the excellent study, *Beneficiaries of Land Reforms: The West Bengal Scenario* by Anil K Chakraborti in association with Apurba Kumar Mukhopadhyay and Debesh Ray, SIPRD, Kalyani, 2002. There are also other useful material prepared by this institute.

In Rural Sanitation

Midnapore, the district we visited, provides an excellent example of a well-thought out rural sanitation programme that is moving towards completed coverage¹⁷. We saw several instances where family members had come together to construct a common toilet for the use of their extended family. This is an interesting variation to the 'individual' or 'community' toilet.

The programme, building on past experience, does not just focus on hardware. It includes related aspects like drinking water. It looks at people's perceptions and requirements on sanitation and offers a range of options from which they can choose. For the construction part, several NGOs have been encouraged to provide engineering support and procure material. The involvement of people in defining the sanitation need, which includes educating them on its benefits, the provision of technological options at different costs, the support through NGOs for technical aspects, linking sanitation with immunisation and drinking water are features that make the 'Midnapore model' unique. It should be possible to unbundle the various aspects and adopt what is relevant in the AP context, wherever the sanitation programme has to be extended rapidly.

Some general principles that emerge from a review of Best Practices

Given the very specific process followed by West Bengal, it would appear that any transfer of good practices be first defined in terms of the basic principles involved and then adopted with the AP context in mind. This may require modifications and adaptation in the process. If AP is to learn and adapt from the experiences of other states, it must also contextualise and customise such policies and programmes to its own specific situation. That will be essential as simple replication is not advisable.

In decentralised planning, for example, this is the participation of people in defined, regular and structured steps. The political context may not be relevant to AP. Many of these practices may have the potential to improve the existing procedures in AP. The forms for data collection, the process of community discussions, and the matching of needs and resources could be done in a manner consistent with AP's administrative and political culture. But this will need more than just copying.

Similarly, the principle of subsidiarity – that activities be undertaken at the lowest feasible level – may have implications for the way in which activities are decentralised in AP. Given the difference between states, an activity need not be done at the same level in the various states. But a conscious effort to find the right fit must underlie any effort at learning from WB.

At another level, given the demands being made by sarpanches in AP, the state could also consider a clear division of responsibility between the elected representatives and civil servants who work under them. In WB, civil servants work under the supervision of elected local officials. The Sabhadipathi of the district writes to the ACR of the DM. This gives a clear responsibility to the elected officials and the civil servants. If AP were to consider this, it would mean a political decentralisation rather than an administrative one, and the GoAP would be in a better position to judge what is feasible. We flag this issue for consideration.

¹⁷ For details see, M. V. Rao, *Development for the People: Innovations in Administration*, Subarnarekha, Kolkata, 2002. M.V. Rao is the District Magistrate who has implemented this programme and we have held discussions with him on this issue. There is also a film about this programme that is very useful.

6. Conclusions

The decentralisation process in West Bengal is rooted in the ideology of the Left Front that has been in power for the past 26 years. That the state is part of a nation that does not accept this ideology is seen as a weakness, as is the process of liberalisation that the country has embarked upon in the 1990s. The state government has made use of decentralisation through panchayati raj as a major element of its strategy to hold and retain power and broaden its base over time. The laws under which the land reform [Operation Barga] was undertaken and the establishment of panchayati raj local governments had been passed before the Left Front came to power in 1977, but had remained unimplemented. The Left Front government took advantage of this progressive legislation to deepen democracy and strengthen its base through carefully thought-out amendments. Given that WB is a predominantly rural state, it is no surprise that the decentralisation focus has been on the rural areas. Nothing comparable has been attempted in the urban areas.

It is also a fact that the state government, with its Marxist ideology that was opposed to the major parties in power in Delhi, had fears that it could be dismissed under Art 356 by the Union of India. It saw in the local bodies the potential to hold on to some political power in such an eventuality. And therefore it has given vigorous support to the setting up, and gradual empowerment, of the PRIs. There is thus both an ideological, as well as an instrumentalist aspect to the decentralisation process in this state.

States that do not accept this explicit ideological position must then look at the West Bengal experience in instrumentalist terms, and see what aspect of specific processes can be adopted for their own ends. There seem to be many such possibilities that we have discussed above. For example, the methodology of micro-planning is one that a state like AP, which believes in people's participation in rural development, may find useful. In this sense, it may be possible to identify several elements that the state could usefully mould to its own requirements. That is the next task facing the CGG team.

Good Practice:

(1) When the funds are restricted and the requests are more, if there is a conflict among the members, a sub-committee is formed among the members with the approval of the general body. This committee will look into where the need is more and decide.

(2) The Pradhan of Chhotojaguly GP has made it mandatory to distribute benefits to those poor families which are "literate". Any one member in the family should be literate. If the woman of the household is a literate person then that family gets the first preference.

Maharashtra

1. Introduction

This paper is based on a study visit to Maharashtra from October 12, 2003, to October 21, 2003. The GoAP had written to the Principal Secretary, Rural Development Department, Government of Maharashtra, seeking his help. The latter coordinated the study team's meetings with the Secretaries of Health, Education, Water Supply and Sanitation, Finance and Planning for this study. Apart from discussions in Mumbai with the concerned officials in several departments, the district of Ahmednagar was visited. The Panchayat Samiti of Rahuri and Vamburi Gram Panchayat were chosen to interact with the elected representatives and the officials of the three tiers. Interactions were held with the officials at the offices of the Divisional Commissioner and the Collector at Pune and at Ahmednagar. In addition, discussions were held with the faculty members of the training institute based in Pune – Yeshwanthrao Chavan Academy of Development Administration. The local self-government institute in Mumbai that deals with both the urban and rural training aspects was also visited.

Based on the fieldwork, and drawing on the earlier study of the Overview of Rural Decentralisation in Maharashtra¹⁸, the impressions of the functioning of the PRIs in this state are discussed here to seek possible lessons for AP. The paper is organised as follows: in section 2, the discussion is on Maharashtra's vision of decentralisation; in section 3, the issues relevant to the functioning of panchayati raj institutions in India – structure, functions devolved, finances, operating procedures, information management, accountability mechanisms and interface with people – are discussed. Section 4 moves on to a discussion of the state's best practices, while section 5 looks at possible lessons for AP. Section 6 concludes the paper.

2. The State's Vision of Decentralisation

The state of Maharashtra has an old system of panchayats, a system that has been in the forefront over the last four decades with the village panchayats forming the core of the system in the twenties. The sixties witnessed the gearing up of the process of decentralisation under the leadership of Chief Minister Yeshwanthrao Chavan who is credited as having introduced and adopted progressive measures. The state is said to be one of the first in the country to adopt the Balwantarai Mehta Committee's (GOI) 1957 recommendations which were scrutinised by the Vasanthrao Naik Committee, in 1962. The Naik Committee report is said to have heralded 'a new era in rural Maharashtra'. It facilitated the formation of the three-tier system, replacing the earlier local bodies. The period between 1962 and 1972 was the golden era of PRIs in the state¹⁹. Despite stray incidences (of resistance of certain clauses by the MLAs and suspension of elections), the elections have been conducted to the PRIs almost continuously over the past forty years. The political intent towards the local self-governments has always been on the positive side even with the changing state leadership

¹⁸ The study on the Overview of Rural Decentralisation taken up by the World Bank covered seven states. The fieldwork in Maharashtra was undertaken in January 2000, and the districts of Satara and Chandrapur and several Panchayat Samitis and Grama Panchayats were covered.

¹⁹ In the seventies, the DPDC was formed which reduced the decentralisation content. Ref: Introductory note by Sharachandra Pawar in *Panchayat Raj Institutions*, RDD, 1992.

over the years. The Bongiwar Evaluation Committee and the P.B. Patil Evaluation Committee were also constituted in the early seventies and the mid-eighties to review and boost the PRIs.

The Naik Committee which set the ground for decentralisation visualised the fundamental purpose and real content of decentralisation to be “to train the local leadership to assume higher responsibilities and to serve the people with maximum efficiency and with minimum vexation so as to meet their growing needs within the resources at their disposal, giving priority, where it is legitimately due.”²⁰ The Naik Report clearly states that in the context of the rising aspirations of the people and need for a growing economy, the state cannot fulfil all or touch even the fringe unless appropriate institutions are created which are closer to people and which can enlist people’s support. Thus, the essence and focus of decentralisation has been a modest one of training local leaders and utilising democratically placed institutional mechanisms at lower-than-state level as efficient delivery mechanisms which would prioritise the needs and resources and guarantee people’s support.

The vision, therefore, has been one of developing the district as the unit of governance. Maharashtra is said to be the first state in setting up the PRIs through ‘the medium of ZPs’. The ZPs have been looked at as instruments of implementing the various schemes.²¹ The ZPs, even at the initial stages of inception in the sixties, were bestowed with more powers and functions than the PS which were given the status of the administrative committees of the ZPs. Elections to the ZP were by the voters but the members of the PS were elected/selected from the members of the VPs. Importance of ZPs as units of administration continues to this day. The type of decentralisation followed in Maharashtra is one of deconcentration or administrative decentralisation (Manor, 1999).

The committees at the ZP, which are considered as important mechanisms by which the process of decentralisation is furthered, add the democratic content to this. The Subject Committees at the ZP are said to increase the participation of the councillors in the decision-making process in developmental activities²².

Over the years, the PRIs have proved to be the training ground for several state level leaders to emerge proving the Naik committee’s perspective that “through the scheme of democratic decentralisation, the state would be providing opportunities for political training of the people and the leaders.” Former Chief Minister Vilasrao Deshmukh was the Deputy Chairman of the ZP and a member of the PS. Sudhakar Rao Naik, another former Chief Minister, has conceded that his association with the PRIs in the capacity of the Chairman of the PS (1962-72) and as the President of the ZP (1972-77) allowed him to emerge as a leader in state politics.²³ At any point of time, at least 20% of the Ministers and the MLAs are from this arena.

The Cooperative Movement and Decentralisation

An argument that is generally put forward is that the well-known cooperative movement in the state has facilitated the process of decentralisation. While some concede that the PRIs could be easily built as the cooperative movement was well established, the dissenters to this line of thought point out that the cooperative movement has been successful only in six

²⁰ Extract from the Vasantrao Naik report, summary presented in the reference cited above.

²¹ Sharadchandra Pawar in the reference cited above.

²² N.R. Inamdar, *Panchayat Raj in Maharashtra in a Comparative Perspective*, in the reference cited above.

²³ *Panchayat Raj: Some Thoughts*, in the reference cited above.

districts of Western Maharashtra. The cooperative movement could perhaps be looked at as an entry point for the PRIs; the main focus was on how to build on this. Whatever it may be, over the years, the district cooperative bodies and the ZPs have been contributing leaders to the mainstream state politics. The political milieu in the state is made of leaders trained in these two wrestling pits.

Much of the “progressiveness” in Maharashtra is attributed to quality leadership at the local level and to the fact that the state also has always been open to reforms and receptive to changes. The visionaries consider the state to be in the forefront of the decentralisation process as the state is politically mature. The state’s high GNP, high level of industrialisation, proactive media, and high rate of access to universities are said to be the reasons for “progressive” decentralisation.

In continuation of this “progressiveness,” of late, the state has instituted a Commission – Pingulkar Commission – to suggest changes in the ZP and PS and the VP Acts. This report was submitted to the Government on 10th October 2003. The discussions on these findings are in the preliminary stages. The Committee is said to have concentrated on the tribal areas in view of the GOI’s recommendations to give more powers to the tribals.²⁴ The new provisions which have received media attention relate to making the GSs powerful by increasing the number of GSs held in a year and also by giving them the power of recall. The other provision relates to the requirement of three-fourths majority to remove women chairpersons from power. Earlier this was based on two-thirds majority.

3. Key Dimensions of Decentralisation

3.1 Structure and Staffing

The PRIs comprising of the three tiers of the Zilla at the district, the Panchayat Samiti at the block and the Grama Panchayat at the village have been in place in Maharashtra since the sixties, prior to the Constitutional Amendment. The officials claim that the 73rd Amendment to the Constitution was based on the Maharashtra PR Act. The state has two separate Acts, one for the Village Panchayats – the Bombay Village Panchayat Act, 1958 and the other for ZPs and PSs – the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961. Both were amended in 1994 confirming to the Constitutional Amendment.

With two rounds of elections after the 73rd Amendment, one in 1997 and the other in 2002, 33 ZPs, 349 PSs and 27576 GPs have been placed in the rural landscape of Maharashtra. Reservations based on gender and on caste have been ensured²⁵.

The PRIs are under the wing of the Rural Development Department (RDD), with the Principal Secretary/Secretary heading it. S/He is assisted by Deputy Director, Monitoring Unit, Joint Secretary and Deputy Secretaries. Seven Deputy Secretaries: establishment Class I and II; establishment Class III and IV, Deputy Secretary-PR, Deputy Secretary-Budget,

²⁴ This work does not cover the Scheduled Area and its act.

²⁵ Maharashtra is said to have reserved 30% of the seats in favour of women at the district as well the intermediate level bodies even before the amendment. Reference: **The status of women in the Panchayati Raj System**, paper circulated by the RDD.

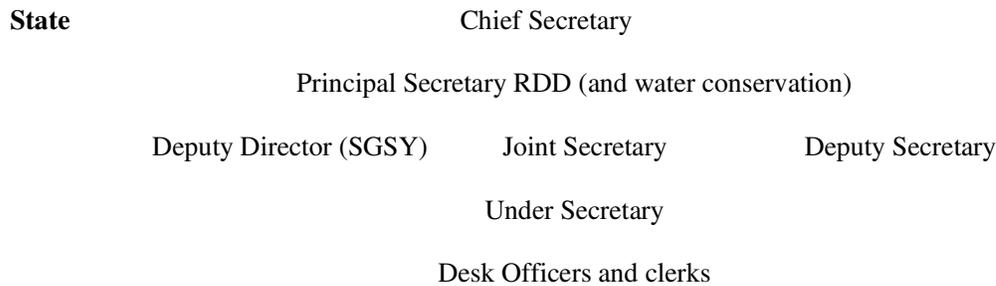
Deputy Secretary-PRGSY and other ZP schemes, Deputy Secretary-GOI Schemes, and Deputy Secretary-Expenditures are placed at the Secretariat.

The state is divided into six divisions, with 6 to 8 districts in each division. A Divisional Commissioner, a senior IAS officer, in charge of both the development and revenue works, heads each division. The development wing at the Divisional Commissioner's level is supported by two Deputy Commissioners, one dealing with establishment and the other with schemes and also with three Assistant Commissioners dealing with enquiry, inspection and development. There is no Directorate of the Rural Development Department at the State. On the positive side, this is said to have inculcated a compact administrative structure, saving on manpower and administrative costs.

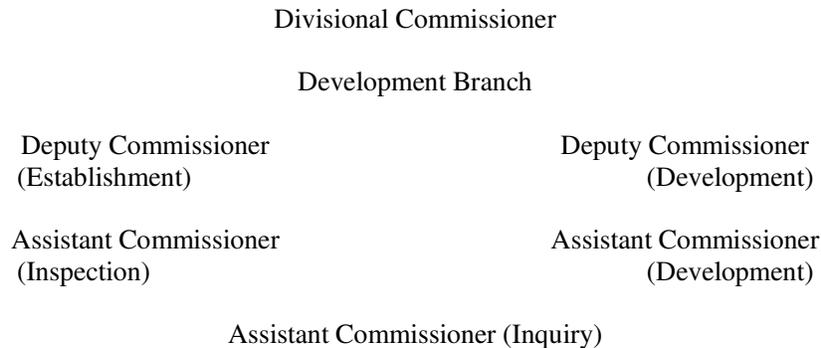
However, a separate development wing is strongly vouched for, as the development works are superseded by the all-important revenue work of tax collection, land acquisition, etc. The works of the Municipal Councils and regional transport authority are some of the other works that the Division is burdened with. The Division in Pune deals with 23 departments in five districts. The state government is debating of having either a commissioner's office or a separate development wing at the division.

The Divisional Commissioner is the immediate higher authority to both the Collector and the CEO placed at the districts.

Organogram



Division:



At the district, the rural development and the revenue functions are separated, and the rural development aspects are dealt with by the CEO of the ZP. The CEO is an officer of the Indian Administrative Service. 67% are direct recruits and 23% are promotees from the development and revenue wings of the State service. The post of Additional CEO was created in July 2003. The departments of Agriculture, Animal Husbandry, Minor Irrigation, Social Welfare and Works are placed with the Additional CEO. The Additional CEO is from the Maharashtra Development Service, placed in a horizontally equivalent position with the CEO. Three Deputy CEOs are placed vertically with the CEO, one each for General Administration, Women and Child Welfare and Village Panchayats.

The Project Director of the DRDA is also placed under the control of the CEO. However, the DRDA staff is answerable to the Divisional Commissioner. DRDA forms the bulk of the rural development programmes.

Thirteen to fifteen line department officers/heads of the departments are placed with the CEO. The following departments are with the ZP/CEO: Primary Education, Secondary Education, Continuing Education, Primary Health, Agriculture, Animal Husbandry, Building and Construction, Minor Irrigation, Women and Child Welfare, Rural Water Supply (also Ground Water), Social Welfare, plus the establishment units of General Administration and Finance. The appointments and transfers of the HODs are with the parent body. The salaries are disbursed by the ZP/CEO from the amount allotted as the salary grant. The officials consider themselves to be state government employees who are on deputation to the ZP. The

Class III and IV officers who are of the district cadre (non-gazetted) are appointed by the CEO by following the recruitment criteria laid down by the Regional Recruitment Board.

The number of elected members (councillors) at the ZP varies from 50 to 75. The ZPs also comprise the Chairpersons of the PS. The councillors indirectly elect the President and the Vice President of the ZP. The Subject Committees of the ZP are considered to be important decision-making bodies. There are nine Subject Committees: finance, works, agriculture, social welfare, education, health, animal husbandry and diary, women and child welfare and water conservation and drinking water supply. The Chairpersons of the Subject Committees are the members of the Standing Committee. The Subject Committees have the authority over the subjects and over certain amounts up to Rs.15 lakhs. Sanction of amounts between Rs.15 to Rs.25 lakhs are to be decided by the Standing Committee. The General Body of the ZP decides all amounts above this. The Chair of the Women and Child Welfare Subject Committee is reserved for women.

Apart from this, the Chairman of the Subject Committee can decide for amounts up to Rs.12 lakhs, the Standing Committee Chairman to decide up to Rs.13 lakhs, and the CEO of the ZP up to Rs.10 lakhs. The Subject and the Standing Committees meet once in a month and the general body once in three months. The Standing Committees supersede all the Subject Committees and can override any of the decisions taken by the Subject Committees. The Chairpersons of the Subject Committees are ex-officio members of all the Subject Committees thus coordinating all the works.

It is not mandatory for the PS and the GP to form and function through the committees. The Act allows the PSs and the GPs to decide and form any committee, if there is a need. Each electoral division of the Zilla is divided into two electoral colleges. The population ratio, and thereby the number of members of the PS, is dependent on the ZP.

The term of office of the President and the Vice President of the ZP is for one year (S.43) and that of the Chairman and the Vice Chairman is also for one year (S.65).

The Chairman of the PS is supported in administrative matters by the Block Development Officer who is the Executive Officer. The Deputy Engineer and the Block Education Officer are placed in vertical line of hierarchy with the BDO. An Agriculture Officer, four Extension Officers, one each for Agriculture, Panchayat and Social Welfare, Education and Health, a Junior Engineer and Veterinary officers are also at the block, with the BDO as the de facto head. Three other extension officers implement the DRDA programmes, one each for IRDP, Statistics and Industry.

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 Grama Sevaks; there are 18,168 Grama Sevaks in the state. The CEO appoints the Grama Sevaks and pays their salaries that are routed through the BDO. The bigger GPs are assisted by a VDO. Each Grama Sevak is held responsible for two to three GPs, this disproportionate number has allowed for delay in execution of works to creep in. The GP Secretary (Gram Sevak) is a Class III officer from the district service, posted by the CEO. The salaries are given from the District Fund.

District Planning Committee

The local sector planning with the district as a unit of planning is by the DPDCs (District Planning and Development Councils) that were formed in 1972. With the passing of the 74th Amendment and its insistence that DPCs have to be formed, the state is said to have dissolved the DPDCs with effect from 15th March 1999, in order that DPCs be formed. However, the DPDCs continue to operate, with the Palak Mantri (guardian minister) as the Chairman and the Collector as the Member Secretary. The ZP Chairperson is a member.

It is imperative for some of the departments to be involved in the process of planning. In the sectors of Health, Primary Education and ICDC programmes, data collection and planning based on the needs and priorities expressed by the beneficiaries are a necessity. Individual household needs are taken note of by conducting a household survey. A list is prepared by the personnel of different departments; the list also helps the departments in monitoring the progress of the programmes at later stages. The “plan” details are consolidated at the ZP, some of the officials call this “meso” planning, as a snide remark.

Organic Linkage

In order to create linkages between the three tiers of the panchayats, members of the lower tier are given representation in the higher one. The Chairpersons of the Panchayat Samitis are represented at the ZPs, along with the 50 to 75 Councillors. The Committee of the Sarpanchs find representation at the PS. One fifth or 15 Sarpanchs form a committee at the PS which is assisted by the BDO. The Sarpanchs are nominated by the PS by rotation every year. The committee is a consultative and advisory body to the PS.

The Sarpanchs committee has been replaced by the Prabhash Committee. The Prabhash Committee specified the dual objective of accountability and the organic linkage between the three tiers. The Prabhash Committee is at the ZP member constituency. The 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 ZP representative of the area chairs the Committee; the Agriculture Officer is the convenor. The officials working at the PS and GP are questioned; the Committee acts as a measure of accountability to the officials. The problems and the priorities of the lower two tiers are made known to the ZP, thus fulfilling the aim of the Committee.

Size of the GP

The size of a GP varies between those with a population of 700 to 800 and those with a population of 40000 to 50000 with a minimum of 7 to a maximum of 17. Official sources quote a figure of 243 GPs as having a population of more than 10,000 in each. The villagers are not keen on specifying a fixed population, as it would imply that they become a municipality and lose out on a number of rural benefits.

3.2 Functions devolved

The state has placed 24 subjects with the panchayats over the years.

The schemes of the different sectors are categorised as either transferred schemes, agency schemes or own schemes. Around 300 schemes have been transferred fully to the ZP; the subjects are enumerated in the First Schedule and can be amended from time to time, referred to as the District List in the Act. The state government can transfer to the ZP the works that are enumerated in the District list that have been completed and also those which are in progress (S.100) (Transfer of schemes would mean transfer of staff and papers transferred from parent department to the ZP).

S.123 specifies that the State Government may specify the execution or maintenance of works or development schemes to either the ZP or the PS which act as agent/s of the State Government for which monies will be paid by the State Government. Forty-four schemes are categorised agency schemes; the ZP is given 5% as agency charges for implementing the schemes. The schemes cover Employment Guarantee, Natural Calamities, Family Planning, Crop Development, MLA fund, Social Security and Welfare.

In a district, the transferred schemes would be more in number than the other two types. In Ahmednagar ZP, the transferred schemes amount totals to Rs.24.75 crores, agency schemes amount to Rs. 6.7 crores and own schemes amount to Rs.4 crores.

The 'own schemes' would denote those that are implemented by the "own" revenue of the ZPs (cess, etc.). The councillors' decision-making powers are more when implementing the programmes of 'own schemes'. The Subject Committees of the different sectors play an important role in approving budgets, purchase of equipment, etc. The concerned officer of the department who assists the Subject Committee takes the sanction of the Subject Committees and the general body. For the State and Centre sponsored programmes, only the decisions are placed before the various committees of the ZP.²⁶

The **primary education** sector is said to be with the ZP and as a result, all schemes and programmes and the units (schools) are with the ZP. In all, 80% of the primary schools are with the local bodies (a few special schools run by the state, the ones that are with the Municipal bodies adding up to the rest). The teachers are considered to be the ZP employees but the ZP acts only as a recruitment agency, following the guidelines specified by the state/education department. ZP however has control over the para-teachers that it appoints.

Vidya Vardini Abhiyan and Savithribai Phulke Foster Parent schemes are considered to be novel. The former, started in July 2003, focuses on improving the academic standards of the students. The VEC reviews this programme. The latter programme, started in 1994, supports girl children from BPL families in education. 10,000 girls of the BPL families are benefited by this scheme.

17,050 PHCs and sub-centres are with the ZP. Rs.15 crores for materials and Rs.150 crores for salaries are budgeted for the PHCs and the sub-centres. Budgetary provision and technical control are with the health department and the administrative control is with the ZP. The

²⁶ This limits the role of the committees, for details see *Overview of Rural Decentralisation* report cited above.

targets and broad policy decisions are made by the department, the flexibility in terms of the implementation within this are with the RDD.

Savithribai Phulke Kanya Kalyan Yojana is a health sector programme to help BPL families. Under the programme, an incentive of Rs.10000 is given for couples that practise family planning after the birth of one or two female children. The amounts are deposited in the bank and are to be used for the education of the girl child or for her marriage after her 20th birthday. An incentive of Rs.5000 is given if she passes the 10th standard.

Only a small proportion of the agriculture sector is with the PRIs/ZPs. The supply of inputs to the farmers, its quality control, verification of the claims of the different companies, ensuring crop competition to enhance the quality, and identification of beneficiaries are the main functions that are with the PRIs. Of the annual budget of the state agriculture department of Rs.100 crores, the implementation of the programmes directly through the line department costs as much as Rs.75 to 80 crores and the remaining amount is with the local sector, i.e., the ZPs.

Accepting that the State is lagging behind in transferring the subject of agriculture, the Government has been seriously considering transferring more schemes and functions – like demonstration plots, training centres which are at the district and many more. The state would retain only those which cover more area than a district. The testing and seed production units would also remain with the State. With this, the State's and the ZP's ratio of 80:20 would be reversed. The policy decision to this effect was passed by the Cabinet on 01.02.2001 but has been stayed because of resistance from the staff.

The schemes of the agriculture department that are placed with the ZP are agency schemes only.

The DRDA programmes form the bulk of the poverty alleviation schemes. The PD placed under the CEO deals with the DRDA programmes. The decisions of the DRDA are removed from the purview of the Standing Committee/s of the ZP. Only the decisions with respect to the SJRY programmes are taken note of by the ZP.

One of the major programmes (of recent origin, August 2002) taken up by the department of rural development is the Yeshwanth Grama Samrudhi Yojana. This is called a people's movement as, at the GS, people decide on the need of the village and estimate the costs of the work that they wish to undertake. In order to inculcate the concepts of sustainability and ownership of the assets, the RDD has made it mandatory that 15% of the total cost of the works should be borne by the people. The details of the works decided upon by the people are informed to the BDO who processes the government's amounts that are to be released. Any of the programmes that relate to school development, school construction, construction of compound wall of a school or the GP office building, sanitation programme, etc., can be taken up. For this programme, during 2002-03, Rs.152 crores was sanctioned. Rs.160 crores more is needed for this programme.

The other programmes of the department are SGSY, DRDA, ZP/PS buildings, YGSY, bio-gas, pilgrim centres development, YASHADA, and PRTC's (around 12 programmes).

Employment Guarantee Scheme – EGS

One of the important programmes of the state, which aims at poverty alleviation, is the Employment Guarantee Scheme. The programme ensures work for all and Rs.10 is given to those who cannot get any kind of employment. This started as a pilot experiment in 1968. The 1972 famine accelerated it. Later in 1997, an Act was passed to give it the legal support. A legislature committee chaired by a Minister of Cabinet rank reviews the progress of the scheme implementation.

The novelty of this programme is that it is financially supported by the money collected as professional tax from the urban areas, with an equal amount contributed by the government. This is said to ensure an urban-rural balance as urban wealth is distributed among the rural poor.

The programme is implemented in the district by the Collector and by sub-divisional officers and Tahsildars at the PS. The district mechanism also includes a Deputy Collector specially assigned for this. The review is by a committee of MLAs, with the Palak Mantri heading the committee for which the Collector is the Secretary. The taluk coordinating committee is headed by an MLA, supported by the Tahsildar as the secretary.

The Deputy Collector of EGS in Ahmednagar notes that rural employment is guaranteed to 80,000 people per day in the district. EGS is coupled with the Food for Work programme of the Central Government. The Act, therefore, guarantees individuals the right to ask for work. Since the programme focuses its attention on water conservation, agriculture productivity has also increased. There is also a claim that there has been a reduction in poverty. However, there is no data to prove this. But, rural connectivity has increased and as a result, rural markets have improved.

Different types of unskilled work like construction of roads, tanks, etc., and medium projects and water and soil conservation works are also undertaken under this programme. Rs.45 to Rs.55 is paid as wages per day per worker. The works are entrusted to different agencies like PWD, Forest, Agriculture Department, etc. The work order is issued by the Tahsildar, in his/her capacity as the nodal officer. The works as well as their monitoring are undertaken by different line departments.

The ZP is one of the agencies that implements this scheme. There is no specific reason advanced as to why this programme is with the Collector when all the other rural development programmes are with the ZP. It could be because the MLAs would lose their hold on one of the most important and prestigious projects of the state.

Training

There are two important training institutes in the state – YASHADA (discussed in the section on best practises) and the All India Institute of Local Self-Government. The All India Institute of Local Self-Government is an autonomous body set up by the Urban Poverty Alleviation Department, GOI, and recognised by the state government. The focus was mainly on urban aspects, but after the 73rd Constitutional Amendment rural aspects also came under consideration. The curriculum includes legal framework, schemes and programmes, communication skills, and gender issues. The programmes boast of covering 40% of the representatives, with NGOs and other organisations having undergone TOT training. The representatives of panchayats are also moulded as trainers.

3.3 Finances

Two State Finance Commissions have submitted their reports; the second one is yet to be made official. The recommendations of the second Finance Commission, especially provisions regarding the share of the PRIs and the State, are being discussed.

The first SFC (report published in January 1997) recommended the allotment of Rs.364.32 crores annually to the local sector. Rs.160.82 crores was accepted by the cabinet, but only Rs.78.29 crores was released over the two years. 10% was recommended as agency charges, but the cabinet approved of only 5%.

The sectors, which have transferred schemes to the panchayats, allocate the funds to the RDD annually, as the policy guidelines are laid down by them (the line departments). Since the funds flow from the different departments to RDD is not regular, the amounts from the State to the ZP are released as Wage and Means advance. One twelfth (1/12th) of the amount is released every month by RDD to the ZP to cover the expenses till such time a different sector's release accrues to the ZP. At present the Wage and Means advance covers the schemes only (and not the salary which is directly released to the ZP/CEO for disbursement).

The total plan outlay of the state is Rs.1265 crores and the outlay to the core sectors in the rural areas is Rs. 8307.45 crores, i.e., 65.97% (2003-04). The total budget (provision for plan and non-plan) is Rs.62462.04; of this, the budget for the local sector is 9.11% which is Rs. 5694.92. The maximum amount is to the education department and is nearly Rs.3235 crores (2003-04).

All the amounts that flow to the local sector are channelised through the ZP. Other than the local sector grants, certain other monies, e.g., stamp duty, cess, etc., are also given to the ZP directly from the revenue department. Cess and additional cess charges that were earlier routed through the state machineries are now being given directly by the Collector to the ZPs, thus avoiding delays.

The officials we met agree that the State has remained slow/weak in transferring funds in Maharashtra because of the tight financial position. The machinery of funds flow is, however, well placed.

3.4 Operating Procedures

In the state, the panchayat system predates the constitutional amendment. A vibrant system of panchayats, serving many functions in the district, has been functioning for many years. In this scheme of things, the panchayats are looked at as additional agencies at the district level, to the offices of the line departments, for undertaking various works. Operating procedures have been devised in this context, and not many changes were deemed necessary when the panchayats became constitutional bodies after the 74th and 73rd Amendment. The Collector's office continues to have the importance it had earlier, and panchayats of elected representatives have found some space within this system without necessitating any breaks.

3.5 Information Management

There are any numbers of examples of the different departments managing information using the latest available technology. For example, the Treasury Department is fully computerised,

which enables it to get details of transactions every day. There are examples from the villages too. Varuna village in Kolapur district has a system through which 80 to 85 villages are connected by the net. The farmers are able to access information on agriculture, availability of water and such other information.

A state-wide programme implemented in the districts that merits mention is SETHU (Ahmednagar), also called SANKALP (Pune). This was initiated in August 2002 as a single window system which is fully computerised. The SETHU/SANKALP centres are citizen's facility centres (Nagarika Suvidha Kendra). The concept is one of facilitating the citizens by disposing applications in a short time, and more importantly removing the contact between the applicant and the clerk which would enable a clean administration.

The centre is built as a district centre in Pune. At Ahmednagar, three centres are envisaged at the different revenue tiers of the mandal, taluk and district with inter connections between the three. The Nagar SETHU is also attempting to link up the three units of the three tiers by introducing online processes at all the levels. Intra-taluk coordination would be made possible because of this. (The programme has taken off at the district and at the taluk tiers; the Collectorate is trying to set right the connectivity problems at the mandal level).

The numbers of subjects that are dealt with at the centre range between 30 and 50. The certificates relating to age, nationality and domicile and caste certificates form the bulk of work.

The main advantages of these centres are (i) that the delivery of certificates is done within a day/specified time (ii) middle men are weaned out (iii) the amounts charged are on the lower side (iv) the number of applications processed is on the higher side. The unit can attend to an average number of customers in a day's time (v) the jobs are not kept pending (vi) the number of trips made by the individual to the unit is reduced (v) the influence of politicians and others that were sought to get the certificates is reduced. (vi) the socially deprived are treated on par with the others as the contact between the client and the applicant is reduced (vii) a summary statement checking everyday progress in detail has been made possible because of computerisation. This has allowed for the monitoring and accountability measures to be imbibed. (viii) seasonal demands for eg for the sale of license and cracker etc are also taken care of without time lag.

Computerisation of land records is also a part of the SETHU programme in Ahmednagar district (similar to BHOOMI in Mysore) called Sathbara (form numbers 7 and 12 record of rights and crop inspection). Sathbara has connectivity with net and connectivity with mandals (cluster of mandals), which is an advantage over BHOOMI.

There are some teething problems in this programme. The programme is taking roots more as a local initiative of the Collectors and lacks the support of the government.

3.6 Accountability Mechanisms

The accountability mechanisms cover the elected representatives and the officials. The heads of the three tiers are accountable to the members of the body which elects them. The state government can also remove the heads for misconduct or negligence or incapacity to perform.

The councillors can remove the President and the Vice-President of the ZP by passing a no-confidence motion (S.49). (This however does not apply to the women of all the tiers who occupy these positions, as per the recent Amendment). The President and Vice-President can also be removed by the State government for misconduct or neglect or incapacity to perform (S.50). The Panchayat Samiti Chairperson and the Vice-Chairperson can be removed by a motion of no confidence by a majority of members. (S 72). The state can also remove them (S73). S.35 (of the VP Act) specifies similar rules to the Sarpanch. The other provision is also one of (S.39) removing the Sarpanch or Upasarpanch on grounds of misconduct or negligence, misappropriation etc.

At the lower tier of the GP, a provision introduced is one of allowing the Standing Committee of the ZP to remove the Sarpanch. The CEO based on the report of the Standing Committee hold an enquiry and submits the report to the Standing Committee. Whether this is an effective and feasible provision is debatable. The Sarpanch can apply to the Divisional Commissioner if s/he is unhappy with the decisions of the lower courts.

An important line of accountability to the elected representatives, which acts as a line of control and discipline, is that of the political party.

The control by the elected representatives on the bureaucrats is not backed by any provision of the Act. In the mid-nineties, the ZP Presidents had represented to the government the need of writing the CRs of the CEOs. This was not agreed to. The administrators are accountable to the higher ups in the line of hierarchy. The administrators who are placed with the panchayats are subjected to dual control, one of the state and the other of the ZP. The CR of the officials is initiated by the CEO who writes the administrative part and the technical part is written by the respective heads of the departments.

The state has introduced some important accountability mechanisms. Prabagh Committee mentioned in the section on organic linkage is also considered as a mechanism of accountability. The other programmes are:

Ama Sabhas form the accountability mechanisms for the PS just like the Gram Sabha pertains to the GP. Though this is not specified in the Act, it has become a part of the system which ensured the accountability of the bureaucrats. The senior MLA of the area acts as the Chairperson in PS. The Sabha held once in a year ensures that there is coordination between the different stakeholders – MLA, Sarpanch and the Sabhpathi. The Sabha also helps in getting the compliance of the work by the administrators. (Placing of palak mantri and MLAs in crucial positions has deterred the spirit of this).

The PR Committee at the state level is considered to be a powerful committee of the legislature. It is an important decision making body. Some may argue that this denotes decentralisation from “above”. However, the Committees perform the important functions of reviewing the administrative functions and the audit report of the ZP, thereby forming an accountability mechanism.

Shasanaapalyadhari Programme, also called Lok Shahari, is a Government-at-the-doorstep programme, which has been introduced to induce enthusiasm into bureaucratic working and improve service delivery. The BDO and the Tahsildar visit eight villages in a month, note the grievances and solve them immediately. The Gram Sevak and the Sarpanch facilitate the

official-non-official interaction. It performs the function of redressing grievances. The BDO is held responsible by the CEO, if this is not held.

In addition, the Villagers Charter has been introduced (1999) which focuses on three main issues – transparency and accountability in administration, right to information and ensuring organic linkage between the three tiers.

What was noticed at Rahuri PS:

Board display of three types:

- 1) Board explaining the types of work and the schemes that are being envisaged, the officers who are designated to perform this job, the time stipulated for the work to be completed and to whom one should appeal, if the designated officer does not comply within the given time.
- 2) The details of the schemes, the eligibility criteria to apply and the documents which are to be submitted.
- 3) At work spots, the details of the technical and the administrative sanction of the programme that is implemented are displayed.

The other important measure that is yet to take shape is one of sending the audited reports of the GP to all the taxpayers.

3.7 Interface with People

One of the programmes of family planning is implemented by the village level population committee which is headed by the Sarpanch, anganwadi worker, teachers, women GP members are the members. ANM is the Member Secretary. The ANM and the anganwadi worker survey the beneficiaries and place it in front of the committee. The committee and the CBOs of the area motivate people in adopting family planning measures. Different schemes of the health department are also discussed.

The PHCs are also governed by the advisory committee headed by the area ZP member. Sarpanch is also a member.

Village Education Committee

There are as many as 25000-26000 VECs in the state, each VEC having 12-14 members. 50% of the members are women. The Sarpanch heads the VEC as ex-officio Chairman and is assisted by the school head master. The functions of the VEC include ensuring school enrolment, keeping a vigil on the teacher's attendance and controlling contingent expense/s. The head of the VEC and headmaster run an account for the contingent funds. The amount of contingent expenditure, school construction, expenditure on mid-day meal is given to the VECs.

From January 2003, the mid-day meal programme has been entrusted to the VEC. The committee can appoint a cook from Mahila Help Group or Anganawadi teacher or any women. The Committee is entitled to get Rs. 0.50 per student for converting the ration into cooked meal. The rice of 100gms per student is also channelised through the VEC.

All of the committees are now being recast as a part of the Village Development Committee (discussed in the section on the Best Practices).

4. 'Good' and 'Best' Practices

In this exercise, we have gone by what the state has told us of their 'good' and 'best' practices. The identification has not come about as the result of the application of any specific criteria. From what we saw in the state, we have tried to identify those that may have some possible application—in modified form—in AP. This is no more than a preliminary discussion at present.

Every 'best' and 'good' practice is also interwoven with limitations, a point that should not be lost sight of.

Powers to the Grama Sabha:

The Government of Maharashtra claims to have given strong powers to the Grama Sabha, as per the amendment passed in October 2002. The number of mandatory meetings of the Sabha in a year's time is increased from the earlier four to six. (Amendment Act No.III of 2003)²⁷. The time gap between the two meetings is not to be more than three months. Only the first meeting of the Grama Sabha is to be presided over by the Sarpanch or Upa Sarpanch, the subsequent meetings are presided over by persons elected at the meetings of the Sabha.

In addition to the six meetings of the GSs that are made mandatory, a Mahila GS and a ward GS are also to be held. The two GS should precede the holding of the main GS which is obligated to consider the decisions of these two GS meetings and shall not override without giving due explanation. With this, the number of Mahila GS held in a year would be six.

The Sabhas have been given disciplinary control over the government, semi-government and panchayat employees working in the village including the matters of daily attendance. The employees are evaluated annually; the Grama Sabha brings such reports to the notice of the higher authorities. The Grama Sabha also can bring irregularities in the functioning of any of the officials to the BDO and to CEO. All the government, semi-government and panchayat employees working in the village should attend the Grama Sabha, unless the GS exempts them from attending it.

The main function of the GS, as elsewhere is the selection of the beneficiaries for individual beneficiary scheme of the state and or central government programmes. The powers and duties of the Grama Sabha (newly added as per section 8AA) include the approval of the social and economic development plans, programmes and projects that are to be implemented by the panchayat. The Sabha also should grant permission to the panchayat for incurring any expenditure while implementing the development schemes. It is also necessary for the GS to convey its views on acquisition of land.

On the negative side, a total of 12 GSs in a year is not considered necessary especially as there are not that many issues to be discussed. Also a mixed group of men and women is warranted, the alienation of women would continue by separating the two. Some consider fewer GS meetings would have more people participating. This move by the state of strengthening the GS has been met with opposition as some of the provisions (of new VDCs), would allow the "elders" in the village to get back into the main stream. Also whether the vigilance and control as well as the evaluation of the officials by the GS would be given due importance, especially in view of the dual line of control that exists, is not clear.

²⁷ As per the 1994 Amendment to the Act, the GS' s were to be held twice in a year. In 1999, an Amendment was passed increasing this to four.

The Right to Recall the Sarpanch at the Grama Sabha is also being debated and would be shortly introduced.

Women's Gram Sabhas

The holding of women's gram sabha before the general gram sabha, to ensure their voice is heard, is a good practice. The other positive move made in favour of women, is to make sure that the women who head the various political bodies of the three tiers and the Chair of the Women and Child Subject Committee cannot be removed unless 3/4th majority of the members demand for it. This is a provision that has been included as it was generally noticed that women Chairpersons, despite of reservations of seats, were meted out discriminatory treatment. (This has been made possible by Amendment Maharashtra Act No. XXVIII of 2003). The government also insists that in the event of a GP being headed by a Sarpanch who is a woman, the flag hoisting during important days should be done by her and in her absence by a women member of the GP.

The functional committees

The government of Maharashtra has amended the Bombay Village Panchayats Act, 1958 in July 2003 to insert the clause for forming the Village Development Committees. A Grama Sabha, in consultation with the panchayats, can form the VDCs with 1/3rd members of the panchayats, and others - representatives of the community based organisations, village functionaries and others. Each VDC would have a minimum of 12 to a maximum of 24 members. At least 50% of the members are to be women. Due representation to be given to the vulnerable sections too. The Grama Sabha ensures that the members of the Mahila Mandal are recommended to the VDC, the women representatives are preferably chosen at the Grama Sabha held exclusively for women. The GS can choose the Chairperson for each VDC.

The Grama Sevaks are assigned the task of discharging the functions of the VDCs. They can be assisted the other government servants. The government officials or employees like the teachers, anganwadi sevaks, talthis and others can be requested by the Grama Sabha to assist the VDC in its deliberations.

The VDC is deemed to be a sub-committee of the panchayat and is placed under the overall supervision and control of the panchayats. However, the GP does not override any of the functions that are specifically assigned to the VDC by the Grama Sabha, unless the Sabha approves of it. The Grama Sabha decides on the delegation of powers and duties that are assigned to the VDC.

The term of the VDC is co-terminus with that of the panchayats, the members of the VDC cannot be removed before the term unless the Grama Sabha resolves to do this. Each VDC would open a separate account which is operated by the Chairman and the Vice- Chairman who are elected/selected by the Grama Sabha. The amounts are channelised to the VDCs directly by the ZP/CEO from the district funds of the different sectors. Any number of such accounts can be formed. The annual statement of accounts and proceedings of the VDCs form an integral part of the panchayat record which would be presented to the Grama Sabha. The Grama Sevak will integrate all the accounts before presenting it to the GS.

The VDCs are accountable to the GS. They can be held responsible to the GP as GP can ask for accounts, and can also supervise. If any misappropriation of fund is noticed, the respective committees are held responsible for inappropriate supervision. At such times, the GP is held responsible for not calling for a GS.

The VDCs are considered a way of strengthening the GP. The strong points that hold in favour of the Committee are that they are to be formed at the GS. The Committee allows for the participation of others, and is therefore more inclusive. The decisions regarding the development work would be less political. The other important point that is raised is that the Committee allows for participation of the majority of the villagers. The presumption in this is that majority of people refrain from voting, therefore the PRI elected members are not fully representative of the people.

The limitation of this model is one of reducing the importance of the GP. The general body of the GP would be reduced to assimilating the progress of the GP and reporting it to the GS. In due course of time, the authors of the new model of VDC agree off the record, that the GP will disintegrate/lose its importance. The GP GB will be like a cabinet, supervising the different accounts of the different VDCs. They also argue that this is not against the spirit of the Constitutional Amendment as the kind of authority/ the power that one bestows GP with, is left to the State's discretion as per the 73rd Amendment. See section 243 (A).

Within a GP's purview, there can be any number of VDCs that are formed. The present committees of forest management, water conservation, WATSAN, SSA Committees would now get reframed as different VDCs. The Village Water and Sanitation Committee is one such committee which has been merged/reformed after the introduction of the functional committee in its present form.

In the Vambori GP visited, the VDCs are yet to take shape. The Sarpanch is of the opinion that this will facilitate his work.

The GO discussed above, has also included the formation of BLSC (beneficiary level sub-committee) too. S. 49 (A) of the Act calls for the formation of the beneficiary level committee that would comprise of the beneficiaries of a proposed activity. A member of the GP is a member here too. The total number of members should not to exceed 12, with half of the members being women and a few representatives from the vulnerable class. The committee is co-terminus with the term of the panchayats. The VDC can entrust its powers, authority and duties to the beneficiary level sub-committees, with the approval of the GP. Whether the BLSCs are to be formed or not is left to the discretion of the GP. (Maharashtra Act NO.xx111 of 2003).

The beneficiary committee is formed to "listen" to the beneficiaries too and not just hear the voices of the GP members. The voices of the women and the downtrodden are heard. This statement indirectly comments that the PRIs, despite reservations have not been representative institutions of the poor.

Sanitation

Considering the dismal picture presented by the Census on rural sanitation (6 ½ % of the rural population were covered with sanitary facilities as per the 1991 Census) and the failure of the Centre and the State government initiatives to enlist people's participation (a survey conducted in late nineties showed that 43% of the toilets were used for "other purposes"), the Government of Maharashtra was compelled to rethink on the ways of improving the Rural Sanitation Programme, in order to raise the health standards of the rural masses. The Rural Sanitation Programme was recast by introducing the IEC components, which were considered necessary to change the mind-sets of the people, and by focussing on low-cost sanitation.

The Rural Sanitation Campaign called Sant Gadge Baba Village campaign, named after Sant Gadge Baba who had made pioneering efforts in this direction, was designed. As a part of this campaign, the first three components of the IEC of personal hygiene, food hygiene and water hygiene have been taken up and the emphasis has shifted from individual toilets to community toilets. The villagers are given an option of building individual, joint, and group or community toilet/s. The choice of O&M and the estimation of the monies needed are also given to them. The community contribution is made compulsory.

The novelty of the campaign is that competitions are held among the GPs in the state. The first three GPs in each district and one to be adjudged the best in the entire state are given cash prizes. The trend is to start the campaign at the Grama Sabhas; the initiation of the campaign could be by the Sarpanch or anyone in the village. A campaign committee is formed on 2nd October of every year at the GS; the officials connected with the programme orient this committee on different aspects of the programme. Prior to this, the guardian minister of each district holds the Sanitation Campaign Committee inviting people to participate (in the campaign). The BDO also orients the Sarpanchs and the Grama Sevaks at the block level.

Supported by the special officer appointed for this purpose by the CEO, the village level campaign follows a well- chalked out programme spread over a fortnight which would cover, on different days- village cleaning, school cleaning, toilet repair and construction, personal hygiene and many more. This is evaluated by different teams - the ZP constituency level committee, PS level selection committee and the District level committee of GPs. This would be for the selection of three GP's at the district. It is followed by an evaluation conducted by the Divisional and State level committee which would adjudge the best GP in the state.

In the various committees of inspection at the three-tier system, the respective Chairpersons or the members are given the Chair. The role of the GP is one of implementing the campaign concepts. The representatives of the three tiers are also involved in motivating the public. The representative's involvement is considered necessary to ensure people's participation.

Some of the indicators that are looked into by the evaluation committees under the village sanitation campaign are -source of drinking water- public source, its cleanliness, water wastage, overall performance of the village water and sanitation committee, personal hygiene, which includes the habits of the children, epidemic prevention measures, toilets-their type and utility, solid waste disposal, waste water and also adoption of family planning measures²⁸.

The Prize monies, given as the Rashtra Sant Tukdoji Maharaj Clean village, amounts to Rs.5 lakhs as the first, Rs. 3 lakhs and Rs. 2 lakhs as the second and the third prizes. The prize amount for the first in the state is Rs.25 lakhs.

Vambori Grama Panchayat has won the first prize in the district over the last two years. The village has 3700 households with around 20000 people. Of the 3700 households, 3000 have constructed sanitary units. The village is unique, as it has adopted the principles of the Grama Swachata Abhiyan in Toto since October 2001.

²⁸ Source: government resolution no, water supply and sanitation department-RSP-1096/CR-8/41, dated 20.01.1996. Government of Maharashtra, Water Supply and Sanitation Department

The achievement of the GP is attributed primarily to the local leader Subash Patil's (ex-Sarpanch) initiative and involvement. The Sarpanch and the members of the GP are involved in creating awareness among the public. House to house visits, followed by a meeting of the GP and discussions at the Grama Sabha have facilitated the implementation of the programme. The GP has hired 20 workers to keep the village clean. The GP levies a fine of Rs. 50 as penalty for defecating in the open. The tractor owned by the GP is used twice in a day to collect the debris from the dustbins in the village. The decomposable material is separated from the rest and is used to prepare vermi compost which is either sold (Rs. 5000 has so far been accrued to the GP income) or used to grow the road side avenue trees in the village.

The villagers count the positive points of this programme as one of spending fewer amounts of monies on medicines. Also the village has not witnessed the outbreak of any epidemic disease over the last two years. The village environment has remained clean. The children from the village are taught the discipline of keeping themselves and their surroundings clean.

The GP has also installed solar lights, as the other ingredient specified by the campaign is one of using/installing unconventional source of energy. In addition, a filter plant has been installed costing Rs.40 lakhs by enlisting people's contribution. The water from the village drains are collected here and the filtered water are proposed to be used for agriculture purposes.

The GP has a record of collecting 100% house tax; this is a must to participate in the campaign. This and the amounts of monies won as cash prize gets accrued in the general fund of the GP. The prize amounts are to be used for cleaning and sanitation purposes.

Finance

The budget statement of RDD is a detailed one: a format has been developed for this. Own resources income and expenditure is separate. Establishment and scheme is separate, plan and non-plan separate. With this, the minor heads details are to be added by the ZPs.

A reaction to this is that this would result in bulky documents and would need at least two people to fill this. Also, people's representatives would have little utility for this as sector break up is done head-wise.

Taxation: The Government of Maharashtra has taken an initiative to implement Area Based self-assessment of the taxation system changing from the earlier system of capital value. Maharashtra is the first state in the country which has introduced this system in the rural local bodies i.e. in the jurisdiction of GPs. From December 3, 1999, the state decided to adopt the new system in 33 ZPs and approximately 28000 Village Panchayats, despite much resistance from stakeholders. The imposition of property tax based on capital value was to be based on the assessment made by the Sarpanch and the other members of the GP. Due to the lack of scientific method of assessment of properties in the villages, the taxation was not appropriate. Also, since the assessment was left to the discretion of the Sarpanch and the members of the GP, the assessment was not unbiased, often resulting in the loss of assured income to the GPs.

With the changed system, there has been an increase in the tax demand which is due to accurate measurement of the property. It has allowed for considerable rise in tax demand. For e.g. the earlier tax demand in Pune district was Rs. 4.88 crores, after the implementation of area based self assessment system it increased to Rs. 14.00 crores.

The salient features of the system are²⁹:

- Low tax rates
- Minimum discretion
- Transparent
- Simple
- Ensures equity between classes of tax payers
- Self assessment of property tax by property owners

Training

The Yashwant Rao Chavan Academy of Development Administration, located at Pune, performs the combined role of Administrative Training Institute and the State Institute of Rural Development. The centre has seven wings: Good Governance, Rural Studies, Environment and Development, Disaster Management, Information Technology, Urban Studies, Publication and Audio-Visual Productions.

The Centre for Rural Studies deals with the training of the functionaries, both officials and non-officials of the PRIs, deriving resources from the other centres as and when needed.

The clientele for the training programmes includes the President and Vice-President of the ZP, the Sabhadipathi of the PSs and the Chairpersons of all the Subject Committees. The other clientele includes the bankers, SHG members and the officials.

In order to reach/to cover the representatives at the lower tiers, TOTs are conducted for block and district level officers. These are done at the district level institutions –11 PRTCs (Panchayat Raj Training Centres each serving one or two districts) and 9 Grama Sevak Training Centres. At the PRTCs, the Sarpanch and the GP members are trained. Also the Extension Officers are covered in some of the programmes. At the Grama Sevak Centres, the Sevaks who work at the GP are trained.

Both the software and the hardware of the Academy are congenial for imparting training of high value. Some features are:

- 1) Separate cell for the development needs where officers working/ having worked as a part of the administration machinery are deputed. This has enabled the practical knowledge to get ingrained.
- 2) Academic input is generated and given to the PRIs by the core faculty of principal trainers and the training experts.
- 3) The needs are assessed regularly by field study. The module of training is designed every year by holding a TNA.
- 4) Systematic approach to training
- 5) Training centres are located at the district levels; tot's, foundation courses and refresher courses are designed for use by these Institutes by the core team.
- 6) The district institutes are monitored and guided by YASHADA. A detailed syllabus is brought out by the core team which also visits the district centres regularly.
- 7) Gender issues are covered at the cluster level- 8-10 villages. Grass-root level functionaries and NGOs are trained on this.
- 8) Inbuilt capacity of other wings at YASHADA which can help the PR training wing.

²⁹ Reference: Financial Strengthening of Village Panchayat: An Area Based Property Taxation (circulated by YASHADA).

Annually, Rs.1.38 Crores are spent on PRI training at the centre (YASHADA) and around Rs.5-10 lakhs each at the PRTC and GTC.

5. Lessons for Andhra Pradesh

Specific practices

The state of AP could consider ways by which the Grama Sabhas can be made powerful instruments which would encourage people's participation at the grass roots and imbibe such provisions that would make them effective mechanisms of accountability. The increased number of the Sabhas, holding of the women sabhas and the ward sabhas are ways by which the GS are strengthened. The other 'more' important point is one of accountability where the sabha is authorised to hold the administrative machinery responsible. The integrating provision of electing the members of the VDC and the VDC being answerable to the GS s are also clauses worth enumerating.

Maharashtra has moved ahead of the other states in incorporating provisions that would facilitate the process of women's empowerment. Noticing that despite reservation of seats in the political avenue, the gender equations have remained skewed, the government has introduced two new provisions, one is that of holding separate sabhas for women and the other is to ensure that women heads of the three tiers and the subject committee of women and child welfare cannot be removed by the members on a simple majority of votes.

The model of VDC which strengthens the PRIs is well worth following. In AP, the any number of committees that are formed outside of the panchayats can be brought under one umbrella of the PRIs. This would increase the concept of sustainability of the Committees and provide them with legal/statutory backing. Linking up the Committees with the GP would denote linking up the three F's- of funds, functions and functionaries, and the element of accountability should be added. The VDCs proposed in Maharashtra seem to have all of this in place within the broader framework of the GP.

The sanitation programme with its components of IEC, options given to the public are easy to be integrated. The campaign with incentive of cash prize to the best kept GP can be easily tried out in AP, along with following the campaign mode to initiate the process. Though Sant Gadge Baba Sanitation Campaign is a programme tried from "above", with help from the administrators, there is a role prescribed to the representatives of the panchayats at each stage - in motivating the people, creating awareness, facilitating the actual implementation process, and also as judges. The cash amounts are given to the GP (and not to some committee like the WATSAN). The lesson to learn is that the campaigns of this nature which have incorporated an 'incentive' in the form of prize amounts can also add on other clauses of collecting the house tax, a task which is otherwise found difficult.

General principles

1. The development and the revenue wings to be separate at the district.
2. Officer of the rank equivalent to the Collector to be placed as the CEO of the development wing i.e. the ZP.
3. DRDA to be with ZP.
4. The Subject Committees to be well defined and placed in order.

5. The schemes can be transferred from the state to the panchayats as transfer and agency schemes too, as a first step towards decentralisation.
6. Measures of accountability to be introduced, other than the ones prescribed in the Act. Ama Sabha, Citizen's Charter so on.
7. The concept of EGS which accentuates on the shift of wealth from the urban to the rural area can be followed

6. Conclusions

The state's vision of decentralisation has been a modest one of training local leaders in politics and setting up institutions which are more efficient and local. On these two grounds, the state's vision can be said to have been fulfilled³⁰. The effort and the concentration by the state leaders has been one of developing the ZPs, with the result the ZPs have become 'an agency of the state'. The Subject committees of the ZP are rated as powerful bodies, as ways of furthering decentralisation. This is partly true.

The state falls short of being a successful experiment of decentralisation as the powers and the roles given to the elected representatives are limited. But the scope for doing this is enormous as the administrative structure is well placed. However, though many of the schemes have been transferred to the PRIs, the institutions still continue to depend on the state government for fiscal support. The administrative and the political decentralisation are not met with by fiscal decentralisation.

The PRIs, according to most people, seem to have served their purpose as many of the schemes are implemented by them. But this basically denotes the ZP only. The PS has been a discontented, ineffective body in Maharashtra. The PS is considered to be an extended limb of the ZP.

Of late, the attention has been on strengthening the GPs and the GSs. This could be because of two reasons (a): The ZPs are well placed and (b): the trend in all the states has been to encourage participative democracy which the GPs and the GSs facilitate. The formation of the VDC as a part of the GP and the emphasis placed on the GSs are moves in this direction.

³⁰ Some of the officials feel that much of the earlier effort is losing ground now due to too many political parties-17 of them and also because of the state's debt of Rs.90 Crores

Madhya Pradesh

1. Introduction

This paper is based on discussions in MP in September 2003, which included a visit to Videsha district. Key officials dealing with decentralisation, health and education provided a great deal of useful information. The state was on the verge of elections³¹, and this made fieldwork difficult. In Videsha, for example, the BJP had called for a *bundh* on Habib Tanvir's play that was to be staged there. The collector and others were busy with this issue, but still gave time for discussions. Gram panchayat visits, were, however, not possible on this trip.

This paper draws on earlier work on decentralisation in MP and that earlier experience may be seen as providing a background in which to assess the observations made now. The present work is part of a larger study on decentralisation in several Indian states being taken up by the Centre for Good Governance in Hyderabad, with the objective of finding lessons for strengthening decentralisation through panchayati raj in AP.

The paper is organised as follows. In section 2 we discuss Madhya Pradesh's vision of decentralisation. In section 3 we discuss the following issues relevant to the functioning of panchayati raj institutions in India from the MP perspective—structure, functions devolved, finances, operating procedures, information management, accountability mechanisms and interface with people. Section 4 moves on to a discussion of the state's best practices, while section 5 looks at possible lessons for Andhra Pradesh. Section 6 concludes the paper. Supporting materials are given in the Appendices.

2. Madhya Pradesh's Vision of Decentralisation

The vision of devolution and decentralisation in MP is based on the state's interpretation of the 73rd constitutional amendment in its own context. MP had, following the Balwant Rai Mehta Committee recommendations, passed legislation for local bodies, but over time these had become ineffective and defunct, as in much of the rest of India. The post 73rd amendment thus reflects a new phase in decentralisation policy of the state.

When the constitutional amendments became effective after the requisite number of state Assemblies had ratified it, MP had a newly elected government led by Shri Digvijay Singh of the Congress Party. He had been the President of the state unit of the party earlier, and had travelled extensively in the remote areas of MP. He was aware of the poor conditions of life in most parts of the state and was convinced that improving the social services—education and health—should be his main priority.

³¹ Elections have since been held, and the Congress Government headed By Digvijay Singh has been replaced by a BJP Government headed by Uma Bharti. In the first Cabinet Meeting after taking over, Uma Bharti announced that the powers given to District Governments [*zilla sarkar*] have been taken away. Details are not yet available, but the reader must take care as changes may be underway.

It is well known that MP is a 'bimaru' state³² - the acronym suggesting sickness referring to the high levels of poverty, illiteracy and ill health which had apparently remained unchanged for long periods of time. With its huge area, its [relatively] sparse population that had a large percentage of tribals and dalits, poor infrastructure, especially roads, its poor agricultural productivity and lack of industry, and its feudal culture, the new CM realised that if change was to be brought about in MP, he would have to innovate. The old ways had failed, the bureaucracy had failed to deliver, and a new approach to governance was essential. It had to come from the political executive he headed.

One of his first decisions on becoming Chief Minister was to order the preparation of a state level Human Development Report³³ to assess the ground situation realistically at the state and district levels. This both documented the dismal reality and brought into the policy arena the need to improve the social sector. The debate that followed opened a new space in the state's political economy in which to act on matters like illiteracy³⁴. The first HDR then served as the baseline against which to measure progress. This Chief Minister believed in decentralisation, and under his leadership MP became the first state to hold elections under the new post 73rd amendment legal regime. He also believed that while local bodies had an important role in governance, in the beginning they needed to be guided from above. In a real sense, MP is a case of decentralisation that is guided and led from above, as the support of the Chief Minister has been the key to what the state has done in the past almost 10 years.

To quote from the third HDR [page 18]: "Decentralisation became the premise for development in the State, because it was seen to open up opportunities for new ways of doing things and because it was possible to create new partnerships. The dichotomy between demand and supply between provider and receiver could be dissolved. The single most significant change in Madhya Pradesh's vision of development is the recognition of the agency of people as central to development. The relationship between state government and people has been perceived as one of partnership based on mutual right and responsibilities. *This has been the guiding vision in the choice of strategies. This vision has been articulated as the new architecture of governance grounded on decentralisation, lateral accountability and increasing space for direct community action.* The panchayat system provided an institutional framework for decentralisation right down to the village level." [italics added].

Given the past history of panchayats as 'political' and discredited local bodies, and the low capacity levels of locally elected representatives, the CM took a pragmatic approach to implementing decentralisation. Rather than a 'big bang' decentralisation it was an experiential process in which at first panchayats were used to voice local demands which were then met by higher levels of government. Some tasks were handed over, and if the panchayats performed, they went further. If there were problems, they slowed down the

³² Derived from the initials of the states of Bihar, Madhya Pradesh, Rajasthan, Orissa and Uttar Pradesh, the term "Bimaru", coined by the demographer Ashish Bose, has often been used pejoratively to refer to the chronic backwardness that seems to ail these states and make progress impossible.

³³ Three HDRs have so far been brought out under state government patronage. The first, in 1995, serves as the baseline, and the second [1988] and third [2003] deal with progress since then. These documents are widely circulated and provide the base for extensive debate in the state. They are useful sources of information for scholars.

³⁴ The support of the UNDP, which held a national workshop to launch this first subnational HDR, was an important element in bringing MP's approach into the national debate. Till the mid 1990s, there was never a reference to events in MP on matters of development—today, no serious study of Indian development omits MP and its policies. The difference in attitudes is stark.

process. Decentralisation has thus been a slow process of gradual evolution and change, with steps backward as well as forward being taken.

To improve efficiency, decentralisation has had a large element of deconcentration, in which officials at district levels were given powers previously exercised in the capital. The resources for this process—financial and technical—were provided through the Rajiv Gandhi Missions. MP's model has been called one of 'guided decentralisation'³⁵. This is elaborated upon below.

MP held elections for the three tier structure, consisting of the zilla panchayat at the district level, the janpad panchayat at the level of the block—there are several blocks in a taluk in MP—and the gram panchayat at the lowest level, with a GP consisting of several revenue villages and having a population of around 5,000 people. Reservations were implemented as per the law. This brought in women in large numbers into the panchayats, and many were proxies for more powerful male relatives³⁶. The joke—cracked, it is said by the CM himself—is that in rural MP SP stands for *sarpanchpati*, not Superintendent of Police!

However that may be, the census 2001 has shown that literacy has increased by an unprecedented 20% in Madhya Pradesh from 1991 levels. Allocations for the social sector have gone up³⁷. The state's efforts have made a difference—one can now ask in the tag 'bimarou' can be used in reference to this state. And that a closer look at its policies imperative.

3. Key Dimensions of Decentralisation

In 1998, the state implemented zilla sarkar³⁸. Under the 74th amendment, there is a provision for a District Planning Committee, which consists of elected representatives to the urban and rural local bodies. MP implemented this provision, with the minister in charge of the district—*prabhari mantri*—as the Chairman and the district collector as the Secretary. The DPC has been delegated considerable powers to sanction expenditures approved in the budget without the need for reference to the Finance and Planning Departments in the capital. This is an example of deconcentration that reduced delays in the approval process and brought decision making closer to the people, who could now see how different elected representatives voted on matters important to them locally. On the flip side, it has been argued that with a minister as Chairman, it reduced the powers of the elected zilla panchayat president in fact. In the politically charged environment in which decentralisation takes place, this could well be true. Whether it is still a progressive step or not is an empirical question that has to be decided on the basis of local reality.

³⁵ William McCarten and Vinod Vyasulu, 'Democratic Decentralization in Madhya Pradesh: Neither Big Bang nor Gradualism', forthcoming. Interestingly, the unit cost of primary schooling has come down—MP is the only state where this has happened in the 1990s. [cited in the McCarten-Vyasulu paper].

³⁶ For details, we refer to the World Bank paper on "Decentralisation in Madhya Pradesh" [2000], part of its studies on this subject in the Indian states. World Bank, New Delhi 2000, 3 volumes.

³⁷ HDR 3 gives the details.

³⁸ Minocha, A. C. (1999) "District Government in Madhya Pradesh: Laudable Objective Inappropriate Mechanism" *Economic and Political Weekly*, XXXIV: 27 (3-9 July).

Responding to the criticism that PRIs were degenerating into sarpanch raj, the state went in for gram swaraj in 2000 through a new law. This system, which calls for major changes in the way decentralisation is conceived, is still in the process of settling down³⁹.

In MP the decentralisation process has been a dynamic one evolving over time. Most of the changes have been made by legislation rather than by executive order. And in the process the role of many of the line departments has also changed, because the Rajiv Gandhi Missions were entrusted with the responsibility for key programmes. The budgets for these programmes were from the line departments, operated through the RGM.

3.1 Structure

Since the first election to panchayats in 1994, this has been evolving. Today, there are the following bodies in the district:

1. Under a law passed by the state Assembly in 2000, the gram sabha has been declared the basic unit of democracy. This is called *gram swaraj*. The electorate of the area constitutes the gram sabha, which has been mandated to meet at least once a month and as often as necessary. A minimum of 20% is the quorum, and there is a requirement that one-third of those present must be women. The sarpanch is the chairman of the gram sabha, which has the power to decide on the work that will be done in the village. The gram sabha constitutes subcommittees for various specific purposes. Former parallel groups, like joint forest management committees and watershed committees, are now subcommittees of the GS and appointed by and accountable to, it. Money cannot be spent without GS approval.

Based on experience, changes have continuously been made to the procedures by which the GS is run. Given feedback that often they were not being conducted properly, various steps are being taken from time to time to make them effective. This is deliberate policy to learn from experience and build upon this. The system is still evolving.

2. The gram panchayat. The government believes that the village—the settlement—is the logical unit for organising the community. The question is not one of viable size of the gram panchayat, but of effective democracy at the local level. Therefore, a gram panchayat of many revenue villages will be reduced in size and each settlement will be declared a panchayat next year. The gram panchayat is the executive authority for the gram sabha, and finances the decisions of the gram sabha.

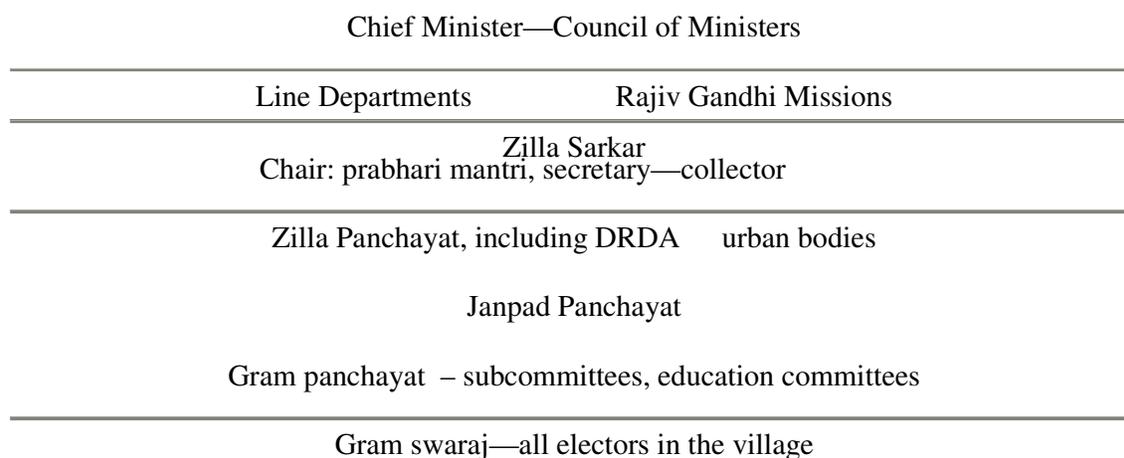
3. The janpad panchayat. As in many states, this is a weak tier, whose role is not very clear. In the early 1990s, funds for the gram panchayat were routed through the janpad, but this again is a practice that has been changing. The EGS teacher was at first formally appointed by the janpad on the recommendation of the sarpanch, but this too has been changing. The fact that several departmental officers are posted at the janpad level makes it important for coordination of activities that require the services of government officials.

³⁹ Behar, Amitabh, (2001) “Madhya Pradesh: Gram Swaraj: Experiment in Direct Democracy” *Economic and Political Weekly*, March 10, and Behar, Amitabh and Yogesh Kumar (2002) *Process of Decentralisation in Madhya Pradesh: Panchayati Raj to Gram Swaraj (1995 to 2001)*. ODI Overseas Development Institute. Also, Jafri, Anwar (2002) “Gram Swaraj Act: Time to Do a Reality Check”. *Hindustan Times*, January 24, 2002.

4. The zilla panchayat. This has powers to approve district projects that come under a limit—at present 15 lakhs. The president of the ZP is also the president of the DRDA. The collector is the Executive Director of the DRDA, and the ZP has a CEO who is an additional collector.

5. The District Planning Committee—zilla sarkar. This is constituted as per the 74th amendment, and has elected representatives of the GP, JP, ZP and municipalities as members. The chair is the prabhari mantri—who is a minister not from the district. The secretary is the collector. The ZS has the power to sanction projects above the power of the ZP and below 50 lakhs. This has reduced the time needed for approval of projects quite considerably.

Organogram



Staffing

That decentralisation could not succeed without staff being provided to the local bodies was recognised at an early stage of the process. The 3 F's—Funds, Functions and Functionaries—had to be devolved. So far as staffing was concerned, there was a problem. The employees of the state government were not interested in working under the local bodies. They were employees of the state government. This was a legal point⁴⁰. Such staff could only be asked to serve such bodies on deputation, and then too under the authority of a well known authority like the district collector.

This was indeed done. Such officials were asked to work under the RG Missions, under the control of the collector at the district level. The collector was made the chief executive of the RGM for the district, so that the traditional lines of authority were not disturbed. The collectors then worked through the RGM, which provided technical advice, and resources. Since the RG Missions were headed by IAS officers senior to the collectors, and the programme was seen as having the backing of the CM, there was no administrative problem in this arrangement, which fit into the normal working methods of the state administration. The collectors implemented this system as required by the RGM. The rest of the staff then did their job—the RGM put some pressure on them to do things on time.

For lower level staff—Group D or Class 4—another strategy was chosen. Many of these jobs, especially those located at the village level, like teacher, panchayat secretary and so on, were

⁴⁰ Pointed out with much force by the PRI Minister in West Bengal, who called this the class bias of the courts. This applies to all the states.

declared 'dying cadres'. This meant that no new recruitment would take place for these jobs. Those in permanent service could continue with no loss of benefits till retirement, but they would not be replaced. If local bodies wanted to replace them, they were authorised to do so, with the state promising to meet a specific amount towards their salaries—and this was a smaller amount than what the state government employees at that level were entitled to. As a result of this policy, over time, the staff of the local body has gradually become those employed by them. This policy of the dying cadres has been criticised by the staff unions and others, but the government has been implementing it for the past more than 7 years. It is now a fact—but a different political dispensation could of course reverse the policy.

The GoMP recognises the difficulties in this process. To quote from HDR 3 [page 114]: "The transfer of staff has created confusion among field officials and affected direct line hierarchies in government. Who does the field staff report to, how do departments handle staff implementing their programmes but technically with the zila panchayat now? It is a departmental turf issue, and even for employees, the duality of reporting and identity has its own set of problems".

Organic linkages

Panchayats are seen as institutions of self governance. There is no hierarchy involved across levels, and functions are performed on the basis of the principle of subsidiarity—what can be done at a given level must not be done at a higher level. In such a situation, the question of organic linkage across tiers does not arise. Each is an independent entity that negotiates with others in its area of competence. However, the panchayats and other state government agencies are not on a level playing field. Line departments for example have information that does not reach panchayats. This is a problem that the GoMP is conscious of [page 116 in HDR3] and will have to solve over time. For priority areas in the social sector, the Rajiv Gandhi Missions have played a coordinating role in ensuring organic linkages that has been very important in achieving a deepening of democracy as well as concrete results in terms of literacy improvements etc. But the Mission mode by its very nature, is a temporary one. In its absence, co-ordination and linkage problems could well become serious.

3.2 Functions devolved

The constitutional amendment inserted Schedule 11, which gives an indicative list of subjects that a state legislature could devolve to the panchayats. These are subjects which till then had been handled by line departments of the state government⁴¹, which have elaborate administrative structures from the state capital to the village. Devolution would imply a restructuring of these line departments, in which a substantial 'loss of power' would be perceived by them. This transition has to be carefully managed in India, which has a strong bureaucracy accustomed to great flexibility and freedom at the local level.

In this transition, the role of the state government has been defined as that of a policy regulating agency⁴². The works of 23 departments and the budget under demand number 15, 80, and 82 of these departments have been placed at the discretion of panchayat institutions.

The matter is clearly stated in HDR3 [page 114-5]: "The extent and nature of powers and functions that have been delegated to Panchayat institutions in Madhya Pradesh makes it

⁴¹ See the discussion in HDR3, page 118 for some thoughts on this.

⁴² GoMP: Guiding Principles: Decentralisation of Powers, Responsibilities and Programmes to Panchayats, October 1996. See also HDR 3, chapter on 'Human Development: The Institutional Underpinnings'.

clear that the state government does not perceive Panchayats merely as extended arms of the government or as institutions that will increase the outreach of its services. On the contrary, the Panchayats have been perceived as and developed as, decision making bodies within the overall control and management of the village communities. It is this character of panchayats in the state that has taken them beyond the scope of decentralised structures toward the framework of institutions that have a critical role in Human Development". Established power centres will react to this importance given to panchayats. "in such a situation the state cannot remain neutral and has not only to provide protection to the community, but has to demonstratively establish the dominance of Panchayats as institutions of self expression for the people and individuals".

3.3 Finances

The GoMP has made some innovations in its management of finances. From 2000 onwards, the Finance Minister presents a budget to the Assembly in which there is a Part C—that is, the detailed allocations by scheme in each department to each local body are spelt out. Thus, in the budget, there is a booklet for each district in which the allocations for each scheme at each of the PRIs—ZP, JP and GP, are clearly stated. As a result, each district has a clear idea about what it is to receive for different purposes once the budget is passed. MP seems to be the only state in which the budget passed by the Assembly includes these details about local allocations. All states would have such information. In Karnataka, such information is given in what are called the Link Documents. These are supplements to the budget and give the details, but in MP they are part of what is discussed and passed by the Assembly. Changes then cannot be made without Assembly approval.

Further, each level of local government has a *kosh* [fund] that has been established into which all funds are put. This is operated by the Chairman and the Secretary [an official] jointly. Taxes collected by the gram panchayat belong to it to use as it deems fit. There are also provisions in other laws for separate funds—for example, the *shala kosha* at school and higher levels into which community mobilised funds are deposited and used. Under the Education Act passed in 2002, there is also a school fund that has been established, which is under the control of the school development committee. These funds *supplement* government grants and can be used as the community wishes.

3.4 Operating Procedures

While elections had been held in 1994, there was not much clarity about the role of the newly elected representatives at the local level. The elected representatives were looking for 'relevance' and seeking things to do. The CM then got the members elected to gram panchayats to work in a well organised survey of conditions in their wards [constituencies], called the *lok sampark abhiyan* [people contact movement] which was supervised from his office.

The questionnaire asked for demographic details about the village, and had a section for education in particular. To help the elected representatives, government officials were attached to them, and the data was collated by them and the results discussed in the GP. Each GP now has a village register that provides basic details of the village on a given date. This served to give the newly elected representatives an idea of the poor conditions in their areas, and to begin to demand that these be improved. The first use of decentralisation by the state

government in MP *was to give a voice* to rural demands. The state then was placed in a position where it had to respond. Consider the example below:

From this LSA exercise emerged one interesting insight. In MP each village had a school, but because the reference was to a revenue village, which often consisted of 6 to 7 *tolas*—settlements—this did not mean that all children has access to a school. The school would be in the main settlement, and this could often be several miles from the *tolas*. If literacy was poor in MP, then one important reason was that every one did not have access to a school. Lack of access to a school was an important reason for the low literacy rate. The response of the government to this problem was the Education Guarantee Scheme⁴³.

For special schemes operated by the RGM, funds from the concerned departments are spent by local officials. This is done by designating the local level officials of the departments as special officers of the RGM, under the overall control of the collector, who then spends the money after approval of the RGM authority. The RGM has set up different missions that are headed by mission directors who are IAS officers reporting to the Mission coordinator who works out of the CM's office. Thus, there are no special funds for the RGM—it is an operating mechanism designed for efficient and speedy functioning from the existing government staff.

3.5 Information Management

If panchayats are institutions of self government, the need for information to flow upwards is considerably reduced. Upper levels will no longer be 'bosses' with responsibilities to monitor, check or punish lower levels because they are independent entities with decision making power. What will be important is how data is collected, processed and used at each level of government. If elected representatives are confident and their voice is heard, then the information they demand will be forthcoming. In each gram panchayat, there are village registers for education and health, which give details of the entire village population on these counts. This is also an evolving process.

Information, however, is power. If farmers had information on prices of different products in different markets on a real time basis, it could make a difference to their income levels. An interesting experiment called Gyandoot has been tried out in Dhar district in which a private party who set up an internet centre was given access to price data of nearby markets which could provided to local farmers at a reasonable cost. Gyandoot is an experiment that has won an international award for the innovative use of IT. The special conditions in which it worked need to be studied before replication is attempted.

Another innovative use of information technology is in the Headstart programme, which is computer enabled learning in rural areas. In the Cluster Resource Centres of the Education Department, if the community comes forward to provide space and a power connection, the RGPSM provides a computer [with UPS etc] and software developed by the Open University in Bhopal. There is, for example, the software called "Matra ki Yatra" which is meant to help young students learn how to use *matras* in writing Hindi. It is a fun programme, and under the guidance of a teacher who has been trained by the RGPSM, children in nearby schools are given an opportunity to work 'hands on' and learn. It is interesting to watch young children,

⁴³ What follows draws not only on discussions with the concerned officials, field visits, but also on the Occasional Papers brought out by the Rajiv Gandhi Missions in Bhopal. There are several on the EGS. We have also profited from discussions with the NGOs, Debate, and Sanket, in Bhopal.

boys and girls, waiting for their turn to 'click' the computer. This Headstart is being gradually extended. Whether this comes under innovative education or information technology is an open question.

3.6 Accountability Mechanisms

At the state level, the gram sampark abhiyan, which is six monthly exercise, is important. This is similar to the *janmahboomi* programme of AP. All ministers and district secretaries make unannounced field visits in a designated week every six months. The CM also spends the week on inspections. Often the GSA has a theme, and in the drought years, the theme of 'gram ka pani gram main, khet ka pani khet main' led to awareness on the importance of water. A large number of small earthen structures to conserve water were created, and in the subsequent years, the drought that ravaged neighbouring Rajasthan had a much smaller negative impact on MP. This has been detailed in articles in *Down to Earth* and elsewhere. It must be noted that the GSA deals with accountability to the top.

At the lower level, MP has a unique provision on the right of recall of elected representatives that serves as an accountability mechanism. Data on how many had been recalled was not readily available during the visit.

The gram sabha law gives the gram sabha the right to scrutinise accounts, to authorise spending and to select beneficiaries. Without the approval of the GS nothing can theoretically be done. Data on how well this works will need to be collected—what we have today are impressionistic accounts.

The new education law provides for regular dissemination of information on the status of education at various levels—from the school level to the state, and information on selected education parameters is provided on the basis of political constituencies. From the ward of a panchayat member to the MP's parliamentary constituency, from now on the status of education in the constituency will be published, so that people can hold their elected representatives responsible at their own level. This is something new in India, and how it works remains to be seen.

Beneficiary committees

This has been a changing landscape. When the RG Missions began, many of them worked through local level people's committees—watershed committee, joint forest management committee and so on. As panchayats became stronger, turf battles and quarrels developed. Sarpanchs also became little dictators, with other elected representatives beginning to feel marginalised. The response to this situation was the gram swaraj law, which made the gram sabha supreme and gave it the power to appoint subcommittees for various purposes. This has removed the conflict and also defined the role of the gram panchayat as the funding and executive agency for all such schemes. Since the gram sabha also has the power to discuss the work of officials coming under it, they have to attend these meetings and function as per its guidelines. Again, experience on the ground of its working remains to be seen⁴⁴.

Audited reports

⁴⁴ There is also plenty of skepticism on this score. See www.panchayats.org for a sample of this debate as it relates to forests.

Apart from the normal audit reports, such reports of all agencies coming under the gram sabha have to be placed before it and discussed. Queries have to be answered. How this works has to be seen.

3.7 Interface with People

In MP the PRIs, and in particular the GP, has provided this interface. People's needs have been recognised and articulated at this level and the GoMP has responded to this demand in different ways. The existence of village registers for education and health was a start to this process.

The Education Guarantee Scheme is an excellent example of this aspect of MP's policy⁴⁵. The Education Guarantee Scheme was as follows:

In any settlement where there were 40 children who did not have access to a school with 1 kilometre, but who wanted to go to school, if the panchayat passed a resolution asking for a school, and promised to provide a location for the school, and identified a young person who had passed the 12th standard who lived in the village to be the teacher—called guruji—then the government would open a school within 90 days. It would provide a stipend of Rs 500 for the guruji, train him in pedagogy, and also provide all the children with books for teaching-learning. In tribal areas, the number of children was reduced to 25.

The demand came from the gram panchayats. The teacher came from the village. The response came from the state. The instrument for implementing the EGS was the Rajiv Gandhi Prathamik Siksha Mission—one of the several Rajiv Gandhi Missions. The funds came from the Education Department. The RGPSM provided a new way of working, coordinating the needs of the panchayats with the funds in the Education Department, and providing technical inputs like training, textbooks etc. The role of the state was thus redefined from routine functioning of the Education Department to the mission made of the RGMs, within the overall governmental structure. While in the beginning the teacher was appointed by and responsible to, the sarpanch, it was later changed to the panchayat as a body. Now, after the new law on basic education, people have been involved in a different, but substantive manner in the education system. This has also reduced the unit cost of education. Vandana Sipahimalani⁴⁶ estimates that in MP—and only in MP—has this unit cost fallen by about 10%. If the quality has remained constant, this is quite remarkable. If it has improved, then MP has made impressive innovations.

Based on this experience a new law was passed in 2002 which defines the roles of all the stakeholders in the basic education system. The PRI have an important role that is supplemented by parent-teacher committees. A provision for a shala kosha has also been made for funds to improve the school. Unfortunately, there does not seem to be any study that has quantified the contributions from people to various social services at the local level. There has been a contribution that goes beyond shram daan, but no estimates of how much seem to be available.

⁴⁵ There has been a great deal of debate on the EGS of MP. There has been no shortage of criticism either. Apart from the documentation by the Rajiv Gandhi Prathamik Siksha Mission in Bhopal—From Your School to Our School, [2000], there have been several articles in the Economic and Political Weekly.

⁴⁶ Sipahimalani, Vandana (2000). India: Financing of Elementary Education in India in the 1990s, Technical Report #2 (New Delhi, World Bank)

4. 'Good' and 'Best' Practices

In this exercise, we have gone by what the state has told us of their 'good' and 'best' practices. The identification has not come about as the result of the application of any specific criteria. From what we saw in the state, we have tried to identify those that may have some possible application—in modified form—in AP. This is no more than a preliminary discussion at present.

1. The Mission Mode of Implementation

In key areas of priority, the state has chosen to work in 'Mission' mode. A new channel is set up, headed by a senior officer who reports to the coordinator the RG missions, who is located in the CMs office. Officials of the departments concerned are deputed to the Mission and under its guidance departmental funds are used for the priority areas. The collector is the RG project head at the district level, and the district administration implements it under the guidance of the RG mission. The missions work through the PRIs, with the elected representatives working to determine local requirements and voicing the specific demands of their constituents. The manner in which the demand for a school is made shows how this works. Once such a demand is made, it is acted upon through the local level officials. The district collector is *ex officio* the head of the mission at the district levels, and this ensures that all officials act for the mission. When the objectives are met the mission is shut down. This is important in the mission mode of working—it does not create a permanent bureaucracy. The RG mission for dealing with iodine deficiency was shut down when the objectives were achieved.

This is an innovation within Indian administration, designed to increase efficiency in priority areas from the existing system.

2. The empowerment of the gram sabha

This has institutionalised the process of giving people a voice in matters of administration relevant to them. The current system has evolved in the past few years. It has also reduced the duplication that a multiplicity of user groups set up by various line departments at the local level brought in. By making all of them subcommittees of the gram sabha, it has become possible to get an integrated picture at the gram sabha level of the various efforts being made in different areas, of the total resources available, and to improve linkages across these various schemes. It has provided a democratic forum at which to settle differences before they become serious disputes. It has given citizens a voice that counts in making local officials answerable downwards. The system is still new, but it seems to have potential.

3. Rogi Kalyan Samithis

Because hospitals were run not to anyone's satisfaction by the government's health department, MP has set up RKSs that run hospitals. This Patient's Welfare Samithi is a society set up by doctors, patients, nurses, local businessmen and others for running a hospital. The state's financial contribution continues at the level it was when the RKS was set up. The RKS is free to mobilise resources, from contributions and from user fees. It is free to set user fees, and to give exemptions to the poor from such fees. This is based on a self declaration. If a patient says s/he is poor and cannot afford to pay, the RKS can exempt him/her from such fees. It is completely based on trust. A study by the IIM Indore has shown that there is little misuse of this trust—when it comes to health, people seem to tell the truth if

they are trusted⁴⁷. The RKS have mobilised resources and purchased equipment; they have introduced user fees; they have begun to employ doctors—in fact they manage the hospital and ensure its functioning in a clean environment.

4. The Transfer of Government Property to Panchayats

In 2003 the state government has formally transferred ownership of government property in its area to the gram panchayat. School buildings, handpumps, decrepit buildings, etc were all listed, the list verified by the sarpanch, and then this listed property was transferred to the GP. As owner, the GP is now responsible for its maintenance, and can use it as it deems fit. It can sell the property if it so chooses, subject to gram sabha approval. This transfer of ownership gives the GP a motive to maintain buildings—something that is often lacking in public buildings in India. It gives the GP a sense of importance. It is a clear indicator of the importance of PRIs in the political landscape of the state. It does not in anyway reduce the power of the state government. The value of the total property across the state that has been transferred in this way has been placed at 9 crores of rupees.

5. The Zilla Sarkar

This is an innovation in which powers are delegated, not to a lower level of government, but to a different location from the line department in the state capital. With a minister as the chair, and the collector as member-secretary, the powers of the state government are exercised, not in the capital, but the district itself. Projects, approved in the budget can have expenditures upto 50 lakhs sanctioned by the zilla sarkar locally and this saves time and paper work. It is deconcentration rather than decentralisation or devolution, but is a step forward as it reduces delays in development work.

6. Lessons for Andhra Pradesh

MP has had some spectacular successes in the social sector through decentralisation. It is possible that some of the managerial aspects of these successes have relevance for AP. Many of the items listed as good practices above share similarities with practices in AP—for example, there are clear similarities in how the GSA in MP seems like the janmabhoomi in AP. There seem to be no reasons why the RKS cannot be replicated in AP, where the payment of user charges is nothing new. But there is an overall difference also across the states. The relevance of lessons has to take these differences as well into account if the result is to be practical.

Specific practices

Some of these have been identified in the good and best practices above. Not all relate directly to panchayats—such as the RKS.

General principles

In MP, the general principle is to work through the elected local bodies. In specific instances, relevant bodies of stakeholders have been created, like the RKS. They have been guided in their work by the state through the RG missions. This is a unique form for decentralisation guided from above specific to MP. Over time, the process has been one of moving from participation of people in locally elected bodies encouraged by line departments to those that

⁴⁷ This statement is based on discussions with SR Mohanty, who pioneered the RKS in Indore. The RKS won the World Bank's best development project award two years ago, when Amartya Sen was on the panel of judges.

devolve such functions to the democratically elected self governments formed under the 73rd amendment.

6. Conclusions

The approach to decentralisation in MP is quite different from that in AP. Whereas in MP the CM was the main force pushing the PRIs, in AP decentralisation has been pushed through reorganisation of the line departments which have directly sought—and received—people's participation. While MP made changes through legislation, AP has worked through government orders. AP has proposed a further constitutional amendment that is in Parliament, while MP has used the existing provisions to implement its programmes. Both seek a deeper democracy with effective people's participation, but they have chosen different paths of implementation. Politically too, the Congress has taken the lead in MP—and it is the main opposition in AP. The TDP's basic *raison d'être* is anti-congressism, if one may use such a term. And now, with the change of government in MP it remains to be seen if this system continues, or is changed in significant ways. The announcement that the powers of zilla sarkars are being taken away may be the precursor of big changes to come.

In this situation, it is not clear if the experiences of MP, even when successful there, can be adapted to the different conditions of AP. Rather, the question becomes; what are the modifications required if the good practices of MP are to work in AP? This is a question we have to answer after understanding the PRIs in AP.

Kerala

1. Introduction

Though Indian states have enjoyed many formal arrangements for local self government since Independence, these institutions have been doubly constrained. Externally, larger state bureaucracies enjoyed the lion's share of financing and formal authority over most areas of administration and development over this period. Internally, traditional elites used social and economic power to dominate formally democratic local structures. Corruption was rampant, many locally administered services were simply not performed, and development resources squandered. In a number of Indian states significant reforms have occurred which have attempted to solve these problems of local governance, in different ways, deepening their democratic character.

The history of Panchayat Raj system in Kerala is linked to the first Kerala government which appointed an administrative reform committee with the Chief Minister (Sri E.M.S.Namboodiripad) as Chairperson to suggest measures for the democratisation of the organs of government at various levels. However, before the 73rd Constitutional Amendment, decentralisation in Kerala did not advance much. The Government that came to power in May 1991 attempted district councils, but they were dissolved and so there existed much scepticism about the success of 3 tier system in the state. The Left Democratic Front, which came to power in May 1996, seized the opportunity and took several steps to carry forward the process of decentralised planning and governance and to institutionalise the process. As soon as it assumed office, the new government devolved 35% of the Ninth Plan budget to local governments for projects and programmes drawn up by them. This decision initiated the real process of devolving funds, functionaries and finances and facilitated the decentralisation process to a great extent.⁴⁸

The Kerala People's Campaign for the decentralised governance constitutes a remarkable radical experiment in democracy. The campaign has not just decentralised functions of a government bureaucracy; it has decentralised planning while mobilising the energy of hundreds of thousands of activists and volunteers to go beyond what government-funded projects can accomplish. Officials in the State of Kerala watched the democratic developments closely in other states and then embarked on a bold initiative to extend the process of decentralisation in 1996. The state government shifted their responsibility for implementing many development programmes from state ministries to Panchayats and pursued a devolutionary programme of village-level participatory planning as a strategy to both shore up its waning electoral base and enhance administrative effectiveness. Panchayati Raj reforms in Kerala have created both direct and representative democratic channels that devolve substantial administrative and financial power to the grassroots.

2. Kerala's Vision of Decentralisation

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

⁴⁸ India Fiscal Decentralization to Rural Governments – World Bank, 2003

reversals"⁴⁹. The new Left Democratic Front Government which came into power in 1996, took some bold steps towards creating local self-government in the context of 73rd and 74th constitutional amendment. The new government which came into power in May 2001 has announced its commitment to continue with the participatory planning format with some modifications.

In order to empower the local bodies to undertake the task of preparing and implementing the plans, a campaign for decentralised planning was launched. The people's planning programme or the 'People's Campaign for Planning' is a system of planning and implementation of developmental programmes which basically involves democratic decentralisation. It deals with demand driven projects and utilises a high degree of local participation. The beneficiaries of the programme are involved at all the stages of the project life-cycle as in plan formulation, implementation and monitoring. The capacity to plan from below, keeps not merely the central planners but also decision makers at various intermediate levels. This implies that the people and the set of elected representatives would not merely provide a check against decision makers at intermediate levels from subverting the planning exercise (by withholding crucial information or putting out wrong information, for example) but also provide the support and social sanction for imposing non-financial penalties for those engaging in such deviant expenditure.

There are two features in the decentralisation process in Kerala. First, the effort in Kerala is not a legislative decentralisation which came into existence, but it *has realised through a mass movement and is merely backed by legislation*. This not only ensures that decentralisation does not just remain on paper or amounts to mere administrative decentralisation, but is genuinely a participative exercise. Second, *the Kerala experiment does not link financial devolution to the absorptive capacities of lower levels of governance as perceived*, correctly or otherwise, by those at the top. In Kerala the process of building absorptive capacity is predicated on devolution, in as much as the creation of that capacity occurs through the act of doing itself. Thus the decision to devolve does not come sequentially later, but begins the process of turning decentralised planning into a reality. And that process is not an end in itself, but one which paves the way towards creating a feasible and functional system of planning. To quote Maurice Dobb (1969), within the theory of planning "no clear-cut logically defined frontier can be drawn between the province of centralised and decentralised decision" and "only experience can decide the expedient extent of the one and the other." It is that experience which is being garnered in the course of the Kerala experiment with democratic decentralisation, making it a truly historic exercise.

Impact of 73rd Constitution Amendment Act

With the enactment of the Constitution Amendment Acts, the Kerala Panchayat Raj Act, 1994, came into being incorporating the provisions of the respective Constitution Amendment Acts. The significant feature was that after the commencement of the Act the Government shall transfer to the Local Bodies all institutions, schemes, buildings, and other properties connected with the subjects listed in the respective schedules dealing with these functions. The first elections to the three-tier Panchayat Raj set-up in Kerala were held and the Local Bodies came into being in October 1995. Subsequently a comprehensive Government Order was issued transferring various institutions and staff to the Local Bodies. Another noteworthy event was the inclusion of a separate document in the Budget of 1996, which detailed out the Grants-in-aid and the schemes transferred to the Local Bodies. Thus

⁴⁹ Isaac 1999; 18

the allocation to the Local Bodies was seen as an independent subject of the State Budget giving it the stamp of legislative approval. Also about 35 per cent of the State's Plan Funds became the share of Local Governments. The State Government embarked on a policy of massive decentralisation during 1996. The launching of the decentralised Planning Campaign on 17th of August, 1996, and the appointment of a committee on decentralisation of powers are major landmarks. This process of plan campaign was spearheaded by the State Planning Board in partnership with the Department of Local Administration and in association with selected non-governmental organisations, professionals and elected members and soon assumed the nature of a movement resulting in an alliance of all those who reposed faith in decentralisation. It succeeded in harnessing public action for participatory planning at the grassroots level and created not only a favourable environment for genuine decentralisation but also built up a powerful demand for radical reform in the legislative, administrative and developmental systems, thereby helping to formalise and institutionalise the paradigm shift to a people-centred, bottom-up approach to planning and development.

3. Key Dimensions of Decentralisation

3.1 Structure

The three tiers of the Panchayati Raj Institutions are Grama (village) panchayat, Block panchayat and District panchayat. The basic unit of Panchayati Raj system in Kerala as stipulated by the Kerala Act is a general body of all persons registered as voters in each of the wards (constituency) of a Grama panchayat termed as "Grama Sabha" (village Assembly). The Grama Sabha is a fundamental participatory unit of PRI in Kerala, constituted at the ward level and there are 13,259 wards. There are 991 Grama panchayats with an average population of 21,600. Gram Panchayat is the lowest level elected body and the responsibilities of GPs have changed through time, but typically the responsibilities include the administration of public health, drainage and sanitation; supply of safe drinking water; maintenance of public utilities, primary education, agricultural development, irrigation, land reform, poverty alleviation, rural industrialisation, electrification, and housing provision. The second tier, called the Block Panchayat, governs a unit of area that usually consists of ten GPs; there exists 152 Block panchayats with an average population of 1,80,900. Above this is a district governance body called the Zilla (District) Panchayat which aggregates and coordinates the plans of Block Panchayats; there are 14 Zilla/District Panchayats with an average population of 15,24,000.

Organogram

The administrative structure in the PRIs is illustrated below.

Fig: 1 Panchayat Raj Administrative Structure in Kerala

State Level

Department of Local Self Government

Secretary, Local Self Government

Jilla Panchayat
(District Level)

Jilla Panchayat Secretary



Junior Superintendent (Edu & Health)
Junior Superintendent (Planning & Finance)
Junior Superintendent (Accounts)
Junior Superintendent (Welfare & Public Health)

Block Panchayat

Block Panchayat Secretary

↓
Head Clerk
Housing Officer
Women Development Officer
Extension Officer – Planning
Asst. Engineers
Overseers
Other Managerial Staff

Grama Panchayat

Panchayat Secretary

↓
Junior Superintend
Clerks

A State Level Council under the chairmanship of the Chief Minister has been formed to formulate policies for Local/Regional Development and to co-ordinate District and State Plans. A State Level Co-ordination Committee under the Chairmanship of Minister (LSG) has been formed to take decision on matters concerning decentralised planning. This has avoided the routine processing of issues at official level facilitating instant decisions.

Organic Linkage: There are organic linkages between the three PRI tiers, fourth and fifth tiers (MLAs & MPs), and the bureaucracy. The elected heads of the lower levels are permanent invitees to the meetings of the next higher tier. Thus, all Gram Panchayat heads in a block participate in Block Panchayat meetings and Block Panchayat Presidents within a district attend the Zilla Panchayat meetings. The District Collector is also a permanent invitee to the meetings of the Zilla Panchayat. Permanent invitees can join the discussions but without the right to vote. The president of Zilla Panchayat is the chairperson, while the district collector is the secretary of District Planning Committee. About 11-15 elected members from District Panchayat and one member of municipality are also members of District Planning Committee. 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 also invitees.

3.2 Decentralised Planning

Democratic decentralisation in Kerala is almost eight years old. During the ninth five-year plan 30.5% of the plan resources were devolved to local governments with considerable freedom subject to guidelines to decide local priorities. In the initial years the preparation of development projects were done in a campaign mode in the form of people's plan campaign. Participatory planning was carried out in accordance with the priorities prescribed in the

participatory planning exercise making use of the opportunities thrown up by the process so that effective and efficient local government are made accountable and responsive. The local government has been preparing annual plans and now that they have gained experience in preparing plans for local development. The Government has set apart one third of the plan resources totaling about Rs.8000 crores for decentralised planning and implementation through local governments in the preparation and implementation of local plans during the tenth plan.

The decentralised planning in Kerala enabled a paradigm shift in resources mobilisation to meet the development requirements at the Panchayat level rather than solely depending upon grant-in-aid. The local bodies began to tap additional local resources. This has been achieved by integrating state and Centrally sponsored schemes into the local plans, the non-plan surplus from the locally available funds of the GPs and through additionally mobilising local funds from financial institutions, voluntary labour and material contributions from the public and local beneficiaries. Under the decentralisation program, about 40% of the state's public budget would be taken from traditionally powerful line departments in the bureaucracy and devolved to some 30,000 individual Panchayat village planning councils. In order to spend the money, however, each village would have to produce detailed development plans regarding assessments of need, development reports, specific projects, supplemental financing, arrangements for deciding and documenting plan beneficiaries, and monitoring arrangements. These plans, in principle, are then to be subjected to direct vote of participants in popular village assemblies for approval. In addition to these procedural requirements, there are some categorical limitations: some 40-50% of each Panchayat's funds were to be invested in economic development, while 40% was earmarked for social spending including slum improvement, a maximum of 30% could be spent on roads, and 10% of funds were to be targeted to programs for women.⁵⁰ Outside these general requirements, village planning bodies were left to their own devices.

A large scale political and administrative mobilisation effort has been organised to support this basic reform of devolution-for-accountability. One component of this effort has been to build village capacity to conduct rural assessment and formulate development plans. In 1997-98, some 300,000 participants attended these training "development seminars" where they learned basic self-governance skills. Actual planning processes involves more than 100,000 volunteers to develop village projects and more than 25,000 to combine these projects into village level plans. This sheer increase in village planning and project formulation far outstripped the central and state government's ability to assess the quality of the plans or reject poor ones, much less provide feedback to improve them. To remedy this dearth, some 5,000 volunteers, many of them retired professionals, were enlisted into "Volunteer Technical Committees" to perform this review and feedback.

The Campaign has generated procedures to ensure delivery of project funds to Scheduled Caste and Scheduled Tribe populations who previously often did not receive them. It has brought about special projects for women and simultaneously encouraged women elected officials and activists to participate more fully and effectively in public life. It has created conditions for eliminating or drastically reducing corruption in several areas of government spending. It has rationalised procedures for all kinds of projects and programees. It has raised consciousness about environmental issues in development planning in Kerala. It has promoted and supported the spontaneous release of local initiatives in areas such as neighbourhood groups that hold promise for even deeper decentralisation and for

⁵⁰ Figures here from Thomas Isaac, "Campaign for Democratic Decentralisation in Kerala."

strengthening of community and civil society. The Campaign has also given training to thousands of local officials and activists in what must be one of the most extensive adult education and empowerment programs ever conducted.

In terms of both participatory process and technical effectiveness, the results so far are promising but indicate that much work remains. While some villages produced what appear to be thoughtful plans with high levels of direct popular participation, many others failed to produce any plans at all. For those plans that were submitted, many were poorly integrated, had poor credit and financing schemes and the projects within them were sometimes ill-conceived or simply mimicked. On dimensions of democratic process, participation in existing village governance structures increased dramatically after the 1996 reform, but still only amounts to some 10% of the population participate in the activities of Gram Sabha. More optimistically, village-level empowerment has spawned the creation of grassroots neighborhood-level groups in hundreds of villages. Similar to the dynamic Porto Alegre's participatory budgeting programme, these groups articulate very local needs and interests to village bodies and in turn hold those units accountable from below.

3.3 Functional Devolution

1. In the **Health sector** all institutions other than medical colleges and big regional speciality hospitals have been placed under the control of the local governments.
2. In the **Education sector**, in rural areas the high schools have been transferred to the District Panchayats and the primary and upper primary schools have been transferred to Village Panchayats; in urban areas, all schools have been transferred to the urban local bodies.
3. The entire responsibility of **poverty alleviation** has gone to the local governments; all the centrally sponsored antipoverty programmes are planned and implemented through them.
4. With regard to **Social welfare**, barring statutory functions relating to juvenile justice, all the functions have gone to local governments. The ICDS is fully implemented by Village Panchayats and Urban Local Bodies. Care of the disabled, to a substantial degree, has become a local government responsibility.
5. In the **Agriculture and allied sectors**, the following have become the de facto and de jure local government functions.
6. **Agricultural extension** including farmer-oriented support for increasing production and productivity.
7. **Watershed** management and minor irrigation.
8. **Dairy** development.
9. **Animal Husbandry** including veterinary care.
10. **Inland fisheries**.
11. Barring highways and major district roads, **connectivity** has become responsibility of the local government.
12. The whole of sanitation and almost the entire **rural water supply** have moved over to local governments.
13. Promotion of **tiny, cottage and small industries** is mostly with the local governments.
14. All the **welfare pensions** are administered by the local governments.

3.4 Finances

Following the 73rd Amendment Act and the enactment of Kerala Panchayat Raj Act, the PRIs are provided with new opportunities for planning based on local needs and priorities,

empowerment of women, SC/ST development, mobilisation of local resources, generation of demand for services, participation of women in decision making etc. A landmark decision was taken in the Ninth Five-Year Plan to allot more than a third of the State's plan resources to the local governments, with the rural local governments getting an 85% share in accordance with the rural population.

The plan funds devolved to the LSGIs during the years 1997-2002 are shown in Table No. 3

Table 3: Plan Funds Devolved to the Local Self Governments during the Ninth Five-Year Plan

(Amount - Rs. in Crores)

Year	No. of LSGIs	General sector	Special Component Plan	Tribal Sub Plan	Total
1997-1998	1214	516.00	194.00	39.00	749.00
1998-1999	1214	716.00	195.00	39.00	950.00
1999-2000	1214	780.00	200.00	40.00	1020.00
2000-2001	1214	785.00	217.00	43.00	1045.00
2001-2002	1215	668.00	182.00	-	850.00
Total		3465.00	988.00	161.00	4614.00

Source: *Economic Review, 2001, State Planning Board, Thiruvananthapuram.*

Notable Features of Kerala's Financial Devolution

1. The quantum of Plan funds earmarked for local governments is the highest in the country.
2. Around 90% of the Plan funds is given in a practically untied form to the local governments to prepare their own schemes and implement them within certain broad policy framework, which stipulates that at least 40% of the funds should be invested in productive sectors, not more than 30% should be invested on roads and at least 10% should be earmarked for gender sensitive schemes and which has fixed a consensual upper ceiling for subsidies in different categories of schemes.
3. The entire Plan grant can be called "pure money", as it does not carry any staff salaries or other administrative costs.
4. All the Plan grants due to local governments are separately budgeted in a document given as Annexure IV of the State Budget. Since it is passed by the Legislature it is non-divertible for other purposes by the executive. No where else in India, the state legislative assembly passes budget for the PRIs. The amount is fixed for each District, Block and Gram Panchayat as shown in the Annexure IV as a result; each of the PRI at every level comes to know in advance the fund at their disposal for planning.
5. Contrary to the usual practice on other Indian states, it is the Village Panchayats which get the bulk of the Grants with nearly 70% of the rural share going to them and the District and Block Panchayats only sharing the remaining 30% more or less equally.
6. Every rupee devolved to local governments whether under Plan or other categories is given as per a transparent formula and there is no room for patronage or partisanship in allocation of resources to local governments.
7. A flow of funds procedure has been designed. The funds flow in four installments. A local government has to spend at least 75% of its allocation during a year failing which the shortfall would be reduced from the next year's allotment.

3.5 Institutionalised Training

The distinguished feature of the training empowerment programme was that it was carried out in a mass campaign mode. The cost-effective aspect of the training programme is highlighted as a notable feature. Specialised training modules were prepared for each sector. By the fourth year, the state planning board developed a programme for subject training for 20,000 task force members through academic and training institutes. Each institute was for organising the training along with the cell at state planning board. A project named CapDeckK (Capacity Development for Decentralisation in Kerala) was supported by SDC (Swiss Agency for Development and Cooperation) is coordinating the training programmes and the KILA (Kerala Institute of Local Administration) is designated as the lead organisation. The list of other training institutions that are currently taking part in the capacity building exercise and the courses they are offering is given in Table 4.

Table 4: List of Training institutions and the courses offered

Institution	Subject
Kerala Agricultural University & 8 extension centers	Agriculture, Animal Husbandry, Fisheries
IMG (Institute of Management In Government)	Women, SC/ST development plan
State Institute of Rural Development	Centrally Sponsored Schemes
KILA (Kerala Institute of Local Administration)	Housing, Public works, Energy, Education
Kerala Water Authority and Sanitation Mission	Drinking water, Sanitation
Medical College	Health

The State Election Commission has been formed and two general elections to the LSG institutions have been conducted by the Commission so far. The State has appointed two State Finance Commissions. Barring a few, almost all the recommendations of the 1st Finance Commission have been implemented by the State Government.

3.6 Information Management

A few local governments in Kerala have taken small but important steps towards electronic governance. Notably, the five village panchayats in Thiruvananthapuram district namely, Amboori, Vilavoor, Kattakada, Madavur and Vellanad have been equipped with the software for the decentralised plan implementation. Public services to be provided by the Local Government Institutions (LGIs) such as distribution of social security pensions and issue of birth, death and marriage certificates based on computerisation taking place in these Village Panchayats. It has been learnt from the officials that delivery of the certificates takes place faster than before.

The Ernakulam district panchayat has also taken up a pilot project in e-governance in three of Village Panchayats. Apart from the above, the steps taken by Information Kerala Mission (IKM) of the Department of Information Technology in bringing e-governance to local governments are laudable. Sevana, a software application developed by IKM was used on a pilot basis and it was found that rampant corruption prevailed in welfare benefit disbursement and there were several instances of poor service delivery due to various reasons such as poor book keeping practices, duplicate registration by the beneficiaries and wrong calculation of

pensions. Most of these things were eliminated after the introduction of Sevana. Sanchitha is another effort in e-governance in local governments, wherein encyclopedic repository has been prepared in a compact disk (CD), consisting of information on all the legislations and executive orders and promulgations relevant to decentralisation and day to day operation of the local governments. The IKM further aims at: (a) Providing connectivity between the state planning board, district planning officers and all tiers of local governments, (b) Developing a mechanism to regularly monitor the plan targets achieved by the local governments, (c) Automating various operations at the Local Government level like accounting, finance, project management, public services, statutory functions and general administration using appropriately developed information systems.

3.7 Accountability Mechanisms

It has been claimed by the officials that the conduct of Gram Sabhas and the formation of beneficiary committees has played an important role in making the systems more accountable to the public. As the money flows directly to the GPs without going to the line departments the time lag in implementing the work and effectiveness in prioritisation of work has improved.

As the state devolves 1/3rd of its Plan resources to local governments a Fund Flow System has been designed which envisages release of funds in four installments. In addition the state government had prescribed few norms which include Timely preparation of annual plan (failing which the local government loses 25% of the annual allocation) and insists on 75% actual expenditure during the previous year.

Performance audit: As per the recommendations of the Committee on Decentralisation 'State performance audit authority' is setup at the state level to conduct performance audit of the Local Self Government Institutions. In addition, the Government issued few guidelines and has also constituted Regional and District level teams all over Kerala for conducting Performance Audit.

Social audit: As part of the decentralisation campaign several local governments tried out their own versions of Social Audit. However, no good model has really come up for replication. Recognising the need for a well structured at the same time flexible form of social audit the Government had come out with a draft policy. The policy document is now in the consultation stage pending for finalisation. (Under Modernisation of Government Programme supported by Asian Development Bank)

Grievance Redressal: A quasi judicial authority – Ombudsman for Local Self Government Institutions has been set up to enquire into allegations of corruption and maladministration against members of Local Self Government institutions. The authority has been given vast powers to check malfeasance in local self governments in the discharge of developmental function.

4. Conclusions

A number of studies relating to the plan campaign in Kerala are now available. Most of the studies had searched through, categorised and conceptualised the aspects of rural decentralisation in Kerala (eg: Issac 1997; Jose Chathukulam and Thomas 1997; Issac and Hiralal 1997; Bijujumar 2000; S.M Vijyanand 2001). The decentralisation process in Kerala

has moved from the experimentative phase through a corrective phase and has now entered the critical institutionalisation phase. In the first stage ad hoc systems were designed to facilitate operational flexibility at the local level. Now from the campaign mode decentralisation the state had entered the systems mode. The Peoples' Planning Campaign was sustained through the help of a host of activist volunteers in designing regular support systems which appropriate for the functioning of the local government. The local governments adept in preparing plans are expected to further improve their capacity to implement them efficiently and economically.

However, the People's Planning Programme undertaken by the Government is being critically looked upon by the entire world. Officials involved in the programme have highly contradicting remarks to make, though most of them agree that the concept is good, they face numerous problems during implementation. Among the public, there are various views regarding its efficiency and suitability. The media, as always, is highly critical about it.

A major challenge ahead would be to build capacity in the local governments to manage provision of various services to the people. Participation of the people needs to be further institutionalised and the question of integration of plans among the tiers needs to be dealt with. The local governments have to be conditioned to develop a strategic vision; in this phase they have to graduate from creation of infrastructure to promoting local economic development. While doing so they have to increasingly rely on local resource mobilisation as well as innovative methods of financing projects and interesting people's participation at every stage. In sum they have to provide responsible, responsive and good governance.

5. Best Practice

Kudumbashree – A Good Governance Initiative in Poverty Reduction

Introduction

Kerala's development achievements have been considered by many as a model of viable accomplishment through equitable distribution against the background of a relatively low economic growth. It has been attributed to the combination of public action and responsive governance. The achievement has been mainly due to the twin engines of education and health. However, there has been persistent poverty affecting nearly a quarter of the population, posing a serious challenge to the policy makers.

In order to address the complex poverty issues both in urban and rural areas in Kerala, the state the Government had designed a multi-pronged strategies to resolve the issues faced by the poor through involving State Government, Central Government, Local Bodies and the National Bank for Agriculture and Rural Development (NABARD). The poverty eradication programme of the state was introduced in the form of **Kudumbashree**, which means prosperity of the family.

Evolution of the Initiative as part of Decentralised Governance

The process of identifying poor through a participatory process with the help of transparent, non monetary, verifiable indices was attempted by UNICEF in 7 wards of Alleppey Municipality. This was done as part of implementation of Urban Poverty Alleviation Programme (UPA) (1992-93). The successful experimentation helped the scaling up process in the entire Alleppey Municipality (1994). Simultaneously Government of India with the active support of UNICEF launched a massive poverty reduction programme in the name of Community Based Nutrition Project and Poverty Alleviation Programmes (CBN & PAP) at

Malappuram District in 1994. Government of Kerala after examining the process and success of the initiative at Malappuram and Alleppey decided to implement this methodology and process in the entire 58 ULBs in the state. A special fund was constituted by amending relevant provisions of Kerala State Municipal Act empowering the ULBs and earmarked 2% of their own resources for poverty reduction. Further, resources are pooled for tackling urban poverty under the leadership of UPA cell (1995). All these experiences were taken, tested and scaled up to a state wide as Poverty Eradication Mission through Kudumbashree in the year 1998. The activities of Kudumbashree were extended to Grama Panchayats in a phased manner. The decentralisation campaign and efforts taken by government for decentralised governance helped Kudumbashree to spread its wings. An important outcome of the decentralised planning process is that it helped in the emergence of a large number of participatory micro-level organisations. Most important among them are the Neighbourhood Groups (NHGs) linked to the Grama Sabhas. Each Grama Sabha has been divided into NHGs of 30-40 households to whom some of the powers of Grama Sabha have been delegated. These NHGs have been formed in around 200 panchayats.

In 2000-01, the State government took a decision to widen the Kudumbashree Mission activities to the rural areas also. The NHGs were to be affiliated to the Panchayat-level Kudumbashree society sponsored by the Grama Panchayat and the Women's NHGs were to be linked to the Grama Sabhas and the local governance structures. The micro-plans of Kudumbashree NHGs were to integrate with the plan of the LSGI and the Grama Panchayats were to extend financial and other support through their plans to the Women's NHGs. Many Panchayats have been included in the Kudumbashree programme and the Grama Panchayats have registered the Kudumbashree societies to which existing Women NHGs and the SHGs promoted by voluntary organisations are being affiliated

Through Kudumbashree the convergence of ideas, resources and material and dovetailing of all antipoverty programmes of various departments of State as well as Central Government are envisaged. Centrally sponsored Urban Poverty Alleviation Programme, SJSRY was implemented in Kerala by Kudumbashree in place of State Urban Development Agency (SUDA) in other States. State level and District level monitoring is done by Kudumbashree and at Urban Local Body level planning and implementation is done by the UPA Cell under the leadership of Project Officer, Community Organisers and Volunteers. Kudumbashree also undertakes a series of training programmes as part of capacity build up exercise of poor people.

Objectives and Strategies

The principal objective of Kudumbashree is the eradication of absolute poverty from the State of Kerala within a decade and the strategy slogan of the Mission is reaching families through women and reaching the community through families. Women empowerment initiatives, micro finance operations, micro enterprise promotion and convergent community action constitute the core activities of Kudumbashree, carried out through organisations of women below the poverty line.

Strategies

Kudumbashree aims at the empowerment of women, giving them the central place in the programmes meant for their benefit. They will no longer be passive recipients but active leaders. The action plan charted out is: -

1. Formation of women collectives: The poor women from families identified will be organised into Neighbourhood Groups (NHG) representing 15 to 40 families. A five-member team elected from the NHGs will be the cutting edge of the programme. NHGs will be federated democratically into Area Development Societies (ADS) at the Panchayat/Municipal Ward level and then into Community Development Societies (CDS) at the Panchayat/Municipal level. Their organisational structures will provide opportunities for collective public action.
2. More information/Training: Weekly meetings of NHGs, sharing of experiences, discussions, organised/unorganised trainings etc., will broaden their outlook on better health, better education, better social and economic status.
3. Skill upgradation Trainings: To facilitate economic development, suitable skill upgradation trainings will be given to women.
4. Thrift - credit operations and 24-hour banking system: Enabling women to realise their latent potential, strengthening them through self-help are the main objectives of Kudumbashree. Small savings generated at the families are pooled at various levels as thrift and used to attract credit from banks, which will operate as 24-hour bank for the poor, acting as a sub-system of the formal banks.
5. Better living conditions - Infrastructural facilities: The needs identified at NHG level are shaped as micro plans which are integrated into mini plans at ADS level and action plan at CDS level. This will be the anti-poverty sub plan of the local body and this will facilitate convergent delivery of Government programmes meant for the poor. Rather than the traditional system of heavily subsidised approach, Kudumbashree promotes self-help approach for building houses, latrines, access to drinking water, sanitary facilities etc., availing the minimum support from Government. Common infrastructural facilities in the community strengthen them further.
6. Micro-enterprises for sustainable economic development: Providing skill upgradation trainings, self-employment opportunities and infrastructural development through wage employment schemes are the preparation grounds for further development of successful micro enterprises. Kudumbashree is bent on giving necessary resource support and facilitate forward/backward linkages etc., to promote micro-entrepreneurship among poor women.
7. Power to the people especially the poor women: The skill for identification of needs, fixing priorities, availing resources, bridging gap between needs and resources in a cost effective manner etc., are taught to the poor women groups in various phases. In the decentralisation of power to the local bodies and common man, Kudumbashree can act as a healthy sub-system facilitating participation of poor women in the planning, implementation and monitoring of the programme.
8. Leadership - Decision making power: Interaction in women collectives will help them to have a better understanding, which will lead to the emergence of leadership. This will help to ensure efficient women leadership to elected bodies in future.

9. The ultimate Goal: Reaching out family through women, and community through family, is the ultimate goal of Kudumbashree.

Empowerment of Women - Kerala

- Kerala is a State with an impressive array of achievements in the field of women development. It has a high female literacy rate of 86.2%, a low IMR of 13 (against the national average of 80) a favourable sex ratio of 1032 female/1000 male, low MMR 0.8/1000, High Life Expectancy ratio 74 female/70 male etc., just to mention a few. But in spite of all these achievements the conspicuous absence of women in the public domain remains a paradox of the Kerala model of development.
- The economic marginalisation of women in the development process has drawn considerable attention during recent years. While the female work participation rate in India increased from 19.7% to 22.7% between 1981 and 1991, in Kerala the ratio declined from 16.6% to 15.9% during the same period. The incidence of unemployment among females in the State is higher than that among males by 5 times in rural areas and 3 times in urban areas. Unemployment in Kerala is severe and is 3 times larger than that in India.
- The sexual division of labour has resulted in the concentration of women in low paying unorganised sectors such as agricultural labour, cottage and traditional industries and selected service sectors. Despite the powerful trade union movements, equal wages for the concept of equal work still remains a mirage and gender discrimination at the work place is widely prevalent.
- Marginalisation of women in the economic process and lack of control over resources have been major impediments in improving the status of women.
- Violence against women and incidence of sexual harassment continue to increase (number of registered crimes increased from 1862 in 1991 to 4937 in 1996).

Despite the general progressive political environment in the State, active involvement of women in various leadership levels is virtually lacking.

Informal banks of the poor women: - concept and significance:

The poor women of Kerala always face this 'no bank to bank upon' situations. The significance of the concept of informal banking exists in this void. Formation of a strong network of informal banks for the un-reached and the under-served poor women of Kerala is one of the foremost objectives of Kudumbashree Mission. The formal banking system existing in the state and its services are almost inaccessible to the poor folk. These banks and their procedures are too complex and too formal for the poor. The formal banking system always watches the poor with disbelief and distrust. Banks do not bother much about the trifling deposits of the poor women. Rigid regulations and procedures prevent banks from extending even nominal assistance to the assetless women, belonging to the lowest stratum of the society.

In India normal banking hours start at 10 a.m. and close at 2 p.m. If anybody wants to open an account in a bank, somebody who has got an account already, or a man of repute should introduce the person to the bank authority. Stipulations in timing, complications in

procedures and disregard of banks turn the conventional banks unapproachable ivory towers for the poor. Regulations of the Central Government, directions of the Reserve Bank and the persuasions of the State Government couldn't make any radical change in the situation. The banks continue to discourage and distrust the poor.

But the poor too need money. They also want to save their trifle sums. Who will assist the poor, financially, to meet their consumption, contingent and occasional needs? No bank will or perhaps no bank can. Private moneylenders, the Shylocks, enter into this void and exploit the situation to the optimum. Without much formality, they lend money to the poor and enslave them for lifetime in the dark dungeons of exorbitant compound interest. The money-lending leeches will suck all the money the poor ladies could earn thereafter. Very often the victims will lose their little precious assets like small stretches of land and tiny huts even. It is a vicious circle. Once the poor folk get trapped in the debt web, even their next generation cannot escape from it.

Any poverty alleviation programme of comprehensive nature should provide a good enough solution for this bitter reality. Kudumbashree vision is nothing but a staunch determination to assure the holistic development of the poor women of Kerala. Naturally, the project is desirous of giving a better alternative for conventional banking system to the poor. Thus thrift and credit operations get paramount importance in the CDS system launched by Kudumbashree. Thrift and credit operations of the NHGs, ADSs and CDSs carry immense potentials to grow in to a strong network of informal banks.

Informal bank, a concept exactly in line with the needs and expectations of the poor: Simplicity is the key word of the informal banking system envisaged in Kudumbashree project. The formation, operations and procedures of a bank intended for poor ladies have to be simple and transparent in every respect. The collective thrift savings of the members of a Self Help Group (NHG/ADS/CDS) is the corner stone of each informal bank. The ladies themselves are the depositors, creditors, managers and cashiers of the informal bank. The salient features of a model informal bank, envisaged in Kudumbashree project, can be summed up as follows:

1. The three-tier community based CDS system, envisaged for poverty alleviation in Kudumbashree approach, will take up the informal banking responsibility also.
2. The poor women should be able to approach the informal banks whenever necessity occurs. The doors of the banks should be open for 24 hours a day, 7 days a week and 365 days a year
3. The informal banks are formed with the active involvement of every member belonging to the Self Help Group.
4. An Informal Bank doesn't need an office building, furniture and other paraphernalia we normally relate with a formal bank.
5. The strength of an informal bank is the intimate relationship between the members of the Self Help Group. The members know each other's potentials, weaknesses and problems
6. The members can deposit even trifle amount in the thrift scheme of the banks. Informal bank always tried to encourage saving habit among poor women.
7. An informal bank can provide collateral free loans with the terms and conditions decided by the group.
8. The Self Help Group behind the informal bank is free to fix market driven rates of interest for advances.

9. Every operation of an informal bank takes place in the group level, including depositing of thrift amounts and sanctioning of thrift loans.
10. The group itself decides the eligibility of a member to get assistance from the bank after discussions and assessment of the need and repayment capacity
11. The very existence of an Informal Bank brings about the homogeneity and affinity among members of the poor.
12. Thrift savings of the members serve as the main bondage among members.
13. The bank promotes regularity in savings and assures sufficient frequency for group meetings
14. The informal banks will instill collective decision-making capability among the poor women. This sublime quality will be of great assistance to them for their fight against poverty and their participation in planning process and economic development activities.
15. Informal banks will slowly do away with the subsidy syndrome prevailing in the lowest stratum of the society. The poor women will begin to enjoy the unique pleasure of doing things with their own money.
16. The financial empowerment of women achieved through thrift and bank accessibility will improve their status in their own families and society. Naturally, their confidence will increase
17. Above all informal banks provide loans to the poor women at their own doorsteps without any hassle.

Once the informal banks of the NHGs, ADSs and CDS reach a certain level of maturity, they can grant loans to the members for genuine needs. The poor need financial assistance for several purposes, falling under four major categories.

Kudumbashree towards rural areas

At the inception, the activities of Kudumbashree were confined to the Urban areas and Urban and Rural areas of Malappuram District where the anti-poverty programmes had been attempted through community based structures as envisaged in Kudumbashree. The successful implementation of the project and its positive out-come in the limited circles of the state has created confidence in expanding the physical coverage and set new milestones for Kudumbashree by extending its activities to the rural areas. It was decided to cover the entire rural area of the State in a phased manner and in the first 261 Grama Panchayats were identified following fixed criteria. Massive training programmes were organised for the Panchayat functionaries, officials and activists in the rural areas. Unlike the urban programme there is slight variation in the organisational structure and the approach in rural area. The following are the community structures suggested for the rural side:

1. Kudumbashree Ayalkoottam (NHG)
2. Kudumbashree Ward Samiti (ADS)
3. Kudumbashree Panchayat Samiti (CDS)

The paradigm shift in the approach is that any woman who is residing in the Grama Panchayat can become a member of the Kudumbashree Ayalkoottam irrespective of the fact that she belongs to 'a BPL Family'. Since this aspect gives an opening for the APL families to enter the community structures envisaged by Kudumbashree, it is further ensured that majority of the office-bearers should belong to BPL families. These structures give added importance to social and economic empowerment of women.

Participatory Development

Grassroot level NHGs act as open forum for poor women to share their concerns, reflect on their state, analyse their situation, discuss issues and options, prioritise their needs and shape an anti-poverty development plan called micro-plan. Micro plans are integrated as mini plans at ADS level and the mini plans are integrated as CDS plan at Municipal level. The CDS plan becomes the anti-poverty Sub-plan of the Municipality, for which about one third of the development resources of the Municipality are earmarked. Under the local government level CDS is empowered to identify the beneficiaries of anti-poverty programmes and take up community contracting of local development works. Thus the CDS system has the right of voice, the power of choice and the entitlement of action – that is, real empowerment.

Milestones

In contrast to the previous poverty eradication programmes there are no specific financial and physical targets set for Kudumbashree. Kudumbashree programme practises a process approach and not a project approach. For effective monitoring of the programme the following milestones are adopted:

- Formation of 60,200 NHGs all over Kerala.
- Formation of 10,500 ADSs at Ward level.
- Formation of 1048 CDSs at Panchayat/Municipality/Corporation level by federating various ADSs.
- Linking at least 20% of NHGs with NABARD's scheme for linkage banking every year.
- Provide shelter to all the poor.
- Provide safe drinking water within 300 metres of their residence.
- Provide sanitation facility to all the families within the next five years.
- Establish at least one sustainable micro enterprise in each NHG leading to large-scale employment.
- Establish an Informal Bank of Women in the model of Bangladesh Grameen Bank.
- Implementation of special package programme for the development of SC/ST and traditional fishermen.

Conclusions

The group dynamics developed by the urban CDS model is being used for joining up various developmental activities resulting in a demand-led convergence of resources and services meant for poverty reduction, strong enough to break the ratchet effect of poverty inducing factors. The urban CDS structure of Kerala teaches the planners world over that the poor women are capable of shaping their own development if they are given sufficient and necessary support. Thrift and credit operations of the CDS system have proved to be an effective “**saving instrument**”. Thrift collection and internal lending have increased the capacity of the poor considerably in managing finances.

There is a common belief that entrepreneurs are born and not created. Establishment of 772 group enterprises of women shows that the poor have a lot of natural entrepreneurial traits and the wisdom of poor housewives can be magnified considerably. The Urban CDS system of Kudumbashree has contributed a new model for poverty reduction through collective action by women.

Karnataka

1. Introduction

Karnataka has 56,682 rural habitations including 27,017 Revenue villages. According to 1991 census, about 310 lakhs (55.52 lakhs households) out of a total population of 448 lakhs live in these rural habitations. That constitutes about 69% of the State's population who live in the rural areas.

The state of Karnataka was one of the very few states which took important steps to usher in decentralised governance, much before Panchayat Raj as a form of decentralised governance was acknowledged and institutionalised through constitutional amendments. Karnataka has experimented with different decentralisation strategies for over a decade now. While the 1983 Act enacted by the Government of Karnataka was a landmark legislation in its own right and provided a model of decentralisation to other states, subsequent developments have considerably diluted the content and spirit of that legislation. However, in recent times, the GoK has taken important steps towards strengthening the Panchayatraj institutions. Whether these developments bear fruit or get hijacked in the power play between the elected representatives at different tiers or between the elected representatives and the bureaucracy remains to be seen.

The visit to Karnataka by the study team was done in September 2003. The visit included meetings with officials, academics and development professionals. It involved visits to two districts - Kolar and Mysore.

2. Karnataka's Vision of Decentralisation

The Panchayati Raj System has been in existence in the state for a long time. The state's vision of decentralisation has been influenced by many factors – be they social, administrative or political in nature. Four distinct phases can be identified in the decentralisation experience in Karnataka.

1959-1983: Centralised Governance

Based on the report of the Balwantraji Mehta Committee (1957), the Mysore (Karnataka) Village Panchayats and District Boards Act was enacted in 1959, which continued to be in force till 1983. However, governance continued to be top down and centralised with the districts acting as the basic administrative units. The administration lacked accountability and tended to be compartmentalised into discrete water-tight units. Functions were hardly devolved to the lower tiers and elections to these tiers were rarely held.

Radical Change during 1983-92

The first tentative steps towards effective decentralisation in Karnataka were taken when the Janata Party came to power in 1983. The role of the Chief Minister Mr. Ramakrishna Hegde and the Rural Development Minister Mr. Abdul Nazir Sab must be mentioned in this regard. It commenced with the implementation of the Karnataka Zilla Parishads, Taluk Panchayat Samitis, Mandal Panchayats and Nyay Panchayats Act 1983 (implemented in 1987) which was based on the report of the Ashok Mehta Committee. "The 1983 Act postulated a deep commitment to the promotion of democratic institutions at the grassroots level and of

people's participation in local and governmental affairs"⁵¹. This ideological commitment to decentralisation complemented the political purpose of showcasing better democratic credentials of the new regime.

The Act provided for the two-tier structure: Zilla Parishad (ZP) at the district level and Mandal Panchayats (MP) for group of villages - with direct elections to both bodies. Under this act, there was significant political, administrative and financial devolution of powers to the lower tiers. However, there remained several gaps which were highlighted by different evaluation studies.

Administrator Raj: 1992-94

It was at this point of time that the process of decentralisation suffered a major setback. In 1992 when elections were due, the government (Congress Party) superseded the PRIs and appointed government officials as administrators to manage the Zilla Parishads (ZPs) and Mandal Panchayats. In the districts, the deputy commissioner was made administrator of the ZP with the ZP chief secretary having to report to him. In the talukas, Class II gazetted officers were given charge of mandal panchayats. This was in stark contrast to the system earlier when the planning of development was, to a large extent, under the control of elected representatives and implementation of these projects was through the government officials deputed for this purpose.

This period of Administrator Raj has been described as "an effort to put the clock back ... and a deliberate distortion of the 'power to the people' by the ruling elites in the state of Karnataka."⁵²

A step backwards, a step forward: 1994 onwards

Consequent to the 73rd and 74th constitutional amendments, the Government of Karnataka repealed the 1983 Act and enacted the Karnataka Panchayat Raj Act, 1993. This Act incorporated all the essential features of the constitutional amendments in addition to introducing several departures from the 1983 Act. The new act provided for a three-tier structure with Taluk Panchayat becoming an elected third tier.

A comparison on how administrative, financial and political decentralisation was perceived by the 1983 and the 1993 Acts is necessary to gauge the difference in the vision and the strategy of decentralisation during both eras.

Administrative Decentralisation: Under the 1983 Act, the state government did divest itself of substantial powers and functions in favour of sub-state institutions. A wide range of functions was entrusted to the ZPs. Besides the overall coordination and integration of development schemes and preparation of the plan for the development of the district, the ZPs were assigned specific responsibilities in areas of agriculture, animal husbandry, welfare of the SCs and STs and the backward classes, buildings and communications, education, public health, irrigation and ground water resources, industries, horticulture, cooperation, fisheries, rural electrification and distribution of essential commodities.

The 1993 Act also envisaged transfer of all 29 functions given in the Eleventh Schedule to the ZP, 28 functions to the TP and 16 functions to the GP. In addition, certain obligatory functions have been given to the lower tiers through recent amendments. However, under the

⁵¹ Krishnaswamy Committee Report, 1989

⁵² Inbanathan, A., Karnataka Panchayats Under Administrators 1994, I SS Occasional Paper Series, 1994

new PRI Act, administrative control of local officials has been vested in the Chief Executive Officer (CEO) of the ZP who is not under control of the local elected body as was the case in the earlier law. Annual confidential reports of the officials working in the PRIs are still written by the line departments without PRI inputs. Thus, bureaucracy has retained effective control over the implementation of almost all government programs and schemes and remains independent of PRIs.

Financial decentralisation: Under the 1983 Act, the ZPs did not have any power of taxation, while MPs had the usual power to levy property tax, tax on vehicles and the like. The state government gave a per capita grant of Rs. 10 per annum, three-fourths of which accrued to the MPs and the balance to the ZPs.

After the 1993 Act, nearly 36 per cent of the state's development budget was recommended to be transferred to the lower tiers. The DRDA has been merged with the ZP and now the ZPs prepare decentralised plans. Finances are released on a regular basis. However, the nature of fund distribution between the different tiers shows a marked preference for the Zilla Panchayat (40%) as compared to that under the earlier Act (25%). Secondly, while the ZP may discuss the budget, it cannot act if the CEO disagrees with its decisions. Though funds are routed through the local bodies, they do not enjoy any leverage in operating them because administrative procedures for re-apportioning, approval, etc. are at a level above the district. There is little by way of untied funds at any level of the panchayat system, thereby restricting the scope for using it according to local priorities.

Political Decentralisation: Under the 1983 Act, the state government did not reserve itself any powers of supervision and control except under extraordinary circumstances. The Act gave the President of the Zilla Parishad 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 provisions in the Act gave high political legitimacy to the elected representatives.

Under the 1993 Act, MPs, MLAs and MLCs have the sanction to be ex-officio members in both Zilla and Taluk Panchayats. Their presence in the deliberations of PRIs leaves hardly any scope for the elected representatives to express and assert their views. District Planning Committees (DPC), a constitutional requirement aimed at bringing about a holistic view of grassroots planning, has been constituted but remains dysfunctional.

The process of decentralisation in Karnataka could appear different depending on the reference point that one chooses to look at it from. A comparison between the 1993 Act and the earlier one would indicate regression in the process of local self-governance. However, the 'one step forward, one step back' process⁵³ over the last two decades has, to a large extent, legitimised the PR institutions and institutionalised the process of decentralisation in the state.⁵⁴ Certain recent amendments have also tried to do away with the anomalies that had crept into the decentralisation process as well as reiterate the commitment of the government to decentralisation.

The report of the working group on decentralisation highlights the vision of the state on decentralisation thus:

⁵³ Vyasulu, V., Panchayats, Democracy and Development, 2003

⁵⁴ Overview of Rural Decentralisation in India, Volume II, World Bank

“We believe that the ideals of decentralisation and the requirements of day-to-day governance are highly compatible; indeed they complement and reinforce each other.....our vision for carrying decentralisation forward has been succinctly explained by Shri M. Y. Ghorpade, the Honourable Minister for RD & PR as follows,

“The cardinal principle is that what is appropriate at a given level of the three tier system should be done at that level and not necessarily at a higher level”⁵⁵

3.0 Dimensions of Decentralisation In Karnataka

3.1 Structure/Staffing

The Karnataka Panchayat Raj Act, 1993 provided for a three-tier structure of local government with the Zilla Panchayat (ZP) at the district level, Taluk Panchayat (TP) at the middle level and Grama Panchayat (GP) at the grassroots level. The gram sabha, which consists of all voters within a Grama Panchayat, is the foundation of the PR structure.

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. The ZP has full autonomy to allocate resources to areas it deems fit, once the GoK informs the ZPs the overall size of its plan. The tenure of ZPP is for 20 months, and the post rotated among members.

The Taluk Panchayat is the middle tier; 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 TPs prepare an annual plan that includes the plans of GPs relating to JRY and other government schemes and submits the same along with the annual budget to the ZP.

The Gram Panchayat, the lowest tier, has a population ranging, in general, from 5000 to 7000. There are more than 5600 GPs in the state. All the members of a GP are directly elected. The average number of members in each GP is about 14. The functions of GPs include the preparing of annual plans for the area and the annual budget apart from specific sector activities.

The gram sabha stands at the base of this three-tier structure. It consists of all the voters in a village, and is required to be convened at least two times in a year. The functions of gram sabha pertain to a) review of the accounts and performance of the GP; b) participation in the planning of the development programmes proposed by the GP; and c) identification of beneficiaries for poverty alleviation and development programmes.

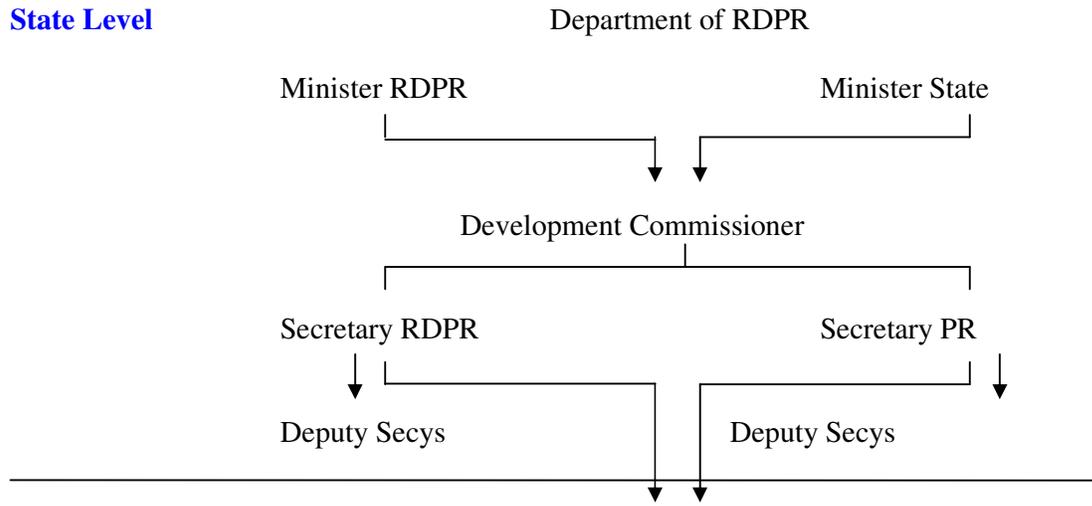
Organogram

The administrative structure in the PRIs is illustrated below.

⁵⁵ Report of the working group on decentralization, March 2002, Department of RD & PR, GoK

Panchayat Raj Administrative Structure in Karnataka

State Level



Zilla Panchayat

Chief Executive Officer (CEO)
 ↓
 Chief Accounts Officer
 Chief Planning Officer
 Council Secretary
 Other Deputy Secretaries
 Officers of line departments

Taluk Panchayat

Executive Officer
 ↓
 Block Development Officer
 ↓
 Extension Officers
 Junior Engineers
 Progress Assistant
 Other Managerial Staff

Grama Panchayat

Secretary

Staffing

As far back as 1987, the state government decided that instead of giving PRIs recruitment powers, it would fill up all PRI posts through deputation of government officials. This policy has continued and as a result has created an uneasy relationship between officials and elected representatives. While the official worked under the superintendence and control of the local body, s/he was answerable to their departmental hierarchy. This has given rise to a situation where the functionaries technically operate under the local body although the reporting structure remains strongly bureaucratic. Elected representatives remain at the fringe of this structure with limited control of the functionaries.

Apart from the above administrative setup being bureaucratic, the nature of staffing also reveals key anomalies. Under the earlier Act, the post of the CEO was encadred under the

Indian Administrative Services and IAS officers senior to the Deputy Commissioner were posted as Chief Secretaries of the Zilla Parishad. The seniority and the nomenclature asserted that the CEO was the head of the district administration as he served the elected body that was supreme in the district. Since 1991, this position underwent a change with the CEO's post being significantly de-valued with officers from the Karnataka Administrative Services or in some cases younger IAS officers being posted as CEOs. This has created a situation in which the District Commissioner has emerged as the head of the district administration, thus undermining the post of the CEO and therefore, the ZP.

While the two upper tiers, ZP and TP, have staff of different grades deputed to them, the Grama Panchayat operates, in most cases, with a second division clerk grade staff called the Secretary. This is the result of the hierarchical system of tiers with officials assigned to the higher levels supervising those attached to the lower level. Secondly the posts of GP secretary have been filled in an ad-hoc manner. This adhocism and general neglect of training has weakened the GP as an institution.

3.2 Functional Devolution

The **Grama Panchayats** have been entrusted with 16 categories of function as per Schedule 1 of the Karnataka Panchayat Raj Act, 1993 and later amendments.

- (i) providing sanitary latrines
- (ii) maintaining water supply works
- (iii) revising and collecting taxes, rates and fees periodically which are leviable under the Act;
- (iv) ensuring universal enrollment of children in primary school;
- (v) achieving universal immunisation of children;
- (vi) ensuring prompt registration and reporting of births and deaths;
- (vii) providing sanitation and proper drainage;
- (viii) construction, repair and maintenance of public streets;
- (ix) removing encroachments on public streets or public places;
- (x) providing adequate number of street lights and paying electricity charges regularly;
- (xi) filling-up in sanitary depressions and reclaiming unhealthy localities;
- (xii) destruction of rabid and ownerless dogs;
- (xiii) maintenance of all community assets vested in it;
- (xiv) maintenance of records relating to population census, crop census, cattle census, census of unemployed persons and persons below poverty line;
- (xv) earmarking places away from the dwelling houses for dumping refuse and manure

The powers and responsibilities in respect of 28 matters listed in the Eleventh Schedule (except small scale industries) have been entrusted to the **Taluk Panchayats**.

The obligatory functions assigned to the Taluk Panchayat are:

- (i) construction and augmentation of water supply works
- (ii) filing half yearly report regarding the activities of Grama Panchayats within the taluk regarding.-
 - a. holding of Grama Sabha;

- b. maintenance of Water supply works;
 - c. construction of individual and community latrine;
 - d. collection and revision of taxes, rates and fees;
 - e. payment of electricity charges;
 - f. enrollment in schools;
 - g. progress of immunisation.
- (iii) providing adequate number of class rooms and maintaining primary school buildings
- (iv) acquiring land for locating the manure pits

The powers and responsibilities in respect of all 29 matters listed in the Eleventh Schedule have been devolved to the **Zilla Panchayat**. In addition, three additional matters have been entrusted namely, co-operation, sports and youth services, sericulture.

The 1993 Act specifies the following development functions:

- Identification of local needs
- Norms and guidelines for each programme
- Perspective plan for water supply
- Development of irrigation and agriculture
- Education and social welfare
- Transfer of development programmes

The obligatory functions include:

- (i) establishment of health and maternity centres;
- (ii) construction of underground water recharge structures
- (iii) prevention of drilling of irrigation bore wells in the vicinity of drinking water wells
- (iv) social forestry development

Comments

As compared to many other states, Karnataka has transferred a lot of functions to the lower tiers. Unfortunately, the PRIs do not have control over the funds and the functionaries that need to complement the functions devolved.

In addition, the functional distribution of powers within the three tiers further complicated the relationship between the three tiers. Although all the three tiers of local self-government have executive authority and are expected to be independent of one another, in reality there exists a hierarchical relationship with the upper tiers having a supervisory role over the lower ones. This has been recognised by the working group on decentralisation which concurs with the view that “delineation of powers, duties and responsibilities of each tier should be on the basis that each one has a separate and distinct area of operation, but one is not subordinate or subservient to the other.” An *activity mapping* exercise has been recently undertaken through which different functions of different tiers have been described in detail. It is to be seen whether in reality this exercise can clarify and define the functions at different levels.

3.3 Financial Devolution

The First finance Commission determined the total share of Panchayat Raj Institutions and Urban Local Bodies at 36% of the Non-loan Gross Own Revenue Receipts on a 85:15 ratio between them. The respective shares of the ZPs, TPs and GPs were fixed at 40:35:25.

According to GoK, the devolution of funds for the years 1998-99 to 2001-2002 and non-plan expenditure are as given below:

Year	Plan (Rs crores)	Non-Plan (Rs crores)
1998-99	731	2173
1999-00	894	2336
2000-01	1079	2511
2001-02	1297	2699

Source: Karnataka Panchayat Raj Manual November 2000

A recent study on fiscal decentralisation in Karnataka points out severe anomalies.⁵⁶ While the government estimates that the share of rural local governments is nearly 30% of state government spending, data on allocations to Panchayats puts the share of rural local government at 21.8% in 2001-02.

There has also been steady erosion in the assistance given to rural local governments for development spending in the last decade. The share of the district sector plan outlay in total State plan outlay declined from 40% in 1990-91 to 18% in 2002-03.

Year	Percent of District Sector Plan Outlay to Total State Plan Outlay		
	State Plan	Central Plan and Central Schemes	Total
1990-91	21.4	18.4	39.9
1991-92	18.4	16.4	34.8
1992-93	14.2	11.3	25.5
1993-94	13.0	8.9	21.9
1994-95	12.9	10.4	23.3
1995-96	13.3	10.3	23.6
1996-97	13.8	10.2	24.0
1997-98	13.0	12.2	25.2
1998-99	11.2	11.0	22.2
1999-00	11.2	10.4	21.6
2000-01	11.3	8.6	20.0
2001-02	11.3	7.8	19.1
2002-03	7.9	10.2	18.1

Source: World Bank Study, 2003

The study noted that instead of implementing the recommendations of the State Finance, the state government gave annual lump sum grants to GPs, TPs and ZPs. Actual transfers to the Panchayats were significantly lower than the budgeted outlay.

From 1994 to 1998, each GP received Rs. 1 lakh minus electricity charges due. This was increased to Rs. 2 Lakhs in 1999 and from 2001 an additional amount of Rs. 1.5 lakh was sanctioned as development grant. In practice, due to resource constraints, the State government gave much less than the Rs. 3.5 lakhs it promised to each GP. The second source of funds for GPs is grants from the centre on the recommendation of the Central Finance

⁵⁶ Fiscal Decentralization to Rural Governments, Karnataka Case Study, World Bank 2003.

Commission, which is not very significant and according to the 11th Finance Commission works out to Rs. 25000 each year. GPs also receive specific purpose transfers through centrally sponsored schemes such as SGRY in which the centre contributes to 87.5 per cent of the cost and the remaining is met by the state government. Similarly, budgeted outlay to TPs consisted of Rs. 7.8 lakhs as lump sum grant and Rs. 4 lakhs as development grant. In case of ZPs it was Rs. 13.87 lakhs and Rs. 8 lakhs respectively. However, actual transfers were less due to financial constraints.

The fiscal role of the lowest tier, the Grama Panchayat, is negligible. Almost 94 per cent of the outlay is incurred at ZP and TP levels. Allocation to GPs is only 5 per cent of the total rural local sector outlay. Given the fact that the revenue generating capacity of the GPs is weak (meets only 20 per cent of GP expenditure), the GPs are financially weak.

The problems are aggravated by the huge number of plan and non-plan schemes under operation currently numbering 658. There are 428 plan schemes out of which 8 schemes account for 46% of Rs. 1834.36 crores allocated. Of the 230 Non-plan schemes, just 2 heads account for 50 percent out of Rs. 2993.94 crores allocated.⁵⁷ The plethora of schemes includes multiple schemes that undertake similar functions which have resulted in duplication of bureaucracy and technical and operational inefficiency. Given that most of the funds are tied to schemes, there is a lack of flexibility for GPs to set their allocation priorities. GPs have little discretion in allocating funds with regard to both plan and non-plan outlay (the latter has nearly 71% salary component).⁵⁸

However, what lies at the heart of the matter is the incoherent planning process. The planning process in Karnataka starts from the top. The State's draft plan is sent to the Planning Commission. The Planning department indicates the size of the grant to each ZP. Based on this allocation the line departments prepare tentative proposals on the basis of on-going programmes and committed activities and the increase in budget desired. The draft annual plan is submitted to the ZP's standing committee on finance, audit and planning. Though the suggestions of the committee are considered, the ZP remains subservient to the plan guidelines and rules and regulations of each scheme. The constitution envisaged that the District Planning Committee (DPC) would be entrusted with the role of integrating plans that emerge from the lower tiers. In Karnataka, though the DPCs have been constituted with the ZP Adhyaksh as its Chairman, they remain largely dysfunctional. The ZP, therefore, plays only a marginal role in the planning and allocation of funds. In addition, the top down and scheme based approach does not allow for plans to emerge from the GPs which in any case are hindered by little planning support and poor participation in Grama Sabhas.

Thus, in effect the PRIs have little discretion on the (a) planning and allocation of the funds and on the (b) use of funds. Given that most funds are tied to different schemes, the control over them has effectively remained with the line departments and not with the PRIs. While the earlier Act (1983) gave a fair amount of flexibility to the ZP to modify the provisions in the budget, the 1993 included a proviso that read,

“Provided that no diversion of grants transferred by the government out of the consolidated funds of the State can be made for a purpose or programme not covered under such grants”

⁵⁷ Report of Working Group on Decentralisation, March 2002

⁵⁸ World Bank Study, 2003

Given the fact that ZPs and TPs have no independent sources of receipts other than schemes devolved to them, in effect they had no flexibility. At the GP level, limited tax and non-tax revenue make them dependent on fiscal transfers from the State and the ZP. However, most GPs complain that they are generally unaware of the allocation of the Finance Commission and State Development grants and that these grants are also irregularly released by the ZPs.

The issues highlighted above have been recognised by GoK and the working group on decentralisation has made recommendations for rationalisation and convergence of different schemes, ways to untie funds for PRIs, facilitating decentralised planning and ways to improve revenue base of GPs.

3.4 Operating Procedures

Although the panchayat system predates the constitutional amendment in the state, the operating procedures were put in place much after the amendment, and after the Karnataka Panchayat Raj Act 1993 was enacted in 1997. In this scheme of things, the panchayats are looked at as additional agency at the district level, to the offices of the line departments, for undertaking various works. Operating procedures have been devised in this context and are detailed in the Karnataka Panchayat Raj Manual. The deputy commissioner's office continues to wield great importance although the ZP/TP/GP have found some space within this system. While some operating procedures are followed in the right letter and spirit, some others such as those relating to accounts and audit are not followed uniformly.

3.5 Accountability Mechanisms

Karnataka has taken a number of steps to ensure both upward and downward accountability with the PRI structure.

Karnataka is the first and only state to introduce a fiscal responsibility bill for local bodies. The Karnataka Local Fund Authorities Fiscal Responsibility Act, 2003 seeks to ensure

“.....best practice of financial management of local funds and to enhance the scope for improving social and physical infrastructure and human development by achieving sufficient revenue surplus, ensuring prudent management of public fiscal operations of the local funds and use of a medium term fiscal framework and for matters therewith or incidental thereto”

This Bill is certainly a welcome step towards making local bodies more transparent and accountable. This is certainly a best practice that could be emulated by Andhra Pradesh - the salient features of the Bill are detailed under best practices.

However, the State reserves the power to cancel PRI resolutions if they are found to be unfair or unjust. This literally translates to executive control over the elected bodies. Although the Government has restored the power to hear appeals to the Assistant Commissioner the position of executive control remains unchanged.

The Grama Sabha was envisaged to be the best method of downward accountability through the empowerment of people. The Karnataka RI Act of 1993 calls for at least two Grama Sabha meetings in a year (now increased to four). It has been assigned the following key functions:

- Mobilising labour and contributions
- Identification of beneficiaries
- Assistance in the implementation of developmental schemes
- Make recommendations and suggestions to the Grama Panchayat on the annual statement of accounts, administrative issues, etc

It is important to note that the observations of the Grama Sabha are not binding on the Grama Panchayat. The GS also does not have the power of recall of GP members in Karnataka, unlike that in MP.

More importantly, the principle of accountability is often not clearly understood by Panchayat members⁵⁹ - with visible misplaced notions of accountability to elected representatives in upper tiers, to rural elites, to bureaucracy, to MLAs/MPs, etc. rather than to the people at large.

3.6 Information Management

Karnataka has a justified reputation as the IT state of India. It is the home of new IT legends like Infosys Technologies and Wipro. Software exports from the state have been growing in dollar terms in the last ten years. A large number of IT start ups have come up, and the state has been written about in business magazines around the world.

However, when it comes to the rural sector, and to the PRIs, there is a dualism—IT is hardly used, and even the basic information systems are not in place⁶⁰. Available literature on the state of PRI finances suggests that even basic accounting information is not available. The state, for example, does not collect information on actual expenditures at the local levels—only allocations are available⁶¹.

It is in this situation that the state has gone in for a major overhaul of its accounting systems, which are a prelude to information systems. The recent Act to ensure fiscal responsibility in local bodies, once implemented, will lead to a great improvement in this situation.

3.7 Interface with People

Interface of PRIs with people happens in two forums – at the Grama Sabhas and jamabandhi. While the original Act of 1993 envisaged that Grama Sabhas be convened at least twice a year, this has now been increased to four times a year. However, people's participation in Grama Sabhas has been restricted to those associated with government programmes or those eligible for selection as beneficiaries in different schemes. The representatives of the upper tiers were rarely present in Grama Sabha meetings, although line department officials sometimes did.

The functioning of the Grama Sabha has been far from perfect. Numerous studies have confirmed this fact.⁶² In some villages, Grama Sabhas are not held regularly. In cases where

⁵⁹ Inbanathan, A., Representation and Accountability in Local Government: The Panchayats of Karnataka

⁶⁰ Vinod Vyasulu, op cit.

⁶¹ A Indira: A Study of Zilla Panchayat Budget in Two Districts—Dharwad and Bangalore Rural, TIDE, Bangalore 1998. See also, CBPS: The Education Budget in Karnataka, Bangalore 2001 for evidence on this score.

⁶² Vijayalaksmi, V., Accountability and Governance: Local Government in Kerala and Karnataka

the GP fails to conduct Grama Sabhas, the Executive Officer of the TP failed to call for the Grama Sabha. Though there are villages where Grama Sabhas are held regularly, the agenda before it is often restricted to identification of the beneficiaries for schemes - the Grama Sabhas did not function as a channel for articulating the preferences and needs of the people. Secondly, the 'size' of different Grama Sabhas tends to vary from place to place. In some places, it relates to every village within the GP while in some others it relates to the entire GP.

Jamabandhi was introduced in 2001 and was meant to provide better transparency through assessment of the functioning of the Grama Panchayat by the electorate. It was meant to be conducted once a year, and for just one day between 15 August and 15 September by officials at the Taluk level. It was observed that awareness about Jamabandhi was an issue as was the information dissemination about the financial records of the GP. In cases where report of the public audit was done, no public discussion was undertaken.

The Government of Karnataka has suggested hamlet citizen groupings or Vasathi Sabhas composed of voters of each constituency of the Grama Panchayat, similar in line to the Gram Sansad in West Bengal. Though this is a move in the right direction, the Vasathi Sabhas are yet to be institutionalised.

3.8 Recent Developments

Decentralisation in Karnataka is a misnomer. What has effectively happened in Karnataka is deconcentration (and not devolution) of functions, funds and functionaries, from the state headquarters to the districts. The PRIs have been allotted functions but funds and functionaries largely remain under bureaucratic control. However, recent developments do suggest that there have been attempts to correct the imbalances in the current system. A few important developments are given below:

- The Government has introduced a fiscal responsibility bill for local bodies which aims to bring more accountability among the PRIs
- The proposed Vasathi Sabhas can help ensure better representation and voice to people. But this must be accompanied by more power to them such as control over GP functionaries, power of recall, etc.
- The proposal of a panchayati raj ombudsman headed by a high court judge to investigate and deal with misdemeanour or maladministration is a step in the right direction
- The attempt to define or redefine the role of each tier of panchayat in great detail through the activity mapping of functions at different levels
- There is also a proposal for facilitating Grama Panchayats to borrow their own funds and provision of a greater amount of untied funds.
- Suggestions to stop the process of deputation of functionaries and instead building local cadre and decentralised recruitment

The above, if implemented, can go a long way in ensuring PRIs operate as functional local level democratic institutions.

4. Best Practices

1. The Karnataka Local Fund Authorities Fiscal Responsibility Bill, 2003

The State Government has recently introduced the Fiscal Responsibility Bill for local bodies. This Bill intends to ensure the local bodies a more transparent and accountable. The salient features of this Bill are:

Salient Features

1. Medium Term Fiscal Plan with a four year rolling target to be laid before the legislature every year along with the annual budget which shall contain:
 - a. medium term fiscal objectives of the local fund authority
 - b. missions, objectives and goals of the local fund authority
 - c. evaluation of performance of fiscal indicators in previous years vis-à-vis targets
 - d. recent economic trends and future prospects
 - e. strategic priorities of local fund authority in fiscal area
 - f. policies relating to taxation, expenditure, borrowings, lendings & investments, etc.
 - g. evaluation of how policies are in conformity with the fiscal management principles such as prudent debt management & borrowings, prudent revenue and expenditure policies, transparency, budgeting and accountability systems, efficient tax collection, etc.
 - h. clear linkage of the physical and financial targets
 - i. key performance areas and corresponding performance indicators
2. Measures for Fiscal Transparency
 - a. At least two meetings every year at the time of budget preparation and finalisation with citizen forums
 - b. The government shall, at the time of presentation of the budget, disclose:
 - i. significant changes in accounting standards, policies and practices that affect the computation of fiscal indicators
 - ii. the contingent liabilities created by way of guarantees and actual liabilities arising out of execution of works
3. Measures for Compliance
 - a. The State Accounts Department shall enforce compliance with the provisions of the Act
 - b. The State Government shall ensure that the local fund authority comply with the relevant Act and the rules relating to budget is in accordance with the Medium Term Fiscal Plan
 - c. The local fund authority shall prepare a budget variance report and submit it to the Controlling Authority
 - d. The local fund authority shall prepare receipts and payments account, income and expenditure account and a balance sheet as prescribed
 - e. Audit of accounts of the local fund authority and the Controlling Authority to ensure strict follow up action on the audit reports
 - f. Local Fund Audit Overseeing Authority may be constituted and to submit periodical report on compliance to audit reports

- g. The State Government may withhold release of funds to any local fund authority which fails to furnish accounts to the concerned authority within six months from end of financial year.

4. Publication of MTFP, the annual budget, annual accounts and the annual report

Such a Fiscal Responsibility Bill holds much relevance for Andhra Pradesh. However, this Bill must be preceded by a Fiscal Responsibility Act at the State level. While Karnataka has already passed the Fiscal Responsibility Act in 2002, Andhra Pradesh is yet to enact such an Act.

2. Mapping of functions for different tiers of PRIs

A key issue regarding functional devolution of subjects to PRIs has often been confined to the number of functions devolved. This has little relevance unless there is clarity in the nature of functions that are devolved to different tiers and a clear demarcation of functions between them. Although the task of determining who should do what is a complicated one and requires some amount of subjective assessment of the capabilities of each tier, such an exercise is a prerequisite for effective decentralisation.

Karnataka has undertaken an activity mapping which has tried to define the functions at every tier. The same is enclosed with this report. A functional mapping along similar lines is a necessary and preliminary step for effective decentralisation in AP.

3. Jalanidhi - A Rural Drinking Water Supply and Sanitation (RDWSS) Project

As per the Panchayat Raj Act 1993, the overall responsibilities of operation and maintenance of water supply and sanitation schemes has been delegated to the Grama Panchayats. The project has strongly articulated the need and importance of community and Grama Panchayat participation in the future maintenance of all the water supply schemes. This practice has been documented after a visit by the study team to Beechanahalli Gram Panchayat in Kolar district. The description provided below is confined to aspects related to drinking water supply - the impact of the sanitation component of the project has been less evident.

Project Objective

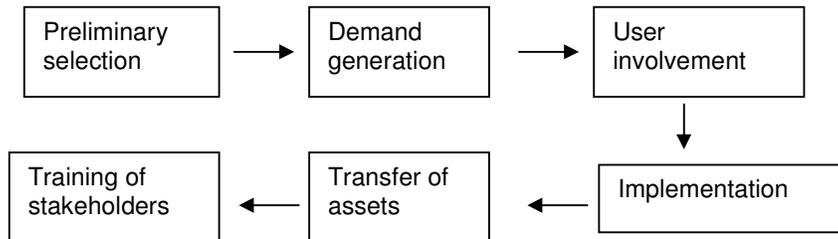
The RDWSS was conceived taking into account the key issues identified during the implementation of Danida assisted Integrated Rural Sanitation and Water Supply Project (1990-1996). This project aimed at an overall "improved and sustainable drinking water supply and sanitation status" in three districts of Karnataka - Kolar, Chitradurga & Bijapur by enabling Gram Panchayats to plan, operate, maintain and manage their own water supply, sanitation and drainage systems on a sustainable basis through participatory approaches. Phase I of the project was completed in 3 taluks, 30 GPs and 385 villages. A total of 348 water supply schemes were grounded and transferred. The phase II commenced in October 2002 and this phase involves the consolidation of schemes grounded in the earlier phase.

The project has been implemented by the GOK through the Zilla Panchayat (ZP). The three Chief Executive Officers of ZP were designated as project managers in their respective districts and with crucial roles to co-ordinate of project activities at all levels. The Gram Panchayat's role was to lead in identification, planning, implementation, and consolidation of project activities in the habitations under their jurisdiction. To facilitate implementation and

monitoring of some of new participatory approaches, the project provided for a support organisation consisting of Project Advisory Group and District Coordination Units at state and district levels respectively.

Project Approach

The project involved the following:



Preliminary Selection: This involved a preliminary survey through which gram panchayats were selected for project assistance by assessing the existing water supply and water resource conditions in all habitations. Selected taluks were identified as either White Areas (where the ground water extraction is below 65 per cent of the total potential) or Grey Areas (where the extraction is between 65 to 85 per cent).

Demand Generation: A demand driven approach was adopted to ensure that only potential users with significant expressed demand are given priority. The demand was expressed by the gram panchayats by filing the application-cum-registration format along with a registration fee of 5000 rupees. The Gram Panchayat through application agreed formally to:-

- participate in the process of planning, implementation and consolidation of the project,
- agrees to pay 15 per cent of the capital cost &
- takes up the responsibility of Operation & Maintenance (O&M) of schemes under its purview.

User Involvement: A preliminary plan was prepared by the GP secretary, with the assistance of the taluka coordinator, ZPE section officer. The plan included detailed information about the planned activities from the project and also the planned activities from the GP so as to ensure improved and sustained operation and maintenance of the water supply facilities at the GP level.

The gram panchayat mobilises about 15 percent of the required contribution. Decisions with regard to location of water supply facilities were finalised by the villagers giving priority for the opinion given by the women folk. Communities were given detailed information about the cost of the scheme, 15% contribution and the O&M cost. In Beechanahalli GP, 10% of the capital expenses were borne by the community and 5% by the GP. The contribution of each household towards capital expenses was fixed at Rs. 150. However, keeping in mind the problem of households paying the same lumpsum, the GP took the decision to stagger the payment by allowing households to contribute Rs. 20 per month over a period of 7-8 months.

The Final plan was prepared along with a detailed engineering study report after the source establishment. The Final plan was approved by the GP and was sent to Zilla Panchayat for administrative approval.

It is interesting to note that Grama Sabha attendance in the village was nearly 60%.

Implementation: After the source establishment, the ZPED prepared designs and estimates depending upon the requirements of the community and the technical feasibility for a sustainable water supply system. The Engineering Study Reports and the final plans were prepared during this phase and a workshop is conducted at the GP to discuss the findings of the final plan. After the approval of the plans, the civil works were taken up by the ZPE Department or by the private contractors on a turnkey basis.

Three types of water supply schemes are grounded. These could be in the form of Hand Pumps, Mini-water Supply (MWS) schemes or piped water supply (PWS) schemes.

Transfer of Assets: From April 2000 onwards, the responsibility of operation & maintenance of power pump schemes was shifted to the Grama Panchayats and hand pumps maintenance has been shifted to the Taluk Panchayats from ZPE Sub Division. The maintenance responsibility of Grama Panchayats starts as and when the schemes are handed over to Grama Panchayat from ZPE Sub Divisions.

The Village Water Supply and Sanitation Committee is a committee formed to facilitate the proper maintenance of assets transferred to the Grama Panchayat. In Beechanahalli GP, this committee of 9 members includes the village secretary who acts as the ex-officio member and convenor, the ward member, the section officer/engineer, an A&M member, members from SHGs, youth clubs and reserved categories. The VWSSC along with GP Secretary and President prepare an annual budget for O&M and fixed up tariff to households for maintenance of schemes. The budget was presented to villagers at the time of handing over of the scheme. The VWSSC meets once a month in Beechanahalli. The VWSSC in Beechanahalli is assisted by a cluster coordinator appointed by the DCU. The cluster coordinator not only facilitates the VWSSC meetings but also motivates villagers to pay the user fees.

A regular tariff collection, as a part of O&M, has been taken up by the GP and VWSSC. In this GP, the tariff per household for piped water supply was Rs. 25 per month and Rs 10 per households per month for public standposts/MWS. The MWS which had a capacity of about 2000 ltrs catered to about 15 households.

To maintain transparency in O&M, a separate O&M account was opened. However, it has been decided to shift these accounts to the VWSSC given their primary role in O&M. New ledgers for accounting purpose to all the GPs were also distributed.

Training of Stakeholders: During the planning phase, orientation and training was provided to GP/TP/ZP members on Project, Designs & estimates, and to Engineers, H&HE for taluk level officials. Training on quality construction & orientation on testing of structures and materials to Engineers, O&M training to EOs, GP/VWSSC members, Secretary & Bill Collector and masons were done at the implementation phase. At the consolidation phase, training was provided to water persons, Hand Pump Caretaker, GP/VWSSC members on O&M, etc.

There was a detailed discussion on O&M budget during workshops. Habitation wise O&M cost were explained to the GP members which included power tariff, salaries of water persons and cost of spare parts and repairs. The GPs were then asked to prepare a short term

plan. The O&M cost was explained to the community during PRA (Participatory Rural Appraisal). Follow-up GP workshops were held to draw a long term O&M plan and to approve it.

4. Satellite Based Communication and Training Programme for GP members

The Abdul Nazir Sab State Institute of Rural Development (ANSSIRD) has undertaken a satellite based interactive training with elected representatives of Grama Panchayats. A total of 18207 members from 1310 GPs in 44 Taluks of Karnataka have taken part in this programme.

The training was done through the SATCOM system developed with technical support from the Department of Space and ISRO. Interaction was in the form of a 'one-way-video, two-way-audio' system.

The training programme had two components:

- a. training at the local centres facilitated by identified resource persons and
- b. through a programme transmitted by satellite from the SATCOM centre at ANSSIRD, Mysore

The objective of the programme was to complement and supplement the facilitation of the resource persons at the local training centres with satellite training.

Twelve films titled 'Itta hejje mundakka' were developed which reflected the lived experiences of gram panchayat members. The format of the films included a creative mix of workshop discussions, individual interviews and dramatised plays. A large number of NGOs were involved in developing the films. One such film, 'A Step Forward', has been obtained by the study team.

The programme was preceded by the selection and training of resource persons. These resource persons comprised a mix of persons representing voluntary organisations and government officials. A total of 326 participants were trained at ANSSIRD, out of which 254 persons are currently functioning as resource persons. Apart from this training, the resource persons underwent a 15-day attachment at the Zilla, Taluk and Grama Panchayat.

The key strength of the programme is the innovative format of local facilitation supplemented by communication technology through which key PRI issues are raised and debated. This has enabled greater camaraderie between elected representatives at different levels but also contributed to empowerment of marginalised sections and women.

5. Lessons for AP

Karnataka offers many lessons for Andhra Pradesh. The primary lesson for Andhra Pradesh is 'HOW NOT' to go about decentralising. Decentralisation in Karnataka was a top down initiative. The ideology of decentralised governance was thrust down by the top leadership; there was little by way of interaction with the lower levels to explain it, to build capacity, etc. While it is true that the process was slowly getting institutionalised, the resistance it bred was far too great for it to be sustainable. Thus when the top changed its mind, there was little response below. The flip-flop nature of the leadership commitment to decentralisation

certainly did much damage to the PRIs. Although the GoK has made many attempts of late to strengthen the PRIs, it is evident that the damage done to the PRIs during the regressive Administrator Raj and much of the nineties would be very difficult to be undone. It is of utmost importance, therefore, that there is political will and political consensus on decentralised governance through PRIs.

The one step forward and two steps back decentralisation process in Karnataka strikes a contrasting picture to, say, that in West Bengal, which went in for positive and gradual decentralisation. The radical changes envisaged by the 1983 Act in Karnataka was bound to face stiff resistance from quarters like the bureaucracy and the political elite. It is important for AP, in this context, to create a road map for gradual decentralisation through incremental steps.

If the consequences of radical decentralisation were, perhaps, too hard for certain interest groups to swallow in Karnataka, the traditionally administration-heavy nature of governance in Andhra Pradesh through the DM's office, perhaps, offers a bigger challenge to decentralisation than that in Karnataka. This challenge can be met by simultaneously building PRI capacity as well as bringing about an attitudinal change within the bureaucracy on the role of PRIs.

Recent initiatives by GoK also hold much relevance for Andhra Pradesh. These pertain to fiscal responsibility of local bodies, functional devolution by mapping activities at each PRI level, proposal to augment revenues at the GP level by untying funds and taxation, using technology for training and capacity building of elected representatives, better service delivery through PRIs in sectors like water and sanitation, etc. These have been discussed in the previous section.

6. Conclusions

Karnataka is a unique example that offers some of the best and, perhaps, worst practices on decentralisation for other states. It is certainly ironical that while the 1983 Act influenced the 73rd Amendment in no small measure, the subsequent Karnataka Panchayat Raj Act of 1993 that was made within the ambit of the 73rd Amendment, failed to comply with the spirit of the decentralised governance.

While there is little doubt that PRIs in Karnataka have legitimacy, their functioning have been hampered by poor planning, lack of control over PRI functionaries, inadequate and tied funds and poor accountability mechanisms.

The recent effort by the Government to strengthen PRIs in Karnataka is a move in the right direction. It remains to be seen whether it can undo the damage suffered by PRIs during the earlier regressive era.

Andhra Pradesh

1. Introduction

The visits covered interactions with the team members of CGG, the officials of the PR department at the State capital, and field visit to four districts- Mahabubnagar, Vizagapatnam, Vijayanagaram and East Godavari districts, a number of Mandal Panchayats and Gram Panchayats. The district visits included interactions with the various officials and the ZP, MP and GP representatives, at all the three levels of PRIs. The fieldwork in Mahabubnagar had the objective of drawing a perspective of the Panchayati Raj Institutions in Andhra in order that it formed a base to study the other states. The work in the other three districts was more in depth in nature. We have also drawn on the available literature, including earlier work by the authors⁶³.

In section 2 below the AP's vision of decentralisation is discussed. In section 3, the issues relevant to the functioning of panchayati raj institutions - structure, functions devolved, finances, information management, accountability mechanisms and interface with people are discussed. Section 4 concludes the paper (FN: The state of AP, like the other states selected for this study, would also have best practices which the other states can emulate. Other than the IT technology that the state is famed for, the women Self Help Group movement and its remarkable poverty eradication strategies and measurable goals which have been documented, the convergence of programmes and resources which have been cited in some of the GPs training programme offered at APARD are some of the examples that are cited. These and any example of best practice are not elaborated, as the scope of this study is to derive best practices for AP from the experiments in other states).

2. The State's Vision of Decentralisation

This has been touched upon earlier. The State of AP has its own vision of decentralisation - a vision that is taking deep roots in the form of Self Help Groups/local bodies⁶⁴. The idea of local bodies mooted over the last five and odd years has gained acceptance and consent over time. The GoAP has passed many GOs that have favoured the formation and strengthening of the local bodies. The argument is that the local SHGs/local bodies are ways by which the process of democracy is deepened.

In terms of the constitutional mandate, the PRIs hold a legitimate position within the institutional framework but for purposes of providing basic services, all local bodies are equated with the PRIs. The administration of many departments has been decentralised in the state and nodal officers at mandal levels have been appointed to ensure that work is done smoothly. The working of these departments is monitored in the janmabhoomi programme by the Chief Minister himself. This decentralisation through janmabhoomi is seen as a key aspect of panchayati raj.

It is clear that the Vision in Andhra Pradesh has combined the PRIs, which hold constitutional mandate, and the local bodies which enlist people's participation. The PRIs

⁶³ Sashikala Sitaram, Interface of Panchayati Raj Institutions and Community Based Organisations in Andhra Pradesh Rural Poverty Reduction Project, 2002.

⁶⁴ See also the World Bank study of AP in "Decentralisation in the Indian States" New Delhi 2000 for details.

hold a legitimate position within the institutional framework but for purposes of providing basic services, all local bodies are equated with the PRIs.

3. Key Dimensions of Decentralisation

3.1 Structure

The PRIs in Andhra Pradesh are ruled by the Andhra Pradesh Panchayat Raj (Amendment) Act, 1994. The Act has placed a three-tier structure- the Zilla Parishad at the district, the Mandal Parishad at the middle and the Gram Panchayat at the village. At the base of the structure is the larger unit of Gram Sabha encompassing citizens of a revenue village. Each Gram Panchayat has a minimum of 5 and a maximum of 21 members; a member is elected from a population of 200 and more. For every three to four thousand population, a member (MPTC) is elected to the Mandal Parishad. An MP will have 15 to 23 MPTCs. Every Mandal in the district constitutes a Territorial constituency of the Zilla.

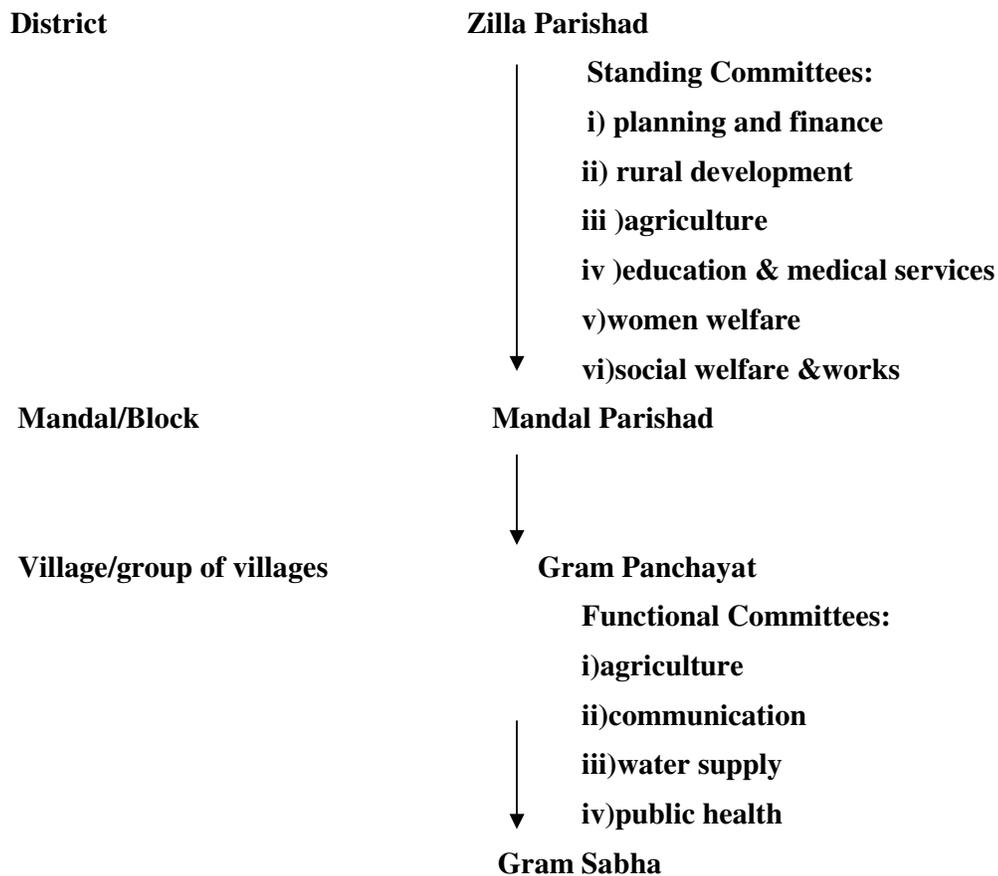
The different tiers invite the participation of co-opted members from the minority community; two members are co-opted to the ZP and one to the MP. The co-opted members have voting rights. The MLAs and the MPs are ex-officio members of the ZP and MP. To the list of permanent invitees is added the Chairperson of the Agricultural Marketing Committee to the MP and the Chairman of the District Co-operative Bank to the ZP. The Collector is an invitee to both the bodies. None of the permanent invitees have voting rights.

The elections to the Chairs of the upper two tiers of ZP and MP are indirect as the members of the respective tiers elect them. The election to the post of Sarpanch is direct, s/he is not chosen to power by the ward members. 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 reference at the field is usually to a 5-tier system – it is perceived so by some - the ZP Chairperson, the ZPTC, the MPP, the MPTC and the GP are taken to be the five tiers of the system. The tiers are considered as separate layers as the earlier linkage between them, defined by the earlier PR Act - with the Sarpanchs forming the MP, the MP Presidents constituting the ZP has been removed.

Reservation of seats to the marginalised sections, the SCs, the STs, women and the Backward Caste has been ensured at all the three tiers. 1/3 rd of seats are reserved for women, 1/3 rd for BCs, not less than 22.5% for the SCs and 6% for the STs. The term of membership is for five years. 22 Zilla Parishads, 1095 Mandal Parishads and 21913 Grama Panchayats are in place now (FN: Source: Office of the State Election Commission, Hyderabad).

The 1994 Act has provided for the constitution of Standing Committees at the ZP and Functional Committees at the GP in order to facilitate the mechanisms of governance. There are no committees at the MP (FN: The Andhra Government, in 2002, passed orders to form Functional Committees at the MP too. This never materialised). The Act calls for the constitution of seven Standing Committees at the ZP- Planning and Finance, Rural Development, Agriculture, Education and Medical Services, Women Welfare, Social Welfare and Works. The ZPTCs are voted to the different committees; a member cannot be in more than one committee. 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. The MLAs, MPs are also a part of some of the committees.



The findings from the field study indicate that the Standing Committees have been formed and the meetings are held but do not have much relevance. The meetings have become an avenue of discussions and gathering of information by the elected representatives as the bureaucrats attend them. The work of review that is assigned to the Standing Committees has little value as the DDRC can overlook the decision. (FN: Discussions held with the ZPTCs at Chitoor revealed that the Standing Committees review the works of various departments. The CEO/ZP cover about 71 departments. The important ones (around 40) are usually selected for discussion at the Standing committees. None of the departments are with the PRI s. (FN: Ref: Interface of Panchayati Raj Institutions and Community Based Organisations in Andhra Pradesh Rural Poverty Reduction Project, 2002)

The general body of the ZP has the power to approve, modify, rescind or reverse the decisions of the Standing Committees. However, there has not been a single instance where the GB has not approved of the Standing Committee's decision. The GB itself has limited role, as it is bound by the guidelines, approval, it therefore cannot reject whatever the committees decide.

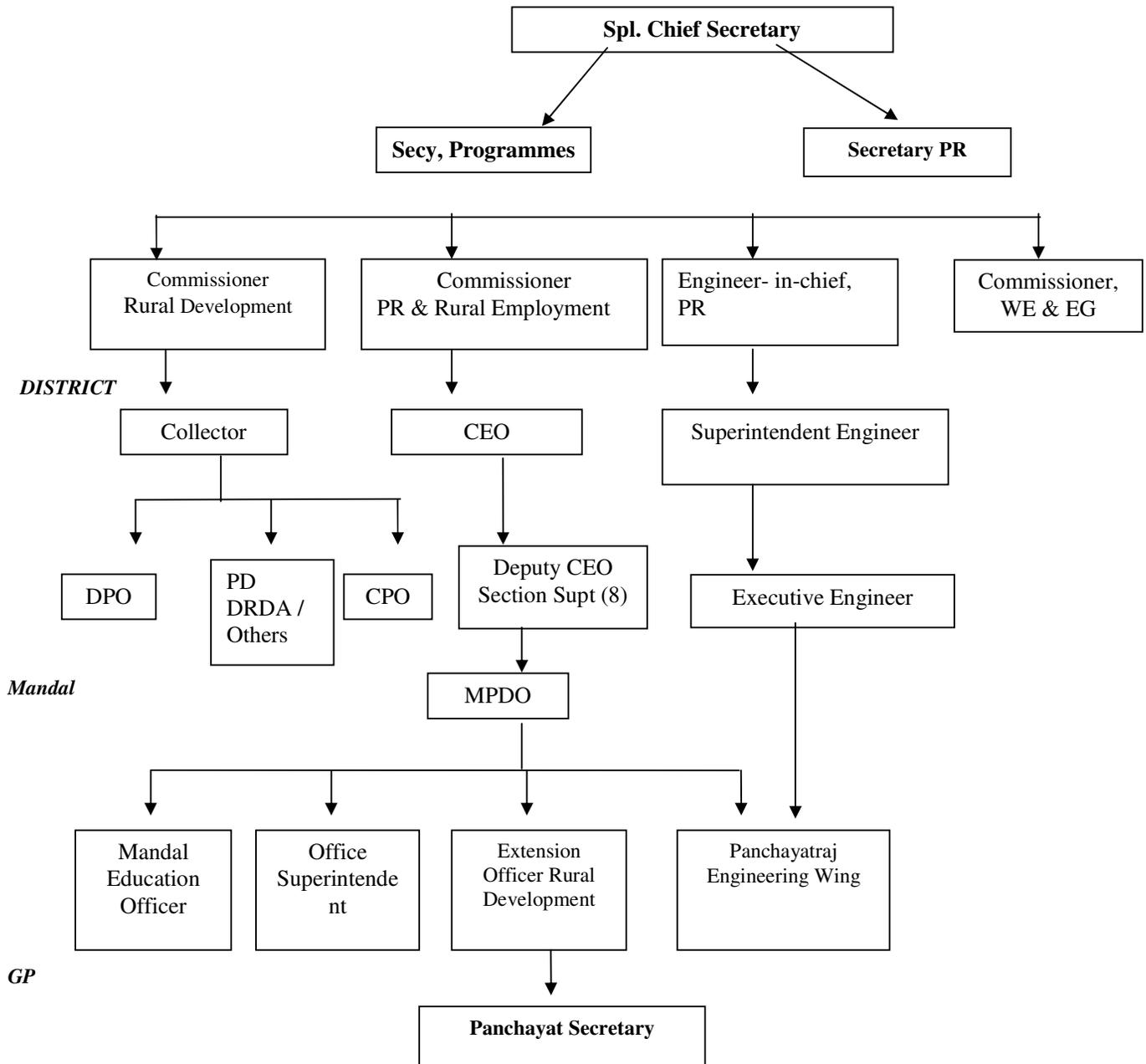
Section 40 of the PR Act specifies for the formation of the functional committees at the GP. Functional Committees can be formed for Water Supply, Sanitation, Family Planning,

Education, and Communication and for “any other purpose of the Act” (S.40 (1)). The functional committees have never been formed and even if formed have remained on paper. The same section provides for the formation of Beneficiary Committees for the execution of the works of the GP. Section 42 allows for the formation of a joint committee by the GP, which can join with one or more authorities having joint interest and responsibility.

Administrative Structure and staffing:

Administratively, the Rural Development and the Panchayat Raj departments have separate identities. Two Secretaries - Secretary, Panchayat Raj and Principal Secretary, Rural Development and Rural Employment, assist the Special Chief Secretary. The 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 are placed at the Directorate assisting the Secretary PR.

Organogram:



At the district, the Collector is the most important functionary in charge of both development and revenue functions. The DRDA and DPIP forms the major chunk of the rural development works, the PD DRDA (and DPIP) work with the Collector. The ZP is supported administratively by a Chief Executive Officer who assists the ZP in the implementation of the resolution passed by the ZP and supervises the work of Mandal Parishad Development Officer (MPDO).

The ZP staff, in addition to the CEO (Class I officer), comprises of a Deputy CEO, AO, Parishad Education Officer and eight sections each of which is managed by a Superintendent - establishment, planning, accounts, pensions, Fair copying section, works section, provident fund, education (payment of salaries of teachers working in high schools). The senior and junior assistants share the workload. In addition to the above, 22 Class IV employees are working at ZP (Information furnished at the ZP, Vizag).

The job chart of the CEO includes looking into the day-to-day administrative matters of the staff- the senior assistant, the MPDO etc. The CEO is also in charge of all the developmental activities of the PR. The Deputy CEO is in charge of the general administration (up to the Junior Assistants) and Inspections of 15-20 Mandals. The CEO and the Additional CEO are with the Commissioner of PR& RE for administrative control.

The Superintendent Engineer is in charge of the PR engineering works at the district. Two SC's one for regular works and the other for RWS are placed at every district. Each revenue division is supported by 6 executive engineers- one each for the RWS, and special projects and four for regular works. At the block, a Deputy Engineer who heads 2-3 Mandals is placed. At every Mandal, this line continues with three Assistant Executive Engineers/ Section Officers. The Engineering wing has remained separate from the PR.

The PR engineering wing, Mandal Education Officer, and the MPDO work from the Mandal Parishad office. The MPDO is the Executive head of the Mandal Parishad (Class II Officer). The EO (PR& RD), the Senior Assistant Officer, Junior Assistant Officer and the supporting staff are placed at the Mandal Office.

The area that demarcates a Mandal is strong administratively, with the functionaries of the various line departments being placed. However, the functionaries of Agriculture, Animal Husbandry, etc and many other have different set ups and have no links with the MPDOs. The other staff who are at the Mandal include the officer of Agriculture, Animal Husbandry, Literacy Organiser, CPDO of ICDS, RWS (JE), AE PR, a Health Officer for a minimum of 2 PHC, for every 2-3 Mandals, Horticultural Officer and Industrial Promotion Officer. At the district too, the different departments at the districts are also present.

The work of the MPDO relating to the PR (statutory provision) takes only 30% of the time, the rest of the time is said to be spent in implementing the RDD' work – DRDA, asset distribution and with the works related to social welfare department- khadi welfare, disabled welfare, pensions etc. The MPDOs work relates to one of coordinating the different works. In order to delegate some disciplinary powers to the MPDOs which would facilitate easy and efficient functioning of the administration, the government has passed a GO (dated September 20, 2003). The GO specifies that the MPDOs can award minor punishments and also keep under suspension the Superintendent, Extension Officer (PR&RD), Senior and Junior Assistants and Class IV employees. This was earlier placed with the CEO of ZP.

The Grama Panchayats are supported by the Panchayat Secretaries. 16000 Panchayat Secretaries are placed in the State. The Secretaries are from five different grades of administration placed at different GPs depending on the size of the GP and the magnitude of its function. The Secretary apart from assisting the GP in discharging its duties is expected to assist in the preparation of the village plans, prepare a list of households living below the poverty line, maintain list of beneficiaries under various schemes like Neeru- Meeru, Watershed programme, Joint Forest Management, and mobilise public participation for JB.

The GO (no 369) specifies that the Secretary will be under the administrative control of the GP, in keeping with the spirit of the Constitutional Amendment. However, the Secretaries are simultaneously responsible to the revenue department for revenue functions. This has given rise to misapprehension and overloading of work. The job chart of the Secretary lists 64 works. One view is that the minor works too are listed which has made the list elaborate. The day-to-day works of the Secretary is limited to inspecting and ensuring the functioning of the water works (water for drinking purposes), sanitation and streetlights and issuing the certificates.

Whatever this may be, the different roles has allowed for different lines of control. In reality the line of control and authority rests with the MPDO who is the drawing and disbursing officer. But the Panchayat Secretaries consider themselves to be accountable to four persons - the Extension Officer (PR & RD) as a line superior, the MPDO as salary disbursing and leave sanctioning authority, the MRO as the revenue work supervisor and the Sarpanch as the elected authority. The confusion is also because of the control that is exercised by the GO (NO.301) which also the suspension of the Secretary by the MPDO. The appointing authority is the Collector; therefore the suspension should also be with the Collector.

The confusion and ambiguity is also because of the fact that a separate line of control administers the GPs. The Collector of the district has a direct control over the functioning of the GPs. The Collector is assisted by the District Panchayat Officer. Prior to the sanctioning of the post of the Panchayat Secretary in all of the GPs in Andhra Pradesh, the DPO was assisted by the Divisional Panchayat Officer, Extension Officer PR&RD and the Executive Officer. The placing of the Panchayat Secretaries has also shifted the position of the EO (PR&RD) from the DPO to the MPDO. The change in the structure has left the DPO akin to “a head without body”. It is said that the government is considering shifting the DPO as Deputy CEO, Panchayats to the ZP.

Planning:

The Vision 2020 Document stresses on the need to encourage decentralised planning which would reflect the demands of the community so that the resources are not wasted but matched with local needs and conditions. The local bodies – the Grama Sabhas and the ZPs, would decide the demand- the Grama Sabhas would prepare the micro village level plans which would be integrated at the mandal and district levels. This would involve encouraging the local bodies to plan and assisting the local bodies and the communities in their new role. This, the government proposes to do. (FN: Ref: Vision 2020 document).

This vision is still to be made a reality, as of now the Grama Sabhas or the three tiers of the panchayat are not functioning as effective units of planning. The Chief Planning Officer, in charge of planning at the district, collects and consolidates information from the Mandals, from the ZP and also from the various line departments. There is no consolidated plan of all departments, with funds and priorities specified.

The 74th Amendment of the Constitution specifies for the formation of a DPC. The DDRC headed by the Minister, all MLAs, MPs and the Chairpersons of the district organisations like the co-operative Bank etc are members. The ZP Chairperson is the vice-chairman of DDRC. DDRC reviews all the developmental work in the district.

Of late, the government has decided to form the DPC (November 2003). The DPC have been given some shape by placing a Minister of Cabinet rank as its head. Representation is given to the elected members of both the urban and the rural bodies.

Organic linkage

The present Act, in order to bring in the linkages and representation between the tiers, invites the Sarpanchs to participate at the Mandal Parishads meetings and the Mandal Parishad Presidents to participate at the ZP. The heads of all the three tiers does not appreciate this “organic linkage” as it is considered as ineffective as this does not link them up either in terms of the functions that they perform or the funds that are released. The representatives opt for a reversal to the old system. In the earlier system, the Sarpanchs were elected to the middle-tier, from among them they chose a President and from among the Presidents the members of the ZP were elected. The representatives also perceive overlapping of the constituency of one tier with that of the other for e.g. the Sarpanch’s constituency, at times, becomes equivalent to that of a MPTC. This, the representatives of upper tier, resent. The resentment is accentuated by the fact that the roles of the different representatives/tiers are not well defined.

Size of the GP

The large number of GPs in the state poses challenge. There are as many as 21913 GPs in the state. The population of a GP varies from as low as 300 to as high as 30000. This has implications for very many things, the important ones being the funds and the functionaries that are associated with the GP. Administratively, it is found difficult to manage a GP which is big. In addition, the electoral base of an elected representative at a lower level may actually be more than that of an elected representative at a higher level. This causes a distorted power regime across the three tiers.

3.2 Functions devolved

The II Schedule of the PRI Act has specified the 29 Subjects which are to be devolved to the PRIs. In AP, 16 Subjects are said to have been devolved to the PRIs. The process of devolution has been geared up by way of GOs. 13 GO s have been passed over the years, between 1998/9-2001, which direct devolution from the state to the lower tiers of the panchayats.

The subjects/departments covered by the GOs are: (a) Agriculture and Co-operation, (b) Environment, Forests, Science and Technology, (c) Energy, (d) Education (5) Food, Civil Supplies and Consumer Affairs, (6) Health, Medical and Family Welfare, (7) Industries and Commerce department, (8) Revenue-“Maintenance for Community assets”, (9) Social Welfare, (10) Transport, Roads and Buildings, (11) Women Development, Child Welfare and Disabled Welfare, (12) Youth Advancement Tourism and Culture, (13) Panchayat Raj and Rural Development.

The claim is that the powers and functions have been transferred from the various departments to the panchayats. Since there has been no attempt to transfer the funds and the functionaries, the GOs have remained effective only on paper. In essence, the functions have remained with the line department. For e.g. the functions of education in terms of the staffing, the construction and opening of new schools, management of the staff and the educational process, the allocation of finances and the implementation of various schemes are with the line department. There are many more examples which indicate that the GOs have not been effective mechanisms for transferring the said functions. (For a detailed analysis- see SERP Report cited above).

In a recent move, the government announced devolving the rest – 7 to 8 - functions to the local bodies. Other than the subjects of rural electrification and housing, the government has decided to transfer all the other subjects to the local bodies. The Cabinet sub-committee on empowerment of local bodies, which took this decision, is also considering the decision of giving the powers of transferring school teachers to the ZPs (Ref: Deccan Chronicle, Thursday November 6, 2003). If the new initiative is based on similar lines as earlier, the results are a foregone conclusion.

Training

The Andhra Pradesh Academy of Rural Development set up in 1952 functions as the main training institute. The Academy is connected with four-extension centres - at Samarlakot, Bapatal, Sreekalahasthi and at Rajendranagar (Rangareddy). The Academy is headed by a Commissioner who is a Senior IAS officer, supported by a Special Commissioner (from the Indian Forest Service), Joint Director Administration and Joint Director Training. The Centre for PR is one of the seven Centres of the Academy.

Two rounds of training have been conducted so far, the first in 1996 wherein the elected representatives- all Sarpanchs, women ward members, few MPTCs and ZPTCs, all the ZP Chairpersons were trained. From 2001 till date, all the Sarpanchs have been trained. The second phase of training programmes also covered the members of the functional committee. The programme would also cover the ward members (from 15th December).

The training imparted at APARD includes a TOT of six days to teachers, retired government servants, the PR& RD functionaries, NGOs and a few of the PRI representatives. A 6-member team is grouped to visit the erstwhile block and conduct a 4-day training to the Sarpanchs, 2-day programme for the ward members and so on. The strategy of training adopted for the ward members is different. State level resource persons are trained at APARD for two days; they in turn conduct 4 days TOT at the district level. The district level trainees in turn conduct a two-day programme at Mandal or cluster of six to seven villages. The training programmes are preceded by a TNA that is conducted in collaboration with UNICEF.

The curriculum, in general, covers the powers and functions of the elected representatives, the meeting procedures, financial resources and its utilisation, development of agricultural and rural artisan, micro-planning etc. There has been no special course designed for women, the constraints faced by women, the socially placed lower caste are a part of the curriculum. A holistic approach is given by covering all of the rural development activities such as child labour eradication, water and sanitation, etc.

In the year 2002-03, the amounts of Rs.2.77 crores have been released by the State. In addition, the Centre has released Rs. 5 crores. These amounts are earmarked to cover the training expenses of the elected representatives. In addition to this, a comprehensive training Action plan has been prepared at the Academy for increasing the capacities of the PR representatives. The GOI has agreed to finance 75% of this, the rest will be borne by the State. The Action Plan also proposes to cover the representatives once in six months. (Since the programme has had a late start, this is yet to begin. Also, the field perception of the training programme indicates that some percolation has occurred. A few of the Sarpanchs have been trained on issues covering their roles and responsibilities one time, as soon as the elections to the PR were held).

A Master plan has been prepared to improve the training infrastructure. As a policy decision, the State has approved of reserving 1% of the budget of the PR&RD department to training and capacity building. Films, training module and other materials have been developed at APARD. The television is used as a medium to reach out messages. KU Band is used by APARD to train the functional committee members.

3.3 Finances

The 73rd Constitutional Amendment has stipulated for the formation of Finance Commissions at regular intervals. In AP, two Finance Commissions, one in 1994 and the other in 1998, have been constituted. The First State Finance Commission submitted its report in May 1997. The Second Commission was constituted in December 1998 for an 18-month term. This was extended up to March 2002 in order that all the information from the local bodies, which has been slow in coming, is compiled. The mandate of the second commission is the same as the first. The SFC has not been instructed to give more funds to match the functions that are said to have been devolved by introducing the GO' s. Limited funds are devolved to the lower tiers. The second SFC puts the total funds devolved at a little over Rs.200 crores per year in stark contrast to the total requirement recommended by the SFC that is Rs. 1793 crores per year.

The Funds of the ZP: The ZP is dependent on the state and central government for funds. The funds are scheme bound. The ZP funds also include income from the rented out buildings, commercial complex, cess, and surcharge on stamp duty, per capita grant, entertainment tax which are collected through the treasuries.

The Funds of the MP: The MP funds include per capita grant, cess, surcharges on stamp duty and revenue from remunerative enterprises. The per capita and the establishment grant flow from the state to the ZP and then released to the Mandals. The per Capita to ZP is Rs.2, Rs.5 to the MP and Rs.8 to the GP.

The "own" funds of the ZP and MP are to be spent based on certain guidelines, 30% for the maintenance of school building, 15% for welfare of SC, 6% for ST welfare, 15% for women, 9% for purposes of ensuring emergency drinking water, 16% for office maintenance, 4% unforeseen contingency, fairs etc.

The Funds of the GP: In addition to the funds that are released by the Government for schemes and the 10th and 11th Finance Commission, the GPs have some powers of taxation. The main source of GP's own income is from house and entertainment tax, stamp duty and

professional tax. The GPs have the discretion to use the own funds in the manner decided by them. But the “own” revenue amounts collected are negligible compared to the total revenue. (Ref: the figures collected earlier for some of the GPs over a period of three years indicated that the income source from JGSY forms the bulk, followed by the amounts released as 10th Finance Commission Grants. The income collected by the GPs, by way of own sources, is on the lower side).

The expenditure of GP relates to the salaries of those working at GP, maintenance of streetlights, etc. Tallarevu Mandal Parishad of East Godavari has an income of Rs. 15 lakhs from all sources. All of this is needed to take into account the maintenance and repair of school buildings.

Even the bigger GP with “more” revenue have certain constraints where the percentage spent on salary and establishment costs out of total expenditure in each tier is sizable. For e.g. Davaleshwaram GP with a population of 50000, has an annual income of Rs. 60 lakhs. Rs.24 lakhs is the GP’s own income collected by way of house and water tax collection. The other receipts under this head include the rental from the theatres, building plan approval, market fee, stamp duty fee etc. More than 80% of the income is used to pay the staff of the GP –bill collectors and also the scavengers. Rs. 22 lakhs is spent on this. (The government guideline of allotting only 30% for purposes of paying salaries has not been /cannot be met.).

The other major constraint is the tardiness in fund flow. This can be illustrated by taking the example of sand sales. The amounts collected by way of sand sales are released to the three tiers in proportion of 25, 25 and 50 percent to the ZP, MP and GP. The problem is one of releasing the amounts after a long gap. The members of Davaleshwaram GP complain of not having received their share of the monies even after three years of having auctioned the sand. Sand Auction Committee at the district: ZP Chairman, CEO of ZP, AD mines and Geology, Executive Engineer of river conservation, Joint Collector, DPO Member Convenor, one Sarpanch and one MP President as its members. The ZP Chairperson chairs the committee.

3.4 Operating Procedures

The key to AP’s high level of decentralisation is the manner - their ‘operating procedure’ - in which line departments have sought people’s participation through user groups, janmabhoomi gram sabhas and the like. To these bodies, funds from the department budget are passed on, and pooled with the contributions made by people for projects approved in the JBGS. MPDOs are key to this process, and the six monthly janmabhoomi serves as an effective monitoring mechanism. The state feels this way of operating works well. The problem is however that the elected representatives, feel marginalised by this operating procedure. They have no role in the decision making process, and refer to this operating procedure as a ‘parallel system’. Given that the subjects decided upon in this manner are also those that the 11th schedule has kept for the PRIs, this becomes a delicate matter. Attempts have been made to give the PRIs a role through various forms of linkage⁶⁵. These do not seem to have the desired effect. What the elected people want is not just decentralisation and people’s participation, but also a role for elected representatives in a system of representative government where they are elected by the people.

3.5 Information Management

⁶⁵ Sashikala Sitaram’s report, cited above.

Introduction 'Electronic Government', i.e. IT based services in order to de-mystify procedures and improve the citizen -Government interface is one of the highlights of the Vision statement. This would also help the government to become a SMART government- Simple, Moral, Accountable, Responsive, and Transparent government by improving transparency and accountability and ensuring effective and responsive services. The Vision document states that the government would automate its services and create electronic networks at all points of contact between the people and the government. Such facilities would provide quick and convenient access to government departments for services such as obtaining a ration card, or procedures etc. Information kiosks would ensure round the clock access to services for all.

The ZP and MP manage office administration with computers. Smaller GPs do not have such facilities. Computerisation at the GP would help in tax collection, bill generation, issues of caste and other certificates and in following up the Citizen's Charter. Out of the 22 thousand and odd GPs in the State, 2000 can afford to invest in a machine on their own. The State government has specified that in order to do this, the GP fund should at least be around Rs.3 Lakhs.

The information available at every GP office covers:

- Citizen's Charter: covering the basic duties of the GP: issuing of certificates, licenses and services.
- Social Audit: works of the GP during the year: SGRY, 10th and 11th finance Commission, Food For Work details.
- Basic information of the GP, facilities that are available
- GP members list.

Info available at the MP includes:

- Citizen's Charter (grievances, time taken to address the grievances)
- General Information of the Mandal
- Names of the members.

At every MP and at the MP/at every block, KU band is installed. Information on agriculture, education, health, etc. is passed on using this.

The JB initiative can also be considered a good example which has facilitated information management. The management of data pertaining to a district and below and its availability has been made possible due to the involvement of all the officers in a district- Collector, Nodal Officers and so on.

3.6 Accountability Mechanisms

There is a wide array of horizontal and vertical accountability mechanisms but most of them are weak in nature. The administrative set up has remained separate from the democratically elected representatives. The technical experts of administrative wing do want to hold themselves accountable to the elected representatives.

The administrative structure defines clear-cut accountability mechanisms to the higher ups. However, even in this, a certain degree of ambiguity has crept-in with the placement of Panchayat Secretaries at every GP. The Secretaries are held responsible by the MPDO who is

the drawing and disbursing authority, leaving the DPO who was earlier supervising the work of the Secretaries is left in a limbo.

The administrators are given the powers to check the working of the elected representatives. The Collector/DPO can check the functioning of the Sarpanch. The DPO can suspend the Sarpanch, check the resolutions of the GP, the records of the GP study the expenditure pattern, and give a show cause notice of thirty days. In this, it is not mandatory for the DPO to take the opinion of the GP members. The punishment for the Sarpanch is of three types - the cheque-drawing authority given to the Sarpanch can be removed or the Sarpanch is suspended or the Sarpanch can be removed.

As the Sarpanch is directly elected, the provision of the no-confidence motion of the GP does not apply. The other measure of accountability is that the GP members can write to the Chief Minister's office which will be registered. The Collector/ the unit officer has to take this into account.

The other important measure of accountability is the Grama Sabha.

Grama Sabha:

Section 6 of the PR Act specifies Gram Sabha to consist of all persons who are included in the electoral roll of the GP. It specifies for the conduct of two mandatory GS's every year. Accordingly, two Sabhas one on April 14th and the other on October 3rd are conducted every year.

The GPs "manage" to hold the GS. The accounts of the GP are to be read at the GS. The Sabhas are said to facilitate in beneficiary selection for various programmes. However, the requests for benefits and the contenders are so many that the GPs cannot full fill all of it. The Sarpanch is not keen on holding the GS as s/he is asked too many questions. Also, the accountability measures point at the Secretary of the GP for not holding GS and not the Sarpanch.

Other than the PR GS, there are many more GSs which are conducted - sabhas are conducted as and when the need arise, for launching drought relief programmes, to select beneficiaries for allotting loans from the BC Corporation, for allotting house sites, ration cards, and many more. The number of issue based GSs are on the increase, as such the villagers and the members of the GP are not keen on adding "more" number of mandatory sabhas.

The sabha/s that runs parallel to the PRGS are the JBGS. This programme is parallel to the PRIs as the three F's- funds, functions and functionaries of the PRIs are channelised through this. JB forms the base by which a number of programmes are converged. At the JBGS widow pensions are given, ration cards are distributed, bicycles are given etc. Also, the JBGS also forms a mechanism of accountability where the various stakeholder committees (discussed elsewhere in this report) present their progress.

So far, many theme based JBGS have been conducted; July 2003 marked the 19th round. The GS of JB Programme is often mistaken with that of the PR GS. JBGS has more visibility. Of the two, the JB GS is rated high as the number and regularity of the officers attending it is on the higher side.

Audited reports:

The Local Fund Audit audits the ZP, MP and GP. The main allegation heard at the field is that the audited report is not made available to the local bodies immediately. The procedure would be to place the audited report before the General Body of the respective panchayat, the CEO to send this to the Commissioner who should send it to the treasuries. This is not done. Of the 976 GPs in Vizag district, more than 850 have been audited but the action taken on audit is nil. In fact the time lapse is as long as 4-5 years.

The statements issued by the Director of the Local Fund Audit, which were collected from the ZP at Vishakapatnam district, clearly show the delay in time. The ZP General Fund Audit of 1997-98 was received by the end of 2001. For the following year-1998-99, the audit report was received in February 2003.

3.7 Interface with People

JB initiative is a good example of a mechanism by which the district officers are interfaced with the people. The JB calls for an interaction of the administrators with the people at the GS. So far 19 rounds of JB GS have been held. JB has ensured co-ordination between the different officials of the Mandal.

Committees:

Any discussion on decentralisation in Andhra Pradesh needs to take into cognisance the various committees which have been facilitated by the State government at the grass roots. At the field, the committees are referred to as either user groups or self-help groups and/or community-based organisations. As discussed in the section on Vision, the committees/groups are considered essential in order that people's participation is ensured.

There are any number and types of committees in a village; the list is endless-.library committee, works Committee, Purchase Committee, Police Mythri Sangham and so on. However, the main groups that can be identified are the groups for youth- Chief Ministers Youth Committee, Watershed Committees in dry land, and Vana Samrakshana Samiti in villages with area Mothers Committee in every Anganwadi Centre, School Education Committee in every school and Water Users Association. They have been formed from 1997 onwards. The different committees are said to have been conceived in order to address the reduction of different dimensions of poverty – income poverty, environmental poverty and human resource poverty. For e.g., the dimensions of income poverty are addressed by groups that encourage thrift and credit policies and income generating activity as they provide opportunities for savings, engage in economic activities and thereby increase income and so on⁶⁶ (Eg. DWACRA, CMEY and DPIP)

It is beyond the scope of this report to discuss the functioning of the various committees. It is suffice to say that the committees do perform some important functions. For e.g. the most vibrant of the committees- the School Education Committee has been effective in building up school infrastructure and also to some extent assist in enrolling the dropouts back to school. Conversational Interview held at Purushothampuram GP has revealed that the Mother's committee has been effective in:

- Helping people to become aware of the work done by the Anganwadi

⁶⁶ Self Help Groups, Panchayat Raj Institutions and Line Departments, Paper prepared by SERP, 2002.

- Helps the parents become aware of the nutritional defects and needs of the children
- Scrutinises the quality of products by which the Anganwadi worker runs the anganwadi.

The Committees, however, run the risk of being an extension of the government.

None of the committees listed above are with the panchayats. However, time and again the government has sought to create inter linkage between the various committees and the panchayats by inviting either the participation of the ward members (for e.g. the watershed committee) or by inviting the Sarpanch to head the Committees. The congregation of the committees – the Habitation committee- constituted at the habitation level is headed by the Sarpanch. The Habitation Committees however have remained on paper; it has not been assigned any function. The States claim of integrating the panchayats with the committees has not been made a reality (Reddy 2003) (FN: Ref: Status of Decentralised Local Bodies, Post- 73rd Amendment Scenario, EPW, March 22-29, 2003).

Even the members of the ruling party oppose the policy of the government of having too many committees. But the government has continued to constitute “more” committees. Of recent addition to this is the constitution of the Functional Committees (vide GO 174 in June 2003). In order that the GPs, which are focal points for accelerating the pace of development, five Functional Committees- for natural resource management (including agriculture, horticulture, dairy, fisheries and water conservation), for human resources (education, health, women and child welfare and other related subjects), for employment generation and self help groups, for finance and planning and for works and infrastructure development.

The GO specifies that each of the committees should consist of a minimum of one and a maximum of five ward members, MPTCs, two leaders of women self help groups and two experts are co-opted. The Sarpanch is the chairman of all FCs. The functionaries of different line departments can also be co-opted, if their services are required. The Panchayat Secretary is the member convener of all the committees.

The five functional committees do not specify the merging of the different committees that are operational in the village/GP. The GO states that the Chairpersons of the existing committees like the School Education Committee, Mothers Committee, Watershed Committee etc. “automatically become the members of the relevant functional committees”.

The GO also specifies the formation of Janmabhoomi Abhivridhi Samakhya (JBAS) which is the apex body formed to look after the over all planning, co-ordination and integration of the sectoral plans to form and approve the village vision document, five year plan, and the annual plans. The Samakhya will also review periodically the plans.

In the GPs visited, the FCs have been constituted. In Mahabubnagar, the members have met once. But in other districts, the GP members are not even aware of the composition of the committees and the involvement of the various stakeholders.

The composition of the FCs, in many ways, resembles a miniaturised Gram Sabha. Many complications would arise when the committees become effective. The probable implications could be one of (a) dynamic power structure changes between the Sarpanch and other members of the committee (b) representation to weaker sections may be compromised (c)

parallel power centres within an FC given that funding to many local bodies are not routed through the GP.

The Sarpanch Association has been vocal in opposing the formation of the functional Committees. The Association has placed on record its demand to cancel the GO No. 174, which gives administrative sanctity to the five functional committees which can take up development programmes in the village “impinging” on the independence of the GP. (FN: Ref: Times of India, 19 July 2003).

4. Conclusions

The PRIs in Andhra Pradesh have remained weak. Both the PRIs and the various committees that are placed are looked at as extension of the State government. The rural development activities have been kept separate from the PR, the structures placed are different. There are very few functions that are placed with the PRIs. The Act and the subsequent GOs which claim to devolve more functions to the panchayats have been ineffective as the funds and the functionaries have not been transferred. In the present set up, the middle tier has little role to play. The MPTC feel that they have been making promises to the people at the time of elections but cannot full fill any, as they have no role to play.

There are many issues related to the PRI's which have been impinged upon. The formation of the Functional Committees, which invades on the functions of the GP, is one example. The other is related to channalising the funds of the 11th Finance Commission for construction of individual toilets. Many more examples can be cited. The Association of Sarpanchs has also been raising objections to some of the interventions/ subjugation of the panchayat system.

The innumerable committees that occupy the rural landscape have become mechanisms of ensuring political employment. Some of the committees perform useful functions but the scope is limited, as the committees are becoming extension of the government machinery. The resentment is also that the committees run parallel to the elected system of panchayats. The statement of Vision 2020 document that calls for both the panchayats and the committees/JB initiative to achieve a common goal is not found appetising. The ZP Chairperson and the members of East Godavari district strongly suggest that the parallel bodies that are at all the levels should be removed. They point out that the DDRRC functions parallel to the ZP, the Nodal Officers of the JB programme work at the Mandal, demeaning the importance of the MP and the various stake holder committees formed at the village cut into the roles of the GP. This was also the view of the ZP president in Vizianagaram, a highly educated lady.

The Vision document recognises that the 73rd and the 74th Constitutional Amendments and the State's legislation have provided for the devolution of power and responsibilities to local government and provide some basis for local bodies. The challenge is to make it operational. This challenge remains.

3. What can States do to improve their PRIs?

When drawing lessons for good governance from these, we realized that the best practices have emerged from a specific temporal context. These cannot be used as universal models to be applied directly as it were. We have therefore tried to cull out some basic principles for effective decentralisation that seem to emerge from the State reports. It will have to be seen in that context and good governance requires that due diligence be used in attempts at replicating best practices from elsewhere. This is, needless to say, a challenging task.

1. Political Commitment and Consensus

At the most basic level, decentralized governance through Panchayat Raj Institutions (PRIs) must involve ideological ownership within and across the broad spectrum of political institutions in the State. This necessitates a 'commitment to' and a 'consensus for' greater rural decentralization among all political institutions. States like West Bengal and Kerala reflect a strong commitment and consensus (Kerala in particular) for decentralized governance through PRIs, while ideological differences and lack of consensus among political parties in Karnataka has resulted in political re-centralization after a period of greater decentralization. Andhra Pradesh, on the other hand, has shown increasing faith in local bodies and user groups and these have emerged as parallel institutions to the PRIs.

It is only when decentralized rural governance gets political commitment and consensus that it will be sustainable.

2. Structure/staffing

PRI Structure - The 73rd Constitutional Amendment that gave the impetus to PRIs provided for 3 tiers – at the district level, at the Taluk/Mandal level and the grama/village level. But many states have created additional levels - Vasathi sabha in Karnataka, Gram swaraj in M.P, Gram sansad in WB, ward sabhas in Kerala. This is in an effort to make the gram sabha function effectively as both an instrument of accountability as well as of giving people effective voice over local affairs. The additional levels have often been created where geographically the area under consideration is wide spread, making it difficult to bring the representatives together for meetings etc.

Even at the state level, there are some variations in the placement of the Rural Development and Panchayati Raj Department – a directorate, a secretariat or both etc. PRI are seen as the responsibility of this Department. Other departments do not feel they have anything to do with PRIs, except perhaps some co-ordination at the local level. This is best noted in Karnataka, where the elected representatives are referred to as 'non officials', thus giving them the status of a nuisance to be tolerated. It is not very different in some other states.

Principle

It is well known in biology that FORM follows FUNCTION. This could also be a good basis for designing the PRI system. Structure should enable wider participation, should enable accountability both upward and downward, the units should be logical planning units for development programmes i.e. homogeneity, common resource base etc. The issue is one of appropriate form for the functions that states devolve to the PRIs.

It was also articulated in different forums that the size of a GP is very critical, that GPs of smaller population were not viable economic units for governance. Is the size of a GP to be

determined on the basis of some criteria of viability, or of local democracy? MP has gone in for smaller panchayats because they are sites of democracy. Karnataka has larger GPs as some minimum size is considered essential for a body to function in a viable manner. In AP the GPs range greatly in size. The criterion on which a GP is visualized has to become clear for this issue to be settled.

Staffing – Very few states have staff recruited directly by the PRIs. The most common staffing process is deputation or placement of services of staff of line departments at the partial command of PRIs. Where there were efforts at transferring state government employees of line departments to PRIs, there has been resistance, even to the extent of threatened strikes and stay orders. Apparently, there are legal implications to such transfers.

One of the problems of deputation or leased services has been that of 'dual loyalty', especially when the salaries come from the parent department and the service records are rooted there. Another issue that comes up in the context of staffing is whether the line department personnel deputed/posted to PRIs have a 'reporting' relationship to the elected representative and whether their annual confidential report is written by the elected representative.

In addition, the technical capacity of PRIs especially at lower levels is limited as the staff at that level is mostly class 4. This puts constraints on what functions can be devolved and creates dependance on the line departments which continue to govern.

Principle

The PRIs need to be staffed at all the three levels in such a way that is commensurate with the function devolved to that level. Ideally this is by direct recruitment with the technical help of the respective line departments. The direct recruitment also clearly establishes whom they are working for. If the concern is that the elected representatives will recruit unsuitable persons, then a selection board like in WB can take charge of the process. By declaring some cadres to be 'dying cadres', MP has opened the door for a panchayat level staffing pattern.

Another point to note is the need to staff PRIs in such a way that not only administrative capacity but the technical expertise/competence of PRIs in sectoral issues (such as Rural water supply, primary education, primary health services, rural industry, irrigation, social justice, women and child development and so on) is available within the PRIs. At what level the staff is posted should depend on the function/level to which it is devolved. Staffing terms or job descriptions should clearly define that at each level, the line staff are accountable to the PRIs' elected representative. Line departments must function as providers of expertise and resources, rather than as direct implementors of programmes and schemes. (See the section on staffing in WB State report)

That the PRIs in most states do not have the financial capacity to directly recruit their own technical and administrative staff is a well known fact; they are yet to raise their own funds and this also is the result of not enough financial devolution from the line department outlays to the PRIs with functional devolution. But even when they are dependant on grants from the state, the funds should be with the PRIs which make monthly salary dispersal to the PRI staff, whether on deputation or directly recruited.

2. Devolution of Functions

The 11th schedule has specified the 29 functions that may be devolved; each state claims to have devolved the 29 functions but to what extent and what way is questionable. The states have interpreted this in their own way as there are no specific instructions on what constitutes the devolution⁶⁷. Consequently in some states it is a relocation, in others it is deconcentration from state capital to the district offices, and in a very few is there an actual transfer of the 3Fs- the functions, finances and the functionaries.

Principle

The most basic one is that of the Principle of Subsidiarity – that is, what can be done at a certain level should not be done by the higher level. This has very clearly emerged from the Activity Mapping exercise of Karnataka⁶⁸. The clarity of relative roles and functions of each tier in each function/programme must form the basis for functional devolution process to the PRIs.

The second important principle is that - With the devolution of a function, the staff and funds that are needed for carrying out that function should move to the PRIs. This also means that the line department from which a function is devolved, must give up the staff and funds that were with them to the PRIs which now deals with that function. (See Kerala and WB State reports on this process)

3. Financial devolution & Planning

There is a wide variation in the states in terms of finances devolved to PRIs and the heads under which they are made available; the formula used in calculating what is the share of the PRIs is not uniform. In general it is found that most of the finances that are 'granted' to the PRIs are tied, schematic and conditional.

The recommendations of the State Finance Commissions is not fully complied with; in most states finances devolved is less than what the SFC has recommended⁶⁹. In addition, the finances come in two or three installments to the district treasury, which in turn has to release it to the PRIs. A common phenomenon also noticed is that much of the funds supposedly devolved to the PRIs continue to be with or under the control of line departments, except in a few states like West Bengal and Kerala.

Financial devolution is further constrained by the limited resource available to the states; most states are running under deficit financing and are reported to be short of funds to pay even staff salaries. The PRIs which have the power to raise their own resources have done little to augment their own resources and they remain dependent on dole outs from the State.

⁶⁷ This has been discussed in the World Bank reports cited earlier, and in Vinod Vyasulu, Panchayats, Democracy and Development, Rawat, New Delhi, 2003.

⁶⁸ Report of the Working Group on Decentralisation, GOK, Bangalore 2002.

⁶⁹ This itself is not high. In most states, the devolution is given as a percentage on the state's own, non loan resources. The state government resources also include its share from the Government of India on the basis of transfers from the Finance Commission and Planning Commission. These are excluded from the devolution to PRIs in the terms of reference of the state FCs.

To further complicate matters, planning remains top-down and department-centric. The constitution envisaged that the District Planning Committee (DPC) would be entrusted with the role of integrating plans that emerge from the lower tiers. In most states the DPCs remain largely dysfunctional. The ZP, therefore, plays only a marginal role in the planning and allocation of funds. In addition, the top down and scheme based approach does not allow for plans to emerge from the GPs which in any case are hindered by little planning support and poor participation in Grama Sabhas.

Principle

The first action to be initiated is to encourage PRIs (not just GPs but all the 3 tiers) to raise their own resources. The best practices from MP and Maharashtra are worth learning from -. Local bodies can only become self governments if they use the tax power given to them in the constitutional amendment. There is also a theoretical basis for this⁷⁰ at the gram panchayat level. One way of encouraging this is for the State to give an incentive by way of a matching grant when a PRI unit raises its own resources, as in Tamil Nadu.

Most of the grants and finances devolved should not be `tied' to schemes and programmes; the State can define sectoral outlays but the choice of specific programmes/schemes taken up by the PRIs should be left to the democratic decision-making process within the elected bodies. For the purpose of devolution, while deciding on the proportion of funds to be devolved, the total of state funds (the states own plus the central release) should be considered; not only the states own share. The funds should be lodged closest to the point of action i.e. where expenditure is incurred.

The flow of funds should take the shortest route and not get caught at each level (from the state to the district treasury to the ZP to TP and GP), with resultant delay, cuts and control by the officials of that tier. It is important that this financial freedom be tempered by clearly established accountability mechanisms which will provide the necessary checks and balances against misuse; in this context, auditing of PRI accounts by the AG's office is a must.

The planning process must be made more participatory, rational and complementary to financial devolution. It has to emerge from the grassroots level through micro-planning exercises and consolidated at the upper tiers. DPCs should be formed and must be fully controlled by the District Panchayat/Zilla Parishad. Rationalization of schemes is imperative in order to enable better resource utilization and reduce bureaucratic control. Finally, the planning process must complement the financial autonomy imparted to the PRIs.

4. Operating Procedures

There are no uniform operating procedures in the PRIs in different states . These seem to be procedures with reference to specific schemes and programmes being implemented by the PRIs. The procedures seem to define decision making points, involvement of CBOs and NGOs or community participation and so on (see for example the SSK programme of WB). In some of the programmes with 'external aid', these are determined by the funder also. The common operating procedure that is followed has reference to accounting and financial discipline, financial powers and limitations, payment procedures, billing, tendering, contracting and so on.

⁷⁰ Indira Rajaraman, A Fiscal Domain for Panchayats, Oxford University Press, New Delhi, 2003.

Looking at another dimension of operating procedures for programmes and projects taken up by/for PRIs, the 'Mission set-up' (MP) seem to be perceived as effective. In most of the states we have parastatal bodies set up by the line department for specific sectoral programmes/schemes (for example water users body, village education committee, water shed committees); they seem to be of technical assistance to PRIs. One of the interesting procedures used in Maharashtra is the 'transfer schemes' from the line department to PRIs. In the mission mode, the resources and skills needed by PRIs for implementing works is provided to them; once this is done, the missions are disbanded.

Another aspect of operating procedures is the manner in which the state works. In AP, this is governed by government orders issued from time to time by the line departments. An order issued in this way can be modified or even reversed by the same department. It also gives power to line departments to dictate how PRIs must work. Other states, in particular, West Bengal and Karnataka, have operated through legislative changes.

Principle

A general principle to be kept in mind is that the prescribed operating procedures do not weaken or marginalize the PRI or the elected representatives. Major issues must have legal sanction. GOs must only relate to specific cases, not policy matters.

The operating procedures should enable/smoothen reaching goals efficiently; common causes for delays in the state bureaucratic set up (like the transparency clause, need for three quotations, work by only approved contractors, and procurement by approved suppliers, outdated rates and specification etc) need not hurdle the time bound development programmes taken up PRIs (see the set up of RGM in MP, the Rural sanitation programme in Maharashtra and WB). The Karnataka experiment of a law of fiscal responsibility for local bodies, which requires them to maintain proper accounts, may be worth watching as financial discipline may also support other discipline. Also the RTI, which gives people the right to information, if implemented, would be useful for maintaining transparency.

5. Information Management

The information needs of decentralized governance are different from that of, say, the corporate structure. The key feature of such an Information Management System is not only upward flow of data and information to officials but also its availability to the elected representatives and people. The information has to be gathered in a participatory way and be presented in a people friendly form.

Principle

Information must be available at the relevant level of the PRI in a usable form (e.g. village development register, village citizen's charter) and empower the PRIs in their governance (such as the use of District Development Indicators in the training of PRI representatives in WB) while facilitating transparency and accountability.

Allocations to local bodies should be made public. In Madhya Pradesh, the practice of adding a Part C to the budget, detailing the allocations to all local bodies in the budget document

itself, makes this information available to all tiers and reduces the uncertainty in the PRIs about their resource position.

Use of IT can be made to enhance effective decentralized governance in more ways than one. Citizen Centric e-initiatives in Andhra Pradesh (e-seva) and Karnataka (Bhoomi) can be replicated to foster greater transparency and accountability. Satellite based training (such as in Karnataka and AP) can assist the capacity building programme for PRIs.

Information Management should not be seen as serving the purpose of punitive action but for enabling the process of planning, accountability and transparency in governance. If officials and elected representatives are constantly being judged on information gathered, there will be a tendency to 'tailor' information to avoid punitive action. Such IM does not serve any useful purpose.

6.Accountability Mechanisms

Here again accountability is to be seen as both upward and downward accountability, as well as lateral accountability between officials and the Elected Representatives of a given tier of the PRIs.

Accountability mechanisms are not to be made mechanisms of power over someone or means of a hierarchical relations but as 'providing checks and balances' against misuse of powers and resources by a few influential sections of the society. However, most of the provisions in place have been put in place due to ad-hoc exigencies and requirements – a systematic and holistic view to enhance accountability mechanisms within PRIs is yet to be attempted.

The Janmabhoomi of AP and Gram Sampark Abhiyan of MP are interesting examples. Karnataka has jamabandi. The Right of Recall of elected representatives in MP is another interesting accountability mechanism. In Rajasthan, the Mazdoor Kisan Sangharsh Sanghatan has begun the practice of Jan Sunwais - public hearings on developmental issues. This is similar to a Gram Sabha, except that the initiative has come from an NGO. The beneficiary committees of WB and Kerala also provide an instance of those who are to benefit from a scheme having a say in the implementation of the work. This could also be adopted.

Gram Swaraj in MP has become the most daring example of almost direct democracy. This is worth studying in greater depth. That this body has powers of approval, of supervision of staff, makes it interesting. More mandatory Gram Sabhas and Mahila Sabhas (Maharashtra) and Vasathi Sabhas in Karnataka, Gram Sansad of WB all suggest that this type of local democracy has potential to enhance accountability.

Principle

Deepening democratic participation is one of the most important accountability instruments and vitally central to the true and efficient functioning of these institutions. However, in order to promote, encourage and achieve such participation and such accountability, functional and financial decision-making autonomy at the local level is a prerequisite. If people's participation is merely to voice their grievances where decisions get taken by others or at higher levels, or where decisions cannot be backed by resources that give those decisions shape, then popular enthusiasm cannot be sustained. Neither can functionaries at the lower level be held accountable, for while they might have had a role in decisions, such decisions in

effect were taken by functionaries not answerable to the people for whom those decisions were taken

Secondly, the three tiers of local self-government are different in their functional, spatial and administrative orientation. Thus, mechanisms to ensure accountability at each tier must address these different requirements. The spatial proximity of the top two tiers to the State Government suits strong internal control structures in the form of regular accounting and auditing, performance monitoring and strong line of command. On the other hand, the spatial distance of GPs to the State Government and their proximity to the people calls for stronger downward accountability structures viz. strengthening of the Grama Sabha, transparency in works, micro-planning, display of charters, etc.

Accountability provisions and procedures must be backed with legislation such as the Fiscal Responsibility Act for Local Bodies in Karnataka or the Right to Information Act in Maharashtra.

7. Interface with people

The 73rd Amendment provides for the Grama Sabha as the key forum for interface with people. In most states, the Grama Sabhas have remained in the fringes of participatory democracy and decision-making. Lack of attendance in Grama Sabhas and an agenda limited to beneficiary selection have considerably weakened the Grama Sabhas.

Principle

Interface with people keeps representatives and civil servants in touch with the realities at the ground level. It makes it possible for people to present legitimate requests and feedback to planners and decision-makers. This, therefore, calls for a non-threatening and easy facilitation for interaction.

In addition, different states have evolved other processes and channel for enabling better articulation and interface with people such as the Gram Sampark Abhiyan in MP, Janmabhoomi in AP, Jamabandi in Karnataka, etc. What works in a given context is perhaps the only criterion on which to base a choice. What would be important is to integrate such a practice so that transparency, accountability and people interface are in harmony with each other and serve the purposes for which they are put in place.

Within the ambit of the 73rd Amendment, it is necessary that Gram Sabhas provide the channel for articulation between people and administrators/representatives. Thus, each and every way must be explored to activate Gram Sabhas. A clear functional direction must also be provided for effective functioning of the Gram Sabha. The powers of the Gram Sabha must be strengthened to bring under its review the functioning of the local officials and representatives.

8. Other key issues

a) Training and capacity building for decentralisation

There is a growing realization that for effective decentralisation, there is a need to build the capacity of the PRIs. In fact, both in AP and WB, they pointed out that training should get the PRIs take over and the Line departments to 'let go' some of their functions.

The training and capacity building in the states of Karnataka, WB and Maharashtra are a serious and systematic function. There are full fledged institutions with adequate resources dedicated to this. These 3 states have made progress in building the capacities of the elected representatives in different ways, but also realize that much more needs to be done.

Principle

Training for PRI representatives have to be Participative, exercise based, interactive methods, designed for each category of elected representatives. It has be run locally in a friendly, non-class room like manner to orient, familiarise, and encourage the trainees in their role in local self governance.

The training has to build up sectoral/technical competence; and for this the curriculum needs to be designed with the help of the line departments or other resources.

In all cases, there has been a component of action research that underlies the material used the training. In all these cases, an interactive methodology has been used in training- in Karnataka, IT technology has been deployed extensively. This is not necessary for a good training programme, as WB has shown, but other states may be able to build on such inputs. A deeper study of these training programmes to learn how they can be adapted to specific needs would be useful.

The training and capacity building is not to be seen as a one time activity ; often a 3 or 5 day training soon after election is often seen as sufficient. What is needed is an ongoing capacity building as more and more gets devolved to the PRIs.

(b) Micro-planning

This is an area where Kerala and West Bengal have much experience. In both cases, not just the local bodies, but also the people have been mobilized. However, the ideological underpinnings are very different from that in other states. This would also merit great in-depth study. Karnataka and Maharashtra too have planning processes at the district level that are institutionalized and function well.

Principle

Local level planning, if it is to be successful, must not only mobilize people to voice their demands and requirements, but must also involve them in the process of financing these plans. That is, if demands and requirements are way above the funds available, then the shopping list must be made to conform to the finances available - either by contributions, taxes etc that are locally collected, or by pruning the list according to their own priorities. Here the elected representatives may be given a prominent responsibility.

An important issue here is whether the state wishes to put in place the District Planning Committee that finds a place in the 74th amendment. Such a body has the advantage of being a constitutional one. It could co-ordinate plans at the local level, involve elected representatives in the process, and encourage public debate. MP has used the DPC innovatively, while the other states have continued with earlier practices. This decision will have to be part and parcel of the vision of PRIs that any State adopts.

(c) Gender Issues in PRIs

The reservations for women in the PRIs came in with the 73rd amendment. In some states this had already been in existence. Yet, the entry of women into local self-governance in such large numbers had its effect. It is true that women everywhere face specific hurdles that are only now coming to light⁷¹.

There have not been many efforts at 'engendering the processes of PRIs' in any significant ways. Women members, most of whom are new entrants to public offices are not clear about what is expected of them. In fact, this lack of clarity applies to many men in PRIs also. The fact that women who have come in under reservation are often SC/STs and of a poor background make them the subject of 'triple' discrimination.

We do find a few very articulate, well informed women in the PRIs as President or Sarpanch. But the enduring images are that of women representatives being puppets in the hands of vested interests, playing a passive role in the PRI happenings.

In a male dominant society like India, it is necessary not just to pass such a law, but to proactively support the participation of women in the PRIs through special training and other forms of support.

Some of the states have made efforts to facilitate more active participation of women in GPs and gram sabhas. In this context, the efforts in Kerala and Maharashtra and Karnataka are noteworthy.

- In Kerala, a part of the devolved funds were specifically termed gender budget – to be utilized for activities and programmes that would benefit women.
- Maharashtra has made women's participation in gram sabhas possible by stipulating that each GP has to have at least 4 mahila sabhas.
- Karnataka's significant effort in this area has been their extensive satellite based training of EWRs since 1994.
- In MP, if a woman sarpanch is removed by a no confidence motion, the post can be filled in only with a woman.

⁷¹ Poornima Vyasulu and Vinod Vyasulu, "Women and Grassroots Democracy—Lessons from Malgudi" EPW

Principle

Given the traditional discrimination that women suffer from in our society, and also the handicap they suffer from in terms of lower educational attainments, it is necessary to be proactive in finding local ways of facilitating their participation in the working of the PRIs. In particular, gender training for men is essential if society is to become truly equal. If men are the problem at the root of inequitable gender relations, it is also true that men are part of the solution in bringing about gender equality.

Concluding Reflections

The wide diversity of experience across the states with decentralisation also reflects the different motivations that prompted states to go in for decentralisation. In West Bengal it was Marxist ideology, and it was linked with a pioneering land reform programme which the government still considers as only a first and imperfect step forward. In Maharashtra, it was the motive of training a second line of rural leadership which led to the PRI set up. Both occurred well before the 73rd amendment. Karnataka, without the ideological base that is so important in West Bengal, nevertheless saw the radical law of the mid 1980s as proof of its commitment to democracy after the Emergency. It was not very different in AP in the mid 1980s. Both Karnataka and AP then were ruled by parties different from the union controlled by the Congress, and both states had big differences with the Union, which can be seen from the fact that the Chief Ministers of these two states walked out a meeting of the National Development Council. Things changed, however, with the 73rd amendment, which provided a uniform framework to all the states for the decentralisation process.

In the other states visited, decentralisation followed the constitutional amendment. In all the states, there is a strong element of paternalism - these are local bodies that must be built up, that must grow over time, and pending that they may learn by implementing schemes under the state government. As a result, the line departments continue to shoulder responsibility for the formulation and implementation of schemes, with the PRIs bringing in some local monitoring and voice to improve service delivery. Experience in this regard has been mixed.

Kerala has moved ahead, but it must be recalled that this state has both a high level of literacy, as well as high level of social mobilisation. There is much to learn from its people's planning campaign. Apart from the support of the state government, the campaign had support from civil society, in particular the Kerala Shastra Sahitya Parishad. But here also the massive efforts in training elected representatives are to be noted. Even in a state with high levels of literacy, training of the PRI functionaries was an important element in their functioning.

MP too has done well, in that the PRIs have played an important part in the remarkable achievements of this state in the literacy front. But in MP, it has been the support of the Chief Minister that has been the crucial factor in their growth and development. The way the government used the State's Human Development Report as a monitoring tool is interesting. The mission mode of functioning is another innovation. Now that the regime has changed, it will become clear whether this growth is of the sustainable variety or it can be reversed, as happened in Karnataka.

In retrospect, there seem to be two polar models for PRIs in India. At one pole is the view stemming logically from the Balwant Rai Mehta Committee Report of the late 1950s - of

panchayats as local bodies that are agencies of the state government. Being close to the people, they can bring in an element of participation in development programmes. This view has been institutionalised in many states such as AP. In such a view, other local agencies - SHGs, users committees, and even NGOs, enjoy equal legitimacy and which body is chosen is a matter of local convenience. In these systems, the PRIs also exist, and function as one of the many agencies of people's involvement. Over the years, for a host of reasons, they have come to be seen as 'failures'. This leads to much cynicism in administrative circles about their potential for contributing positively to development works. It is, therefore, argued that they should work directly with people through their own organisations - SHGs, user groups and the like. Donors have also contributed to this view over the recent past.

The second model is of local self-governance. In this model, the PRIs are local government, elected by the people, and responsible to them for the delivery of critical services. They enjoy tax power, they receive devolved funds, and they decide how to use them. In this model, line departments are state government agencies for policy making and for providing expertise and resources to local governments. If this view is taken, then a drastic restructuring of line departments becomes essential. SHGs, NGOs and the like may continue to work, but the PRIs are locally supreme as being the state at that level.

Each of these models is consistent with the requirements of the 73rd amendment. The state legislature has the freedom to innovate, and to decide the role they will give to the PRIs. Most states conform to the first model. No state to date has gone to the extreme of the second model, though some have moved towards that goal - Kerala, MP and WB. The ideas discussed above will have to be fit into the vision the state takes of PRIs. It could be a hybrid of the two noted above. But whatever it is, clarity is needed, and the lessons noted in this report will have to be contextualised suitably.

The constitutional amendments have opened up an opportunity for a basic change in the way India's states are to be governed. A shift from a single state tier to a multiple tier system is not an easy one. There are also no easy answers. The diversity in India is such that each state should properly be seen as a unique case, with experiences not necessarily transferable to other states. Context and history do matter. There may be no unique solution to these problems, as each state may differ in essential ways. The principles identified above, and the lessons culled from the various states, will need to be carefully examined and modified for grafting into the existing system in different states. And when this is attempted, the message has to be conveyed to all the stakeholders. Capacity has to be built in very large numbers of people. The challenge before each State is a formidable one. If properly done, the rewards will be high as well. Much indeed remains to be done, and this study can be seen as no more than a humble beginning in this difficult and important task.