

**DECENTRALISED PLANNING THROUGH
PANCHAYATI RAJ AND ITS IMPACT ON
RURAL DEVELOPMENT
(A REVIEW OF LITERATURE)**

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CHAPTER I

INTRODUCTION

1.1 The Concept and Approach to the Decentralisation of Planning Process in India

1.1.1 The Concept

The word planning like democracy or socialism is used in different senses by different contexts. Thus, if planning means merely "a systematic ordering of the future", it does not necessarily have any implications in terms of centralisation or decentralisation. On the other hand, if planning as it should connote a certain direction of the economy as a whole by the planning authority for the realisation of overall social and economic objectives, then it necessarily involves an attempt to translate these objectives in terms of programmes and policies which are binding on all individual units in the economy.

Although the idea of decentralised planning is as old as Gandhian economic thought, attempts at figuring out what it is and how it should be brought about may be said to be recent. Both during the constitution - making process and thereafter since the inception of the planning process in the country, certain hard choices had to be made between the needs of national security, national unity and economic growth on the one hand and considerations for achieving a

measure of re-distribution with growth on the other, so as to bring about the widest distribution of the benefits of development among the masses and with a view to making an impact on the people below the poverty line. In the initial years this choice has had to be made in favour of requirements of growth.

Whether we agree that this was an acceptance of the inevitable or as now with the wisdom of hind sight, call it the 'top down approach', it was true that the planning and decision making functions remained centralised and vertical around the two political level, namely the union and the states whose spheres of responsibility had been defined in our constitution. Urban local bodies like the municipalities or rural institutions such as the village panchayats are not only a state subject but have also, by and large, functioned as agencies of civic functioning and not as instruments of micro-level planning and development. Thus this design of the political and developmental set up in the country had left a near vacuum so far as planning at the sub-state levels was concerned.

"A country seeking development through planning, incorporates into every new plan, certain changes in the concept, methodology as well as content of planning."¹ Multilevel planning is basically an exercise in the decentralisation of the planning process. Although multilevel planning and the problems associated with it have come to be

discussed and subjected examination only in recent times, the idea of decentralisation itself has figured quite prominently in Indian plans and in literature on Indian planning for a long time.

Prof. R. P. Misra and Dr. K. V. Sundram (1980) jointly put forth a leading contribution to a field notably barren of literature. Their study deals with integrated rural development viewed in the context of decentralised planning and decision-making and discuss several issues touching on the spatial, socio-economic as well as political dimensions of the subject. It elucidates the principles for an 'area approach' to development planning and elaborates the concepts, methods as well as operational procedures for the block and district levels of planning in India.

The authors bring fresh thinking to the concepts of 'Decentralisation', 'Integration and 'Rural-urban relations and discuss several practical issues like the multilevel planning procedures, methodologies for micro-level planning procedures and the 'basic needs strategy, as well as the task of vitalising grass roots democracy. In the context of emergent focus on the problems facing rural communities on the perspectives and strategies for rural development which has immense theoretical as well as operational significance to the country.

By decentralisation we mean devolution of power political as well as economical. Decentralised planning

means decision making by local units, mobilising rich public participation. The concept of decentralisation involves four elements, these are:

- i) Effective functional decentralisation,
- ii) Effective financial decentralisation,
- iii) The establishment of appropriate planning mechanism at the local levels,
- iv) Establishment of appropriate budgeting and reappropriations procedures.

1.1.2 Imperatives for Decentralised Planning

The imperatives for decentralised planning at the present stage of our development are obvious from planned experience. Development is a characteristic activity of our times. It is almost a synonym for modernisation in the countries of the third world. The recent emphasis on local level planning is a frank recognition of the pitfalls of centralised planning that we in our country have been accustomed to. Centralised planning as it has proceeded in our country articulated national concerns and treated micro units as the areas where these concerns were to be implemented.

As such, it was not surprising that planned activities had frequently no intimate relationship with the felt needs of the people located in different micro units. Apart from this disjunction, it is a fact that centrally planned

and bureaucratically implemented developmental schemes did not encourage nor preferred popular decision making and participation and did not train people in self governance.

1.1.3 Logic and Rationale of Decentralised Planning

The Report of the Working group on District Level Planning² (1982) has emphatically stated the need for decentralised planning in India. The rationale for decentralised planning in India can be summarised as follows.

- 1) decentralisation enables a better perception of the needs of local areas;
- 2) makes better informed decision making possible;
- 3) gives people a greater voice in decision concerning their development and welfare;
- 4) serves to achieve better coordination and integration among programmes, enables the felt needs of the people to be taken into accounts;
- 5) ensures effective participation of the people, serves to build up a measure of self-reliance by mobilising resources of the community in kind or money; and
- 6) making development self-sustaining and enables better exploitation of local resources and growth potentials of the local area for improving productivity and increasing production.

There are, of course, many areas of economic activity which call for planning and action at the central level, as,

indeed, there are areas which call for planning and implementation. And yet, in a country of India's size and diversity, it can never be possible for any authority (even at the state level) to be fully aware of the specific needs as well as the potential of economic growth in all areas. Arun Gosh³ (1988) analyses this aspect with respect to the empirical evidence from West Bengal.

When one gets down to the micro level needs of different areas, say, at the block level, one finds that the resource endowment, the needs of the people and the existing level of development vary greatly. These diverse models (and priorities) may apply even within one district; as between districts, the priorities would obviously be vastly different.

It could be argued that the specific needs of each area could be looked after by setting up special area development authorities. West Bengal has several such bodies. The author criticises the functioning of these development bodies. They have not been able to bring about the type of resurgence that one may hope for. He points out the reasons behind this that the area development authorities which have been set up and funded by the state government; have overtime, taken on the characteristics of state government departments, without either independent authority or independent financial powers. These area authorities are manned by people appointed by the state government and their functioning is no different from that of the various departments

of the state government. As such, they do not really reflect either the voice or the needs of the common people at the local level.

Yet another reason, closely allied to the need for decentralisation of the decision making process, is the need to enthuse people in the entire planning exercise and to take the planning and implementing authority down to the people themselves. The spirit of self-reliance has to suffuse not only the economy as a whole but all the people individually and collectively. There is also the problem of a general popular disenchantment with the process of planning in the country. In order to enthuse people to the idea of planning for development, not only is it necessary for the benefits of planning to reach all the people, it is also essential to ensure the participation of people in the planning and implementation exercise.

The state government is a remote authority to an ordinary villager; but the gram panchayat bodies are directly elected by the villagers, sometimes with a narrow majority; and the pradhan of gram panchayat is a neighbour. So the programmes undertaken at the gram panchayat level are of direct relevance and of direct interest to the villagers.

When local plans are expounded, discussed and approved at the local level, the villager becomes a participant in the process of plan formulation. In this manner people can be enthused to plan for their own future development and to

participate in the plan exercise. The participation and involvement of the common people in the planning process require that a part of the decision making process should be left to the people themselves. They must decide on the priorities of development in so far as there are many schemes to choose from, and they must be made to work out their solutions to pressing problems of the area in terms of their own perceptions of needs and priorities. And these priorities cannot be based on any remote individual expert's perceptions, however enlightened that individual may be. There is need for group discussions, group awareness, down at the micro village level.

There is yet a third reason why the need for decentralised planning has been felt rather acutely of late. Traditionally, the planning exercise had been confined to the formulation of diverse departmental plans some of which may be, and indeed are frequently at variance with each other. Indeed, at times, the plans and activities of two departments may even nullify each other. The state plans, for instance, are formulated by the various departments on the basis of overall priorities at the state level. In general, there should be no conflict or contradiction when the problem is examined at the state level. However, there could be a district or a block where an overall state level policy may be totally unsuitable.

1.1.4 Gandhiji on Decentralisation

The emergence of Gandhiji at the head of the Indian national movement was in fact the manifestation of the subdued expectations of India's villages at the conscious level of political process. The new direction in which he turned the whole current of the national movement was towards the village. Naturally, in the ultimate order of society he visualised, the village came to be the very pivot. It was from his concern for the village that his concept of decentralisation is derived.

Concentration of economic power in the hands of a few is bad because in Gandhiji's view, it leads to the exploitation of the majority by a minority. Exploitation in any form was, therefore, synonymous with violence. A system of technology whether in the hands of a few or of the state, but based on such exploitation, was bound to generate violence. And violence in any form was the very negation of truth. Gandhiji, therefore, was opposed to such a technology. He said that "one cannot build non-violence on a factory civilisation, but it can be built on self-contained villages."⁴

The economic and political power concentrated in a small coterie of men at the top was what Gandhiji dreaded most because such a concentration brought its own paralysing effect on freedom and liberty - the 'sine-qua-non' of

the development of man's inherent potentialities.

The need for decentralised planning and that of giving power to the local levels is well recognised when Gandhiji talked self-sufficient village units, what he had in mind was that a village community should not depend upon the higher governments for those needs which it could satisfy with local resources and local efforts. For example, for such basic needs as education, health, water supply, sanitation etc., it should not be made to depend on higher governments. That is the essence of decentralised planning with local participation in Gandhian terminology.

1.2 The Approach to Decentralised Planning in India

Local level planning is a discipline to which very little attention has been paid so far by development planners, administrators or policy makers. It still remains to a large extent an unexplored terrain.

The need for micro-level planning has been recognised by the Planning Commission and by the Government of India since the formulation of the Fourth Five Year Plan. The main reason for this is the recognition of the fact that while centralised planning based on macro-level indicators of growth has contributed to an increase in agricultural and industrial production and in the G.N.P. at the national level, such economic growth has not necessarily brought about distributive justice. It has been recorded that during the

same period of industrial and agricultural growth, the rate of unemployment and the percentage of population below the poverty line have also gone up considerably.

One of the reasons for this paradox is that planning has so far remained purely an arithmetical exercise at the national level with emphasis on heavy industries, major and medium irrigation and heavy machinery mostly feeding urban industrial complexes. In rural areas, the main beneficiaries of this development have been the relatively more affluent farmers who have the resources to obtain modern agricultural inputs. Generally speaking, this type of development has almost bypassed the poorer sections of the people.

1.3 Approach to Panchayati Raj and Decentralised Planning Process in Successive Five Year Plans

In the sphere of India's developmental planning, rural development occupies a crucial place. The vicissitudes of the community development programme brought out the inadequacies of the bureaucratic apparatus. Ideologically, the growing stress on the socialistic pattern of society carried with it a keen concern for the aspirations and interests of the common man. Both in the interest of political stability and faster economic development, it was felt that a sense of identity should be aroused among the common people, by giving them a voice in decisions relating to allocation of resources at the local levels.

In this connection, the First Five Year Plan observed, "Planning in a democratic state is a social process in which, in some part, every citizen should have the opportunity to participate. To set the patterns of future development is a task of such magnitude and significance that it should embody the impact of public opinion and the needs of the community."⁵

While the First Five Year Plan was prepared at state headquarters and was broken into district plans, the Second Five Year Plan emphasised village planning as the programmes of national extension and community project were sought to be carried to villages "to be worked in cooperation with the people". It was clearly recognised that "unless there is a comprehensive village planning which takes into account the needs of the entire community, weaker sections like tenant-cultivators, landless workers and artisans may not benefit sufficiently from assistance provided by the government."⁶

The village plans should aim at the maximum utilisation of all resources in the village and secure necessary assistance from outside, wherever possible, for its maximum advantage. The panchayati raj institutions are meant to get maximum participation of people in the planning and implementation of development programmes. Unless substantial power is devolved on the people and ample opportunities are provided to them for discharging their responsibilities, it may not be possible to develop proper initiative and

resourcefulness and a sense of civic duty among the masses. Under democracy it is the duty of the planners to give the highest priority to the development of the human material. If the human being in a democratic country is stultified and not allowed to develop his or her potentialities, there cannot be much hope for success in planning."⁷ With the devolution of authority and decentralisation of administration at the three levels of the panchayati raj system, the state governments have delegated their functions of planning and development to those bodies not only to make them effective instruments of national policies but also to accelerate the pace of progress.

As we move towards the Third Five Year Plan we find a stronger accent on 'socialist development'. Attempts were also made to develop the 3-tier panchayati raj system based on the Balwantraj Mehta Committee recommendation and with it the idea of 'planning from below' gained some currency. The role of panchayati raj bodies was viewed in this perspective. The Third Five Year Plan observed : "The primary objective of the panchayati raj is to enable the people of each area to achieve intensive and continuous development in the interest of the entire population."⁸ In the Third Five Year Plan mid-term appraisal, it was categorically stated that the "success of the panchayati raj will turn wholly on the efficiency of planning and the quality of implementation at the district and block levels."⁹

On the eve of the Fourth Plan, the concepts of integrated area development planning and related techniques were, as it were, on the horizon; an appreciation of the advantages of the new approach served to bring out the inadequacies of the traditional approach. The Fourth Plan underlined the need for strengthening the planning machinery at different levels. A scheme for strengthening the planning machinery at the state level was launched by the Planning Commission in 1972. The Planning Commission also issued guidelines for district planning in 1969.

Since the Fifth Five Year Plan, a number of special area programmes came to be undertaken with some specialised agencies for their implementation. With the emphasis on antipoverty programmes for the rural areas with their thrust on the provision of basic minimum needs, employment opportunities and the household - oriented beneficiary programmes, the need for decentralising planning efforts came to be increasingly recognised. The removal of unemployment and significant underemployment together with an appreciable rise in the standard of living of the masses within a period of ten years was stated as a major objective of the draft plan 1978-83.

At this stage, block level planning was conceived to complement the rural development effort through fuller utilisation of local resources for full employment on the one hand and a quick attention to the local problems on the

other. In November 1977, the Planning Commission appointed a working group under the chairmanship of Prof. M.L.Dantwala to draw up guidelines for block level planning. Another committee on panchayati raj headed by Shri Asoka Mehta was appointed in December 1977. Both the committees submitted their reports to the government around July-August 1978. In implementation, block level planning confining itself to the IRD programme, tended to become an 'isolated exercise' without developing adequate 'links' with higher level of planning. (slu)

During the Sixth Plan period, the Planning Commission has laid some ground work for effecting functional, financial and administrative decentralisation to the districts have been outlined to the states. A central scheme strengthening the planning machinery at the district level on a sharing basis has been launched. Training programmes on district and block level planning have been organised under a central scheme administered by the department of personnel.

Eventhough the Planning Commission issued some guidelines on district planning to the states in 1969, the idea could not catch up because many states were not ready to undertake it. But with the changes in the orientation and structure of development planning over the last two decades as would be evident from the large number of beneficiary oriented schemes and area development schemes, decentralisation of planning and decision making has become urgent. In

view of the developments that have taken place since 1969 and as the methodology for local planning has considerably evolved. Therefore, a working group on district planning was set up by the Planning Commission for this purpose in September 1982. The setting up of the working group is the latest in the chain of events.

This is because the Planning Commission has a special responsibility in this regard, and a definite role to play in the task of assisting the states in formulating and implementing reasonably satisfactory plans following a sound methodology. The working group submitted its report in May 1984. The working group found that the states are at different stages of progress towards decentralised planning. It has, therefore, advocated a gradual step by step approach towards the final goal.

Decentralised planning however in its proper perspective did not get much acceptance till recently. But we expect in the Eighth Five Year Plan, the decentralised planning will be accepted as best strategy. Prof. Madhu Dandavate in his maiden budget speech on March 1990 rejected the trickled down theory of development and stated that "the present government would ensure growth with equity through employment oriented planning in which the decentralised institutions of the four pillars of the state will play a pivotal role."¹⁰ The Planning Commission also stated its view in this connection. In an interview conducted by the

Times of India, the members of the Planning Commission observed that "the Yojana Bhavan will now push for planning from the bottom - from the village, to the block, to the district, to the state."¹¹ Also they reaffirmed that apart from identifying local needs, funds should be raised locally.

1.4 Objectives of the Study

Present study is an attempt to review the literature available on the topic, "Decentralised planning through panchayati raj and its impact on rural development." The major objectives of the study are discussed below.

- i) to analyse the concept and approach to decentralised planning in India,
- ii) to evaluate the planning and rural development in India,
- iii) to examine the effectiveness of decentralised planning through panchayati raj institutions,
- iv) to survey the working of panchayati raj institutions through three tiers and its performance in the socio-economic development of the country, and
- v) to recommend some constructive suggestions for the betterment of decentralised planning through panchayati raj institutions.

1.5 Scheme of the Study

The present study is an analytical review of literature on the topic decentralised planning, panchayati raj

involvement and its impact on rural development. The study is divided into five chapters. The present first chapter serves as introduction in which the concept and approach to the topic is discussed. The second chapter is a critical assessment of the rural development programmes in India during Five Year Plans. Third chapter deals with the potentialities, prospects and problems of decentralised planning through panchayati raj institutions. In the fourth chapter the working and performance of panchayati raj in the fields of planning and rural development are analysed on the basis of the empirical evidence. Finally the fifth chapter serves as a conclusion in which the author recommends some constructive suggestions for the better functioning of panchayati raj institutions in decentralised planning and rural development.

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CHAPTER II

PLANNING AND RURAL DEVELOPMENT IN INDIA : A CRITICAL ASSESSMENT

2.1 Development : A General Discussion

Democratic institutions articulate their structures in terms of their functions. The functions, in their turn, are determined by the possibilities of development. This has been particularly so in the field of rural developments where new technology, new services and new institutions took considerable time to be conceived and organised. However, once the momentum was generated, it has continued to gather strength. Over the past twenty years, the horizon of development has greatly widened in the wake of numerous changes in the various facets of the economy. Eventhough, it is very doubtful about the real understanding of the meaning of development.

If we go to a village and ask a poor landless agricultural labourer about the meaning of development, his answer would be quite interesting. Most probably for him, development would mean a piece of land and a pair of bullocks to till the land. For a hungry man, it is a piece of bread. For an unemployed urban youth, it means employment. For one who has one car, it may mean two cars. And for the civil servants and technical persons like engineers, it means

getting the projects implemented, so that production in the fields and factories increases. "There is no apparent consensus, but the leaders of developed as well as under-developed societies have accepted development as the main issue of the public policy."¹

There is no agreement on the meaning of development among planners and thinkers either. Some say it means increase in income; others lay emphasis on employment, income, quality of life, happiness etc. Still others lay stress on meeting the basic needs of the people. It is indeed so many things to so many people. But one thing on which everyone agrees is that development is necessary. And everyone wants it, although in his own image and perhaps in his own way.

The problem of comprehending the meaning of development reminds us the story of blind men and the elephant. They were partly right in describing the individual parts of the elephant, but wrong in their conclusions. The elephant is more than the parts. Unless we see all parts of the elephant at the same time and in relation to each other, we cannot describe its shape.

We are also like the blind men trying to define and understand development. Each of us sees only one part or aspect of development. And having seen the part, we think we have found the truth. It is however, not so. Development is a very complex and difficult phenomenon. We cannot

understand it unless we try to see it from several perspectives simultaneously.

Many a times the term economic growth is used interchangeably with such terms as economic development, economic welfare, economic progress and secular change. But certain economists like Schumpeter and Mrs. Ursula Hicks have made a distinction between the more commonly used terms economic development and economic growth. Economic development refers to the problem of underdeveloped countries and economic growth to those of advanced countries. Development, according to Schumpeter, "is a discontinuous and spontaneous change in the stationary state which forever alters and displaces the equilibrium state previously existing; while growth is a gradual and steady change in the long run which comes about by a general increase in the rate of savings and population."² Mrs. Hicks points out that the problems of underdeveloped countries are concerned with the development of unused resources, eventhough their uses are well known, while those of advanced countries are related to growth, most of their resources being already known and developed to a considerable extent.³

According to Alfred Bonne, "Development requires and involves some sort of direction, regulation and guidance to generate the forces of expansion and maintain them. This is true of most of the underdeveloped countries where- as the spontaneous nature of growth characterises advanced

free enterprise economies."⁴ Kindleberger and Herrick make the distinction in this manner : "Economic growth means more output, while economic development implies both more output and changes in the technical and institutional arrangements by which it is produced and distributed. Growth may well involve not only more output derived from greater amounts of inputs but also greater efficiency i.e. an increase in output per unit of input. Development goes beyond this to imply changes in the composition of output and in the allocation of inputs by sectors."⁵

Everyman's Dictionary of Economics makes this distinction more explicit : "Generally economic development means simply economic growth. More specifically, it is used to describe not quantitative measures of a growing economy (such as the rate of increase in real income per head) but the economic, social or other changes that lead to growth. Growth is then measurable and objective : it describes expansion in the labour force, in capital, in the volume of trade and consumption. And economic development can be used to describe the underlying determinants of economic growth, such as changes in techniques of production, social attitudes and institutions. Such changes may produce economic growth."

But despite these apparent differences, some economists use these terms as Synonyms. Paul A. Baran maintains "the mere notions of development and growth suggest a

transition to something that is new from something that is old, has outlived itself."⁶

So it is very difficult to define development, but easy to see it. Let us select two areas : A and B. In A, everyone has enough food and work. People are well dressed and have good houses. There are good roads, schools and hospitals. In B, these things are fewer in number as well as poor in quality, which area is developed? I think we will call area A is developed. We need not know the definition of development to say so. This means that material welfare of the people is one of the major criteria to determine development. To be developed, the people must be able to meet their basic needs.

But supposing we have another area C which is materially as rich as area A, but the people being cheats and robbers are not leading a "good life". If we are asked to find out which of the two areas is more developed, our choice once again will be A. If the people of area B are honest and benevolent, cooperative and help each other, but are materially poorer, which of the two areas is more developed? B or C? Much depends on what we think to be more important. All of us would, however, agree that if the material prosperity of area C and qualities of the people in area B are combined, as they are in area A, it would be an ideal situation and we would consider area A to be most developed.

This leads us to an important conclusion. Development, not only seeks to promote the growth and expansion of our economy by increasing production in the farms and factories, but also makes people kind and generous to their fellow beings. Development that makes one selfish, cruel and inconsiderate is not real development. Then, in the ordinary sense development means:

i) increase in material welfare through increased productivity,

ii) increase in social welfare through education, health programmes,

iii) improvement in the social content of human life : rich family life, community feeling, art, music, etc., depending on individual interests and preferences.

iv) increased safety, freedom and opportunity; and also sense of participation in local, regional and national affairs, and

v) an equitable distribution of the fruits of development among different groups of people and among different regions of the country.

According to R. P. Misra, development is much more than the mere increase in the income and earning capacities of people. It means transformation of people into better human beings. It also signifies that different sections of people need different kind of development. The poor need wherewithal and means to earn more; the rich need to shed

their load of wealth and arrogance; the children need educational facilities; the adult illiterates need literacy; the sick need health facilities.⁷ In other words it means projects :

a) which will produce more goods and services so that the basic needs of the people are satisfied;

b) which will redistribute the assets and incomes among different sections of the societies, so that everyone has the capacity to buy goods and services so produced;

c) which enhance the quality of life of the people by way of increased and improved social services; and

d) which will make people take greater responsibilities to run the local, regional and national affairs and ensure their own and their children's welfare.

Real development does not exclude any of these four elements. That is why development is a comprehensive and all embracing process. It should not be seen only as a means to get more income or develop agriculture or to industrialise. Unfortunately the real meaning of development is rarely grasped by the people. This has led not only to lopsided development in Third World countries, but also to serious social and environmental problems. While economic growth in terms of national income, in many developing countries has taken place, poverty has increased and environmental quality deteriorated. In many countries, the people's

involvement in running the societal affairs has decreased and the traditional institutions taking care of the community needs and responsibilities have disappeared.

2.2 Successive Five Year Plans and Rural Development in India

Development of rural areas has been the abiding concern of the planners and policy makers in the successive Five Year Plans. Since the inception of planning in India, the Government of India has been making efforts to eradicate problems like unemployment, poverty concentration of economic power and regional disparities. India's experience in planned economic development during the last four decades has shown that these problems cannot be eliminated automatically through 'top down' planning. C. Kusumakara Hebbler's article⁸ tries to highlight the problems of the India's economic development and also the need for the rural development through human enterprise.

A deliberate attempt has been made to achieve economic development through planning since 1951. It is one of the paradoxes of democratic planning that it has to be done within the framework of free society, with an assurance, of basic rights to every individual. "How to attain adequate rate of economic development without sacrificing democracy is India's major concern. The old fashioned prescriptions of 'work harder and save more' still seems to hold good as the medicine for economic programme, at any rate,

as far as underdeveloped countries are concerned, and this is the case with India as well."⁹

One of the objectives of economic planning is to raise the standard of living of the people. During the fortytwo years, after attaining freedom, India has witnessed many economic, social and political changes. It is very important to remember that political freedom has no value without economic freedom and economic freedom is possible only if we succeed in having a well planned proportional development.

The development of the nation in all directions depends entirely upon the citizens of the nation, as a whole, because the sovereignty vests with the people of the country. After all economic development is a human approach and not a mechanical process, not simple adding up of assorted factors. As in the case with all human enterprises its ultimate result will depend on the efficiency, quality and attitude of the people who undertake it.

2.2.1 A Number Problem

India has 575,936 villages with rural population 548 million and 136 million households against an urban population of about 110 million with 27 million households. Among the total rural households, about 40 per cent are submarginal farmers and agricultural labourers. About 20 per cent are marginal farmers and the remaining 40 per cent are classified as farmers.¹⁰

2.3 Rural Development ; A Basic Thrust in India

According to Mahatma Gandhi, "India lives in villages". Indian economy cannot advance a pace to development unless we develop the rural economy. Rural development has been an important component of development strategy in the successive plans. The existing administrative machinery has been adapted, strengthened and new institutions have been created for implementing the rural development programmes. The first planned efforts towards rural development were made in 1952 with the launching of the community development programmes. This was a multisectoral programme, aiming at an overall development of rural India with the active participation of the people themselves. It created a new structure at the field level known as the 'Block' for planning and development. The block level organisation was headed by a Block Development Officer (BDO) supported by extension staff and Village Level Workers (VLWs).

While the community development was able to create some facilities in the rural areas, it was not able to generate popular support to the programme. A study team headed by Balwantraji Mehta, constituted by the committee on plan projects, submitted its report by the end of 1957 recommending creation of three-tier elected institutions in the districts with a view to providing popular support to the rural development programmes.

The National Development Council accepted the recommendations in January 1958 and starting with Rajasthan, several states introduced panchayati raj in quick succession.

According to A. K. Pandey, "a major limitation of the community development approach was that scarce resources were dispersed over too wide an area without achieving the desired results in crop production."¹¹ In the late 50's the food situation became grim and on the recommendations of the Ford Foundation Team which visited India in 1959, the IADP, popularly known as 'package programme' was launched in 1960-61 in selected potential districts of the country that were endowed with good soil and irrigation facilities. On the basis of experience gained in the IADP (Intensive Agriculture District Programme) districts, another programme called IAAP (Intensive Agriculture Area Programme), which was essentially an extension of the concept of package programme, was introduced in March 1964. IAAP is launched in a number of selected potential areas of the districts that were endowed with good soil and irrigation facilities. Both these programmes operated through the agency of CD Blocks with the strengthening of administrative extension set up at the district, block and village levels.

After 5-6 years of operation of the IADP, it was discovered that both the programmes operated within the limitations set by the existing crop varieties which showed

relatively limited response to higher doses of fertilization. This necessitated embarkment on a new strategy of agricultural development in 1966-67 based on the introduction of hybrid seeds, also called high yielding varieties, and came to be characterised as "the Green Revolution".

While the various programmes for increased agricultural production were of great success, these had created regional disparities and disparities within the area itself between big farmers on the one hand and marginal and small farmers on the other. It was realised that the benefits of development had not accrued to small and marginal farmers. This fact was emphasised by the All India Rural Credit Review Committee in its interim report submitted in 1969. The committee recommended an institutional set up in the form of Small Farmers Development Agency and suggested measures for expanding the flow of institutional credit and other state assistance to the small farmers. On the recommendation of the committee, SFDA (Small Farmers Development Agency) was set up in the Fourth Five Year Plan for small farmers.

Another institution MFAL was set up for marginal farmers and agricultural labourers. The focus in the programme for small farmers was to be on intensive farming, although subsidiary occupations were included in the programme. In respect of marginal farmers and agricultural labourers MFAL was required to help them through the generation of fruitful employment. The National Commission

on Agriculture in its report submitted in 1973 recommended that these two should be amalgamated. This was accepted and in Fifth Plan they were amalgamated and the combined agencies were named as SFDA. The Agency was registered as a society under the Societies Registration Act with certain amount of administrative decentralization and flexibility in inter-sectoral allocations. Besides these, a number of area programmes were taken up during the Fourth and Fifth Plans to correct the imbalance created i.e. regional disparity as a result of IADA and High Yielding Varieties Programme.

An evaluation of SFDA programme was undertaken in 1974-75 by the Programme Evaluation Organisation of the Planning Commission which submitted its report in 1979. The study showed that almost all the project agencies, 21 SFDA's and 13 MFALAs, were facing administrative and operational difficulties. The coverage of the programme was too meagre to make any significant dent on rural poverty.

A number of other studies undertaken to review the impact of the SFDA Programme showed that there was no scientific survey to identify the rural poor, non-concrete plans for a block were prepared, the schemes were drawn up without any consideration to available infrastructure and there was no system of monitoring and evaluation. In the late 1970's the government undertook a review of the programme and it was found that a mere sectoral or project

approach was not capable of bringing about any significant improvement in the conditions of the rural poor. "Rural poverty can be reduced only through the utilization of rural resources, including rural manpower and through local level planning for decentralised development."¹²

The cause of the introduction of the Integrated Rural Development Programme in all the 5011 blocks with effect from 2nd October 1980 can be attributed by this drive. The Integrated Rural Development Programme has been evolved as the main programme for the development of rural areas, with special focus on the alleviation of rural poverty of the target group consisting of small and marginal farmers, agricultural and non-agricultural labourers, rural artisans and craftsmen. The families below poverty line are those whose annual income is below Rs. 3,500 or in a family of five members the per capita income is Rs. 700/-. The programme aims at the integration of agriculture, village and cottage industries, tertiary sector and labour mobilization.

IRD P is implemented through a single agency in each district created on the pattern of SFDA. Each district agency is required to have a multi-disciplinary planning team consisting of an economist, a credit planning officer and a rural industries officer. This team is entrusted with the task of preparation of block plans and drawing up of specified development projects within the framework of

such plan. The formulation of plan and execution of the programme is dependent on efficient and well equipped field level organisation at the district and block levels. The Government of India have also issued guidelines for strengthening of the block machinery for implementation of the programme.

2.3.1 Balanced Evaluation and Need for Rethinking

Some of the accepted ideas of our national planning are elimination of exploitation, eradication of disparities in income and wealth to wipe out poverty and to establish equality so that each and everyone will get an opportunity to develop 'self' in them, individually and collectively. But if we make a thorough analysis of the gains we have achieved since independence, the result will be highly disappointing. It is high time we realise that sugar coated slogans cannot accomplish economic development.

In a democratic set up, totalitarian solution to the problem of economic development has to be rejected. Orientation of a realistic and practical approach to the development activities is the need of the time. A perfect democratic form of planning necessitates a decentralisation of the economy to the farthest extent possible. By enabling our economy to utilise the human resources fully we must exploit the vast potential at our disposal properly and adequately.

The strategy for development has to be thoroughly revised so as to envisage a change in investment policies. Investment policies should be directed towards the further-ence of economically sound-labour-intensive industries. Fresh investments, without fuller utilization of the capacity already created, should be checked. The policy should be to have labour-intensive industrial products for domestic and foreign markets by the application of economically sound labour-techniques in industrial production. Above all production must be based on "social necessity" rather than "social demand".

2.4 Major Issues on Rural Development Administration

The available literature on rural development administration has thrown up three categories of major issues. In the first category are those which relate to the compatibility, both structural and behavioural of the traditional bureaucracy undertaking development functions. In much of the empirical work done in this area, problems of behavioural orientation of bureaucrats were presented with a view to examining as to how they did not match with the requirements of development administration. The findings indicated that the bureaucrats lacked commitment to their new tasks and did not have requisite motivation for under-
taking development tasks. The bureaucracy was essentially of elitist character.

Some of the writings of this category are given below by way of illustrations. K. Mathur¹³ conducted an empirical study investigating the social background and attitudes of BDOs in some selected blocks of U.P. and Rajasthan. Pai Panandikar and S. S. K. Shirsagar¹⁴ conducted a study among a sample of members of development bureaucracy engaged in industrial and agricultural sector. The study covered both the central and state agencies. C. P. Bhambhri¹⁵ investigated the socio-economic background, attitudes and role of higher echelons of the bureaucracy, i.e. IAS.

The second category of issues relate to the relationship between bureaucracy and local rural leaders in the functioning of community development and Panchayati Raj system. The empirical work done in this area found that relationship between the two was not cordial and this was hampering development of the programme. There were many points of tension between them. The studies also disclosed that both political leaders and administrators had a very low image of each other, there was lack of clear demarcation of spheres of action and there was tendency on the part of both to encroach upon each other's territory. The points of conflict included matters like distribution of cement, fertilizers, seed, loan and transfer of staff working under zilla parishad, besides many others in day-to-day administration. Some of the writings of this category are discussed below.

N. R. Chaturvedi¹⁶ carried out a study in four districts and twenty blocks of Rajasthan, covering officials and political leaders engaged in agricultural production tasks at both district and block levels. Ramashray Rai¹⁷ carried out the study in three talukas of Mehsana district in Gujarat. V. K. Gaikwad¹⁸ studied the emerging pattern of interaction between the officials and non-officials in a zilla parishad in Maharashtra. Shanti Kothari and Ramashray Rai¹⁹ studied this aspect of the problem in Meerut district of U.P. Bijor Kumar's study²⁰ covered 54 administrative units in the states of Rajasthan and Andhra Pradesh. While identifying the areas of conflict Bijor Kumar struck a new note. He is of the view that moderate degree of conflict between bureaucrats and rural political leaders is conducive to the development of agricultural programmes. T. N. Chaturvedi²¹ examined this issue on the basis of survey conducted in Alwar District of Rajasthan.

In the third category are administrative and organisational issues which have arisen in the course of implementation of the community development and Panchayati Raj and schemes of special projects like SFDA, etc. Lack of coordination among development departments operating in the field, absence of correct perception of linkages among various development programmes and inefficient monitoring are some of the deficiencies identified in administrative system. Some illustrative writings are given below.

P. R. Dubhashi²² stressed the coordination aspect of the problem which arose at various stages of the implementation of the community development programme and Panchayati Raj. He emphasised upon the need for coordination between Panchayati Raj institutions on the one hand and co-operative societies and outside authorities on the other. S. M. Pandey and Y. S. Sodhi²³ studied the impact of small farmers development programme in the districts of Badaun, Fatehpur and Rai Bareilly in U.P. Mohit Bhattacharya²⁴ posed the problems of 'area functions' dichotomy and multiplicity of functional departments leading to 'virtual balkanisation' of the field.

P. C. Mathur²⁵ emphasised upon the necessity of realignment of administrative structure to meet the challenge of administering a number of projects and schemes. He lamented the loss of authority and status of field staff and functional directorates and distortion caused by secretariat assuming the function of directly administering projects in the field. V. R. Gaikwad²⁶ has identified centralised planning, lack of integration of various development programmes, absence of manpower and financial planning, inadequate and ineffective monitoring as some of the major deficiencies in the administrative apparatus. Amal Ray's writing²⁷ about small farmers development administration, has emphasised upon integrated dispensation of various services and horizontal organisation of the task activities for efficient

implementation of such programmes.

While over-viewing literature on rural development administration, mention may be made of the two latest books of Kuldeep Mathur,²⁸ Bureaucracy and the New Agricultural Strategy and S. N. Mishra,²⁹ 'Evaluation of Training of Rural Youth for Self-employment in Rajasthan'. Mathur in his book holds the view that the role of bureaucracy is dependent not only on its internal competence but is determined to a great extent by the policies, their logic and intensions. Mishra, while evaluating the implementation of TRYSEM in Rajasthan is of the opinion that desired goal of policy implementation is not achieved due to the apathetic attitude of local level bureaucracy and sense of rivalry between the local level bureaucracy and Panchayati Raj leaders.

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CHAPTER III

DECENTRALISED PLANNING THROUGH PANCHAYATI RAJ; POTENTIALITIES, PROSPECTS AND PROBLEMS

Shri V. T. Krishnamachari¹ rightly observed that the essence of planning is to turn skills and resources to the service of defined tasks and to develop them in form and in quantity so as to achieve the aims we set before ourselves. Aims are determined by needs, but they are always relative to the resources and the skill which we possess. The motives which impel men, their ideals and incentives, the satisfactions which they look forward to in their work are important factors. These factors reflect themselves in every form of planning and in the last analysis determine not only its scope and direction but also the extent of achievement. The more closely planning touches the life of the people, the more significant becomes the human factor. The quality of planning, especially of democratic planning, depends upon the extent to which both society and the individual are able to agree through active participation in planning in all its multifarious forms.

During the last few years, the need for decentralisation of planning has been advocated repeatedly by plan experts and politicians. It is quite obvious that any scheme

of decentralised planning should have an adequate degree of people's participation since it is this participation which provides one of the most important reasons for decentralisation. "It is only at the level of the village or the mohallas of bigger villages that the people can participate directly. At any level higher than the village, say a mandal, block or district, people's participation in the planning process can be possible only through their representative institutions, namely, the panchayats. Decentralisation of planning in the real sense would, therefore, naturally imply handing over planning functions to the panchayati raj institutions."²

Panchayati Raj institutions are aptly called democracy at the grass root level. "Panchayati Raj literally 'Panchayat Rule', may be paraphrased as rural self government in India."³ India, like most developing countries, has been attempting rural development through various policies and programmes since independence. In a country where more than 70 per cent of people live in villages, rural development becomes the foremost task of the planners. In fulfilling this task, the emphasis is naturally on raising agricultural production, community development and similar other matters. Since the village has always been the primary unit of administration in India, it remains the focus of attention. Even before the introduction of Panchayati Raj, attempts were made to strengthen village panchayats. With the

launching of the Community Development Programme (October 2, 1952) and with the introduction of Panchayati Raj (April 1, 1958), the village assumed even more importance. Gandhiji's view that India lives in villages still holds good. However, the high hopes raised by the Community Development Programmes were not fulfilled, and it was felt that no speedy development, rural or otherwise, possible unless people were involved in this programme. Panchayati Raj was devised as a means for furthering this involvement.

The Government of India concurred with the fundamentals of Panchayati raj : A three-tier structure involving genuine transfer of power and responsibility with regard to planning and implementation of development programmes, endowed with adequate financial resources, and facilitating further devolution and dispersal of power and responsibilities in the future. Granting these fundamentals, the consensus among policy - making circles favoured 'fullest scope' for the states 'for trying out various patterns and alternatives' according to local conditions."⁴

3.1 Public Participation for Successful Decentralised Planning

A number of planning experts as well as different committees appointed by the Planning Commission have already put forward their views regarding on this relevant issue. The report of the Working Group on District Planning (1984) clearly stated the need for public participation in the

implementation of decentralised planning successfully. Development planning may be envisaged as a three way model, the three components here being the scheme, the machinery and the people.

The scheme postulates something to be done by a machinery for, with and to the people, who are both the objects and subjects of planning. For the successful operation of this three-way model, the schemes must be well conceived, the machinery must be adequate in quality and quantity and the people must be alive to their rights and obligations. The Working Group on District Level Planning⁵ (1984) understood that public participation in planning is an area where the divergence between theory and practice, rhetoric and reality has been the most striking as revealed from a critical study of our plans at the various levels.

The sense of belonging is a reward in itself. The feeling of involvement in anything great or small lends an amount of strength and tends to give a degree of emotional satisfaction to those directly or indirectly associated with it. The pride of participation is ~~is~~ a significant psychological incentive for which material and monetary benefits are no substitutes.

The prospect of more meaningful and larger participation of the people in their development plans is getting brighter day by day as various states have started launching massive schemes to involve common man in the administration

of local affairs. To proceed our discussion on this most important subject, it must be realised that public participation means one thing at the national and the state levels and another at the local levels.

We would like to underline this difference in the first instance. At the local levels, it is both an important tool and goal of development. It is also the medium of social transformation and a means to bridge the distance between government and the people. In short, it is a precondition for authentic development and as such, must be regarded as a policy instrument for development.

By people's participation, it is meant that the policies and programmes included in the plan should enlist not only the support of the masses but also their whole hearted participation at the stages of formulation and implementation. Planning in our country has been conscious of this all important fact from its inception and this has been often stated in various plan documents as an important aim of planning and a condition for its success.

The following passage from India's First Five Year Plan document (1951) is significant. "Democratic planning will not succeed unless the sanction of an awakened public opinion operates powerfully and force of public action in pursuit of constructive ends, continually grows. A democracy working for social ends has to base itself on the willing assent of the people and not the coercive power of the state.

The working group on District Level Planning (1984) chalks out six reasons on the question why public participation is needed at the local level. They are:

- a) to take note of the felt needs of the population,
- b) to mobilise local resources for plan implementation including people's labour,
- c) to decrease the level of conflict during the planning and implementation stages,
- d) to increase the speed of implementation by securing the cooperation of the people,
- e) to increase the legitimacy of the authority, and
- f) to reduce popular resistance to decisions.

Broadly participation may be identified as of four different kinds

- 1) Participation in decision making,
- 2) Participation in implementation,
- 3) Participation in benefits,
- 4) Participation in evaluation.

All these together may be considered as a consistent cycle of participatory activities in the contest of planning.

3.1.1 Participation through Panchayati Raj Bodies

Prof. M. L. Dantwala Committee⁶ (1978) analyses the

role of the panchayati raj institutions in the planning exercise. It stated that our commitment to democratic decentralisation implies progressive devolution of decision making on all vital matters effecting people's life to their elected representatives under the panchayati raj system. If the main responsibility of development planning at the district or block level is left to the bureaucratic hierarchy under the control of the Ministry at the state level, democratic decentralisation will remain an empty slogan. Besides, there is no doubt that active involvement of the panchayati raj institutions in the planning process will provide a better climate for people's participation in the implementation of the plan, a condition crucial to its success.

The committee (1978) while fully endorse the above proposition, pointed out two limitations to the realisation of this ideal. First, except in few states there is hardly any worthwhile set up of panchayati raj institutions. As a matter of fact, in several states where these institutions were initially established, they have either withered away or are lying in a moribund state.

The Government has taken cognizance of this state of affairs and have appointed a high level committee under the chairmanship of Shri Asoka Mehta⁷ (August 1978) to review the working of the panchayati raj institutions and in particular, among other things, to suggest their role in the task of integrated rural development. The Mehta Committee was

required to recommend the form and content of the relationship that should exist between the panchayati raj institutions, the official administrative machinery, and the cooperative and voluntary institutions involved in rural development.

The second reservation about the role of the panchayati raj institutions in the formulation of micro level plans arises from a widely shared view that the weaker sections of the rural community do not feel that their interest will be fully protected under the panchayati raj institutions. A stronger version of this feeling is that the leadership of the panchayati raj institutions acts as a "gate keeper" and prevents the flow of benefits to the weaker sections of the rural community. This is hardly surprising in the given context of the integration structure of the rural economy.

Dantwala Committee (1978) admitted that unless and until adequate safeguards are provided against the likelihood of the dominance of the panchayati raj institutions by the vested interests, giving them a decisive voice in the preparation of micro level or grass root plans, one of its major objectives, namely, removal of poverty, exploitation and unemployment will not have much chance of being realised.

3.2 Planning by Panchayati Raj Institutions: An Urgent Action

The Government Resolution appointing Asoka Mehta Committee on Panchayati Raj Institutions enunciates in the

preamble that "the government considers that the maximum degree of decentralisation both in planning and implementation is necessary. It is for this reason that one of the terms of reference emphasises "planning and implementation of schemes for rural development in an objective and optimal manner. Besides, planning is one of the important function contemplated for the zilla parishad."⁸

The ideas of "planning from below" or "grass root" planning have been brought up since 1950-51 when the plan document mentioned that "no plan can have any chance of success unless millions of small farmers in the country accept its objectives, share in its making regarding it as their own."⁹

Till recently, the ideas have been somewhat nebulous or halting as regards the concepts of this level of planning, the modalities of it, as also the actual plans prepared. After the Balwantrai Mehta Study Team Report (1957) and with the setting up of the panchayati raj institutions all over the country, an account of inter connection with ideas of popular participation in the planning process and democratic popular institutions form the village upwards seem to have developed. The Balwantrai Mehta Study Team also got the addition (January 1957) to their original terms of reference of "the question of reorganisation of the structure of district administration so as to adapt it to the needs of democratic planning."

"While the Team's proposal for democratic decentralisation did fill a major institutional vacuum in the planning process in India, neither the working of the panchayati raj institutions nor the development of the plans at lower levels had developed the intensity, universality or success. Decentralised planning in India is still in preliminary stage of experimentation."¹⁰

According to Dr. George Mathew,¹¹ "power to the people has been accepted as one of the important guidelines in our country long back." Dr. George Mathew, a reputed social thinker, explains in his article "panchayati raj - the second phase" that the political and social impact of centralised power has been too debilitating and this by now has been recognised. Despite the best efforts of the government to bring the large masses of people above the poverty line, the funds are not reaching the target group. The simple reason is that the local bodies are not functioning effectively. The author has given a survey of the states where concrete steps have been taken to rejuvenate the local self-government and hopes that these attempts would go a long way in the restoration of the panchayati raj in its true spirit. He expects that the wider involvement of people in the governance of their own affairs, is bound to make them more responsible and alert.

The author pleads that local level institutions should not exist at the sweet will and pleasure of the

government in power. Rather, they should be autonomous and guided by the larger interests of the local community within the overall framework of national interest.

It is heartening to note that now there is renewed interest in the revitalisation of panchayati raj in the country. Many an economist agree on the two reasons behind this welcome trend today.

First, the evils of concentration of power is being slowly recognised by the powers that be. The political and social implications of centralised power have been weakening. This we had conventionally ignored all these years. At least now, on the economic front for instance, the political leaders have conceded that out of one rupee meant for development only an amount of 15 paise reaches the target group because local bodies are not functioning effectively.

Second, in certain states in the 1980's when panchayati raj was being implemented with vision, its positive impact on people's life has been conspicuous. This has opened the eyes of even those who were considering panchayats as a nuisance or at best a necessary evil.

3.3 Perspective on the Local Level Economy

Dr. V. M. Rao¹² in his article "Decentralised planning priority economic issues" has put forward a balanced approach to this issue. According to him, there are three

features of local level economy observed frequently during rural investigations.

First, the growth and development impulses coming from outside do not percolate evenly over space and across rural strata. For example it has been our experience that development indicators like adoption of modern inputs tend to have striking variations within and across villages even in small and compact areas like clusters of adjacent villages.

Second, the forces of marketisation work with marked assymetry. Low diversification, in turn, reduces the opportunities available to local level economies to get integrated with their neighbour through economic linkages and exchange.

Third, the stratification of rural communities makes it difficult to consider villages as homogeneous entities. While the popular image depicts sharp polarisation between a few rich and the rest poor, it would seem to be true over large parts of rural India that the village communities consist of three strata - elite, a potentially viable middle stratum and poor - each having its own distinctive development characteristics.

An interesting hypothesis to explore is that all these three features arise out of a common source viz. the historical transition in progress in the rural area which is changing the closed, diversified and hierarchical neighbourhood economies of the past into relatively open economies

with changing stratification, increasing dependence on land and growing linkages with the larger economy and wider markets.

What is relevant to note here is that the three features have received considerable attention in the recent discussions on decentralised planning. The proposal for mandal panchayat made in the late seventies by the Asoka Mehta Committee and the researches done around the same time by V.K.R.V. Rao¹³ on the concept of cluster villages bring out the problems posed by dispersal of rural population into small communities with limited interaction among themselves. Prominent among them are the problems of marketing which figure in the literature on rural industries with an embarrassing frequency. As regards the feature of stratification, apart from the extensive literature on it from sociologists and agricultural scientists, the Dantwala Committee has examined at some length its implications for decentralised planning.

3.4 Decentralisation of Planning Process : Some Issues

"Centralisation and decentralisation are attributes of an organisation, where the organisation consists of a large number of independent units, independent to take their own decisions as also to determine their relationship with other units, it could be well described as decentralised organisation."¹⁴

Once it is agreed that decentralised planning has to be in the context of planning from above, the question of the scope of local planning naturally arises. Considerable thinking has taken place on this subject in India. The Third Five Year Plan indicated the following six areas as possible components of decentralised planning.

- i) Agriculture
- ii) Co-operation
- iii) Village industries
- iv) Elementary education
- v) Rural water supplies, programme of minimum rural amenities, and
- vi) Works programmes for the full utilization of manpower.

It has been suggested that the following additional areas are also to be included.

- a) Secondary education
- b) Communication within the area
- c) Rural industrialisation
- d) Rural housing and rural electrification, and
- e) Development of nucleus of growth such as market sectors.

In nutshell the above stated components can be expressed under three headings. They are:

- 1) Productive activities
- 2) Infrastructural activities and
- 3) Welfare activities

All these, it is indicated, should constitute the local sector or the panchayati raj sector. It is an oversimplification to assume that a list, such as the one above would be enough to make a clearcut demarcation of functions between planning by the central authority as against planning by the local authorities. The difficulty is that it is not possible to arrive at any single test on the basis of which functions could be allotted in a clearcut manner.

3.4.1 Tests of Allotment

P. R. Dubhashi¹⁵ (1968) has analysed different tests of allotment. The first test of allotment may be of the location of a project. This is, however, not a clearcut test because there is no reason why the location, for instance of a steel plant, be within the ambit of a district plan. At the same time the district plan which overlooks the spread effect of such a major project on the economy of the district as a whole, would be extremely unrealistic.

The second test of allotment could be finance. Whatever financed by the local authority should be included in the local plan. This test also breaks down where it is realised that local planning system has necessarily to rely on massive financial assistance from the central authority even for its routine functions and much more so, for its

development programme.

The third test may be that of the benefit of a project. Wherever benefit from a project is derived by a locality it should be included in the plan. Project benefit, therefore, does not provide an objective test for the inclusion of an item within the local sector.

The fourth test is that of execution. Whatever is executed by local authority should be included within its plan. This test again is not entirely for proof because a project planned, conceived and financed by higher authority may, nevertheless, be entrusted in whole or in part for execution to a local authority. Some project, naturally finds a place in the central plan as also the local plan.

The only way to get round these difficulties would be to conceive of two sectors within the local plan, one consisting of projects which are entirely planned, conceived financed and executed by the local authority or whose benefits fall in the area within the jurisdiction of the local authority. Most of the functions or schemes necessarily constitute a joint responsibility of area authorities at various levels : central and local.

An optimum scheme of decentralisation in planning would thus necessarily involve the following:

- 1) The local authorities do planning in the real sense of adjustment and development of local resources to

meet felt needs. Local planning is not mere transfer of schemes and funds for distribution by the local authorities.

2) Individual initiatives should not be superseded or replaced by decentralisation to local authorities of centrally directed administrative instructions.

3) The responsibility of central authorities for planning policy formulation, legislation, supervision, training and provision of supporting services should continue. In addition, its financial policy, should be so directed as to strengthen local planning and not distribution of bounties flowing from the top should be the aim of decentralisation. A fullfledged growth of decentralisation in this real sense would require that the local authorities make a techno-economic survey of the area, make an assessment of their own investible resources, fix targets and mobilise resources and individuals through individual initiative as well as collective enthusiasm.

3.5 Nature of Panchayati Raj

The study team of committee on plan projects headed by Balwantrai Mehta in their report submitted in 1957 recommended a three-tier system of panchayati raj institutions for self-government and gave the concept of 'democratic decentralisations of political and administrative powers. Mehta Report recommended the scheme of democratic decentralisation with a view to creating conscious and self-helping rural

community with the help of its own representatives.

Panchayati raj has become an accepted programme now all over the states of India. The set up of panchayati raj varies considerably in detail in functional pattern and the nomenclature from state to state. But there is a basic framework which is common to all the states. A three-tier system of local government has been adopted all over the country. The village panchayats constitute the lowest tier of the system; they constitute the base of the pyramid of panchayati raj. The highest tier is provided by district level body known as zilla parishad; zilla panchayat or district development council in different states. There is the intermediate tier constituted at the block or taluka level and known as panchayat samiti, taluka panchayat, janpad panchayat, kshetra samiti, anchalik panchayat or panchayat union council in different states.

Panchayati raj represents the process of decentralisation through delegation as well as devolution of powers and functions. There are broadly two consequences of the establishment of panchayati raj, viz.

- 1) Establishment of an interconnected and interlinked institutional structure of panchayati raj moving up from village to the district level; and

- 2) Widening of the scope of functions and activities of panchayati raj institutions. This widening of functions mostly relates to entrusting the functions of rural

development to these bodies. The village panchayats from the very beginning had certain municipal and administrative functions. The new institution, panchayati raj established in the back ground of community development programme took over the entire development programme, in the rural area. Their functions now included developmental, administrative, municipal and welfare activities. Economic and social development of the area is an important objective of local government.

Henry Maddick says, there is a triangular relationship between decentralisation, democracy and development. Planners have accepted this approach. We are told that the approach to the Eighth Five Year Plan will be on grass roots planning. Note that the earlier five year plans did not advocate planning from below. "Panchayati raj without district planning would remain a hollow cell and district planning without panchayati raj would remain unrepresentative. But all this could not happen unless there is a 'qualitative change' in the devolution of powers to local units."¹⁶

3.6 Role of Panchayati Raj Institutions in the Grass Root Level Planning

Development plans are designed to fulfil the needs of the people. Hence direct involvement of the people in the implementation of these plans is essential. According to Nehru, "in the implementation of the five year plans,

our approach must be to produce a sensation of partnership with the man in the village. The five year plan of India is a people's plan, and in its implementation a feeling should be generated among the people so that each man, woman and child in India became as it were a partner in India Ltd.; jointly engaged in the great task of building a new India."

A consciousness must develop amongst the people towards planned development and a modern and progressive outlook must permeate the villages. Then only the plans and programmes of development will gain momentum. The panchayati raj institutions, being nearest to the people, can do much to bring about this consciousness and fresh outlook.

In the absence of no functional agencies, at the district or taluka or village level, says Dr. Nanjundappa,¹⁷ there is a possibility that planning may result into an unintegrated exercise for resources, far in excess of availabilities and programmes uncoordinated and unrelated to felt needs. Emphasising the importance of panchayati raj he points out that these representative bodies enjoy certain advantages in the matter of locally manageable small projects included in a larger development plan meant for the whole state.

Dr. D. M. Nanjundappa, in his article "planning from below" holds the view that the panchayati raj institutions, as local instruments of economic development, offer the local people, "their own socialism" - instead of imposing anything

like that from outside. He suggests that youth who look towards future, should be brought within the fold of this institutions and be provided with an opportunity to serve the people and demonstrate their capabilities.

Prof. Kamta Prasad¹⁸ in his article emphasises the role of panchayati raj institutions in the states where they are working only in peripheral. According to the author, a planning framework which assign an insignificant and purely subsidiary role to the all powerful bureaucracy is not likely to be effective under the present circumstances. It is, therefore expedient to proceed gradually towards the ultimate goal of transferring all planning functions to panchayats within an agreed time frame, say, a decade or two at the most. To achieve this objective the author says, it is necessary to put more emphasis on the participative approach by a restructuring of the district planning machinery.

Again, Prof. Kamta Prasad observes that planning has, no doubt, been mentioned as one of the functions of the panchayats in the Panchayati Raj Institutions Acts in most states. But in actual practice, these institutions have very little involvement in planning which has remained centralised mainly at the national and, to some extent, at the state levels. Some part of the responsibility in the local level planning of the integrated rural development programme has, no doubt, been assigned to the panchayati raj institutions in recent years.

3.7 Preparation of Area Plans

Planning means husbanding of scarce resources for application to rival needs. "Planning under and through panchayati raj is essential not only for the progress of panchayati raj but also for the success of our national plans."¹⁹ There exist many barriers to the introduction of spatial dimension into the process of planning.

Dr. D. M. Nanjundappa²⁰ (January 26, 1989) clearly approves the function of preparing area plans by panchayati raj institutions. He states that the national plan provide the overall framework of growth rate and sectoral priorities, the state plans that are to go into it have to be worked out on a two way process. At one end, a critical review must be done of economic and physical situation in order to identify the point at which the state stood particularly with reference to the development of natural resources and infrastructure and existence of regional or sectoral imbalances and the volume, distribution or diversification of employment opportunities. At this level the resources that are forth coming from the central government and the manner of their distribution for various programmes at different levels below that of the state are to be assessed.

A number of writers on this issue are convinced by the empirical evidence that "some standard programme that are accepted by the central planning authority and the

central ministries bring in a flow of funds to the state plans, such resource accrual largely determine the choice of programmes irrespective of whether they reflect local needs or not."

Moreover, if there are no functional agencies at the district or village level charged with the power and responsibility for examining the land form and land use of the area, local needs, resources, and their interrelationships, institutional arrangements and potential patterns, planning at the state level has to evolve the programmes and priorities on the basis of its own assessment of the requirements of the state as a whole. The result is an un-integrated exercise for resources far in excess of availabilities and programmes uncoordinated, unsynchronised and unrelated to felt needs.

To overcome these defects, planning from above is to be matched by a process of planning from below. That is planning is to be rationalised by efforts to prepare the village panchayat, taluka block, or district plans. Instead of a uniform application of development programmes all over the state irrespective of their suitability to local physio-geographical conditions, area plans are to be prepared after identifying the strategic variables and examining the interaction. Area plans make the people to identify the programmes meant for their locality and this would lead to the concentrating of the programmes and invoking of

necessary cooperation from the people in implementation.

3.7.1 Agricultural Development

Agricultural development is our top national priority. With a view to increasing agricultural production it includes the programmes of minor irrigation, utilisation of water, soil conservation, use of fertilizers and development of local manurial resources. Small scale industries are also to be developed side by side with agriculture to form an agro-industrial base for the economy.

While addressing the gathering of sarpanchas, pradhans, pramukhs and farmers of Rajasthan at the time of inauguration of panchayati raj at Jaipur on October 2, 1959, the late Prime Minister Jawaharlal Nehru, the architect of planning, had observed "Agriculture is the foundation of our life to-day. We have to undertake many projects but the success of all our projects depends upon our agriculture. As long as we do not acquire self-sufficiency in food we cannot march ahead. Therefore, our primary need is to increase our agricultural production."

Panchayati raj institutions have a significant role to play in achieving increased agricultural production. In the ten point test recommended by the annual conference on community development and panchayati raj, 1961, the first five tests related to production and planning. The conference recommended the following tests.

1) Production in agriculture with higher productivity,

2) Promotion of rural industries,

3) Development of cooperative institutions,

4) Development of local resources including the utilisation of man-power, and

5) Optimum utilisation of resources available to panchayati raj institutions such as money, staff, technical assistance and other facilities from higher levels. These tests indicate the importance of planning and implementation under panchayati raj.

3.7.2 Mobilisation of Local Resources

It is an important problem at every stage. The resources of the country from traditional sources are necessarily limited. Taxation has only limited scope. According to Jaya Prakash Narayan, "a decentralised economy must aim at relating full utilisation of local and regional needs. For this, regional surveying and planning would be necessary."²¹ This aspect of local planning has been emphasised since the beginning of the first five year plan and also in the community development programme. Creation of community assets and utilisation of unutilised energies of the people in rural areas are significant for rural development.

3.7.3 Utilisation of Manpower

Manpower is a valuable asset. It poses a serious drawback if it is not gainfully employed. A large amount of manpower in rural areas remains idle and needs to be properly harnessed. Manpower resources can be channelised for the economic development of the country. "For many years the greatest scope for utilising manpower resources in rural areas will be in programmes of agricultural development, road development projects, village housing, and provision of rural amenities."²²

3.8 Efficiency of Panchayati Raj Institutions

Panchayati raj institutions offer an institutional innovation for planning from below. They give a set of interconnected democratic and popular institutions at the village block and district levels in which representatives of the people on the village panchayats, panchayat samitis and zilla parishads function with the official of administrative and developing agencies of the government as a team for the development of the area that falls within their jurisdiction. Different committees on panchayati raj institutions, the Balwantraj Mehta (1957) as well as Asoka Mehta (1978) Committee stressed on the developmental role of these institutions. In the context of widespread poverty and low level of social services, panchayati raj without development would be a barren and sterile concept.

Dr. Nanjundappa²³ stresses two consequences of panchayati raj experiment in his article "Planning from Below". One is that it supplies an interlinked institutional structure together with decentralisation through delegation as well as devolution of powers and functions. The second is that it supplies institutions which are primarily units of local government whose important objective is economic and social development.

3.9 Distinguishing Features of Panchayati Raj Institutions

The distinguishing features of these institutions are local, democratic and efficient which offer the kernel of the whole problem. It should be local because it must be closer to the grass roots, the common people and their problems; it should be democratic because there should be a place in it not only for the few educated or elite but for all the people whose respect it can enjoy by its affinity; it must be efficient because operating as it does from a scarcity base, benefits from its programme should be maximised with minimum resource spending.

Local government is closer to the people than state or central governments. Identification of the needs and execution of the programmes are so much easier and prompt with administrative units at the local level. The educational value of the local bodies have always been there;

their broad base secured by the popular representation sustains and consolidates the achievements.

The panchayati raj institutions enjoy certain technical advantages in the matter of locally manageable small projects included in a development plan. They make developmental efforts economically easier because of the short gestation period of the small works. They promote undertaking of the secondary programmes which are complementary to major projects executed at the higher levels. They offer a device for planning and provide a structural link to the projects of higher importance. In short, the success of the local bodies as instruments of economic development depends on the creating of a representative and democratic agency which will supply the local interest, supervision and care necessary to ensure that expenditure on local projects conforms to the needs and wishes of the locality and investing it with adequate power and assigning to it appropriate finances.

3.10 Streamlining the Functions of Panchayati Raj

The sixtyfourth constitution (Amendment) Bill on panchayati raj (the bill could not win the two third majority in Rajya Sabha), envisaged two major responsibilities of the panchayats, namely, the plan formulation within the guidelines and conditions stipulated by the state governments, and implementation of the development schemes assigned to

them by the state governments on such conditions as may be specified by the state governments. Bepin Behari²⁴ is of the view that besides poverty alleviation programmes, the panchayats will also have the responsibility of public distribution systems and the maintenance of community assets. These are very extensive responsibilities requiring much authority, considerable finance and above all much technical expertise. The availability of such a wide variety of talents and specialised personnel could be available at the village level as the emoluments likely to be paid to them is a very debatable point.

Planning entails laying down of priorities, working out the financing schemes and integrating these with various other proposals. The village panchayats will find themselves, on their own, unable to carry out these tasks effectively and in a worthwhile manner. In fact, most of the states have already constituted state planning boards which are engaged in working out detailed plan formulation. The experts from these boards could sit down with panchayat members and thrash out with them their financing schemes. Alternatively, the state governments could invite plan proposals from various panchayats and, before finalising them with the union planning commission, could discuss the various panchayat proposals for their possible inclusion in the state plans.

"Planning from the grass roots which has been an objective of the national planning for more than two decades has

failed to materialise for the reason that the matching of finances for the plan proposals must come from the grass roots organisations themselves to assure their inclusion in the national plan. But it has not been possible so far. In view of this, it is necessary that the panchayats must realistically assess their own financial resource position."²⁵

3.11 Financial Resources of the Panchayati Raj

A viable local government unit necessitates access to funds for its operations and for its development projects. The financial resources of the panchayat bodies have not been elaborately defined. The Mehta Committee (1978) proposed the proceeds from various direct and indirect taxes and other fees and grants from other bodies. The state governments have failed in making proper implementation of the recommendations of this committee. In general, the sources of the revenues of the panchayats are tax on property, cess on land revenues, rent, tax on vehicles and profession.

They are also empowered to levy taxes like octroi, fees for the use of rest houses, drainage cess, water fare, lighting charges and taxes on shops. These charges may be imposed on the rural people by the panchayats in case they provided the amenities.

The panchayat samiti has its funds allotted to it by the state government for the development work within its

area. It is drawn from the block budget. The samiti is also empowered to levy certain taxes and receive some share of the land revenue and grants from the state government. A serious flaw in the working of the panchayat samiti is that they lack independent sources of revenue. They are unable to exercise any initiative in instituting special programmes or development projects of their choice, because they have no funds with them for the purpose.

The finances of the zilla parishad consists of the grants received from the state government and share in the land cess and other local cesses and taxes. In some places, the zilla parishads have been allowed by the state government to levy certain taxes to enhance the taxes already levied by the panchayat samitis subject to a certain limit.

There is a scarcity of studies pertaining to the patterns of local level sources of funds, but scattered evidence indicates that subsidies and grants from the national government do make up a large portion of local level resources. Local governments do possess a long list of services and administrative activities which they levy fees or charges, returns from these tax sources, vary tremendously and the net returns are usually small compared to the amount spent in collecting the taxes. Contribution from the private sector as a source of funds for local government is generally project specific and depends much on whether the project is a response to an identified felt needs of the people.

Nevertheless, the so-called popular participation and self-reliant development attaches some importance to this seldom-tapped resources at the local level.

"The analysis of sources of funds and an estimate of the magnitude that may be available during the planning period is an important facet of local level planning. Accordingly, proposed projects during the budgeting process should carry with them their sources of funds."²⁶

3.12 Decentralised Planning for Growth

V. M. Rao²⁷ analyses different categories of rural resources. He is of the view that to bring out the specific planning in requirements for growth, it is convenient to group the rural resources under three heads. Owing to the processes generating stratification and inequality, a substantial part of rural resources becomes the private property of the rural elite or comes under their effective control. Agricultural land is an obvious example and, given the trends after its dependence this could also be the position now with respect to the irrigation source built up through public and private investments.

Second, resources like forests and minerals with potential for commercial exploitation for large markets get into the hands of urban - located groups and establishments.

The third group consists of resources left aside by the rural elite and the urban group. Very plausibly, these

are perceived into ownership by large numbers at the middle and lower levels of, rural communities. It is obvious that decentralised planning has a limited role to play in relation to the first two categories. Take, for example the resources with the elite. The use of these resources would be governed primarily by the considerations of profit accruing to the owners.

This would also be true of the second category of resources as the urban groups, as a rule, may be expected to be even less concerned about the impact of their activities on the rural people and their conditions. Thus, decentralised planning for growth faces a major initial hurdle in the form of resources with good growth potential remaining practically outside its reach.

Given this constraint, it is natural that the development activities at the decentralised levels focused on the poor tend to remain confined to the third category of resources. Macro planner often neglects these resources owing to lack of information, localisation and meagre growth potential. It can also be taken that activities at the macro level to exploit them would run the risk of both bad implementation and infructuous results. In this sense, it is good trend that the programmes at the decentralised levels are paying increasing attention to these resources.

However, it is our hunch that the planning inputs needed to squeeze growth out of them are far more demanding

than what the personnel of the decentralised levels can provide. They need upgraded technology, forward and backward linkages, survey of market potential and promotional efforts for market build up. With all these inputs, there would still be uncertainty about their eventual contribution to growth and poverty alleviation. The case which exhibits all these features is the industries components of IRDP and the programmes to build up rural industries.

"The experience in Karnataka has been that such programmes fail to rehabilitate even the existing artisans and it would be premature to expect them in the near future to help sizeable numbers of poor and landless to find livelihood in secondary activities. It would also seem that extensive and viable secondary activities in the rural areas would need major changes in the overall economic policies. Improvements in the planning of these activities at the grass roots level by themselves alone, could turn out to be limited help."²⁸

This still leaves considerable scope for decentralised planning in the areas of agriculture, allied activities, land improvements and water management. This is particularly true of dry-land agriculture where the process of change are just beginning and the new technologies and practices are likely to be less elitist and more within the reach of the poor than the case was in the green revolution areas. There would also be substantial room for decentralised planning in

the undertaking of employment programmes. In fact, decentralised planning would make a substantial contribution to growth if it acquires adequate capacity to use employment programmes for improving rural resources suffering from the accumulated neglect of the past.

The main point to be noted from the above discussion is that adequate planning for rural growth needs interlinking of different tiers of planning rather than attention only to the lower tiers. At the conceptual level, this would be obvious from the fact that as one moves down the tiers of planning, one would encounter more and more open systems, with increasing external linkages, which are difficult to plan in isolation neglecting the linkages. If the linkages are to be covered adequately one has to move up the tiers to reach a level where this would be feasible.

One must conclude that, presently, we have, no field-tested and extensively used methodologies for planning for rural growth outside the sectors of agriculture and allied activities. The only clue we have is that linking of farms with agro-processing industries have been a spectacular success in some pockets but they need indigenous leadership and enterprise which cannot be replicated at will.

The absence of methodology for planning for growth is only a symptom of the lack of sustained effort to pursue rural growth beyond agriculture. The latter should cause us

more worry than the symptom itself. Apparently, it does not arise entirely from the distorted perceptions and priorities of the post-independence planning. Gaikwad who has critically reviewed the pre-independence experiments which are often held (us) as models to be resurrected, finds "Early experiments were, at best, poor examples of rural reconstruction, considering their rich philosophical ideas, narrow and shallow base of thinking on material aspects of life and poor and transient economy of rural people. In these experiments there was not much that would build a technologically progressive economy which rural India needed badly. Indian planners used it most efficiently and effectively to keep the poor hopes and aspirations alive and thus buy time to build strong industrial infrastructure."²⁹

Unless the planning for growth improves to increase the overall growth rate in the economy and to give a thrust to rural growth by stimulating the secondary activities in addition to agriculture, the impact of decentralised planning on the rural areas and people is likely to remain too modest to bring about structural changes like removal of poverty which need changes in the features of the perspectives of the economy.

3.13 Decentralised Planning for Needs

Planning for needs has to span a wide range of building up infrastructures like, roads, schools, dispensaries,

etc., organising relief measures quickly and on an extensive scale during periods of acute stress, institutionalising the programmes for bringing about improvements in health, nutrition, education and skills of rural people. In the course of implementing the numerous schemes designed to meet these needs, the planning system has by now considerable experience in identifying the problems requiring particular attention of the planning stage.

A research work done by the Institute for Social and Economic Change, Bangalore (1988) on the employment generated in scarcity relief works in Karnataka, states that "when diverse departments implement employment schemes to achieve primarily, their departmental targets of afforestation, minor irrigation, roads, etc., there is little chance of the relief and employment programmes being planned with the focus on area development, poverty removal and softening of the dependence relationships."³⁰

The programmes for bringing about improvements in health, nutrition, education and skills need more demanding planning inputs. First, the poor need to be helped to reach the income and expectation threshold where they would begin to perceive the economic benefits of investing in themselves. Second, when the investments create better capacities and skills, the poor must get opportunities to make productive use of them. The main point to be noted is that just as the planning for growth has not gone much beyond creating the

primary sectors of agriculture and allied activities the planning for needs, continues to remain in the primary phase of providing temporary relief and support to the rural people without a long term perspective on the links with the components affecting growth and participation.

3.14 Viable Unit for Effective Decentralised Planning

Economists are of different standpoint regarding the viable unit for planning. The Balwantrao Mehta Committee (1957) appointed by National Development Council, gave its unequivocal finding that for active participation of the people, it is essential that they are actively associated in the formulation of plans designed for their economic and social improvements. As a result, the scheme of democratic decentralisation, better known as panchayati raj, was introduced.

"Democratic institutions at district, block and village levels were created to offer opportunities to people's representatives and through them to the people to formulate and implement plan for their economic and social betterment."³¹

Here we would like to discuss different views regarding the proper unit for decentralised planning.

3.14.1 Village Panchayat as a Viable Unit for Planning

Gram panchayat forms the basic unit of the panchayati

raj organisation. It has been recognised that unless there is comprehensive village planning which takes into account the needs of the entire community, the weaker sections may not benefit to the desired extent. Rural progress depends on the existence of an active organisation in the village which can bring together the people to assist the administration in implementing the common programmes concerned with agricultural production and allied activities like village industries, communications and other local works and programmes. Being the primary institution of the village, the gram panchayat has been entrusted with the task of providing certain basic amenities like drinking water for the villagers and improving the economic status by preparing and implementing the annual agricultural plan.

L. C. Gupta emphasised that, while the plans might be prepared at any level the village should remain the focus of all planning.³² H. K. Paranjpe made the same point rather forcefully when he emphasized that a distinction had to be made between "planning for the village" and "planning by the village". He added that "the basic unit cannot be the village, though the village will be the focus."³³ R. P. Misra clearly states that "a village community or a group of people might constitute a village unit for developing their own special interests, but not for the development of the people as a whole. Local development will be attained only at that level where the people are able to form an areal

complex in which several communities and groups with different interests can be integrated for co-existence (social integration) as well as for coprosperity (an economic integration) and in which the concept of a self-contained unit (a socio economic autonomy) can be realised, particularly in a balance of labour supply and demand."³⁴

Dr. P. P. Pillai³⁵ states that planning if it is really meant for the masses, should begin at the village/ panchayat level, after identifying the basic needs of the people of the locality and the resource endowments at the micro level.

The reasons for the failure of the exercise 'village, a viable unit for planning', are apparent from its small size, lack of resource potential, technical expertise and data base. By these reasons P. R. Dubhashi states that "village per se, as an individual unit is hardly a viable unit for planning and development."³⁶ Prof. John P. Lewis, the American economist described this pre-occupation with village planning as mere 'villagisom' which must be considered to be inconsistent with any rational or viable planning. "Planning cannot attempt to provide self-sufficiency for every village. Planning must have a broader perspective and cannot be contained within the narrow confines of the single village community."³⁷

3.14.2 Whether Block a Viable Unit for Planning

Development cannot progress without responsibility and power. Community development can be real only when the community understands its problems, realises its responsibilities, exercises the necessary powers through its chosen representatives and maintains a constant intelligent vigilance on local administration. With this objective the Balwantraj Mehta Committee recommended an early establishment of statutory elective local bodies and devolution to them of the necessary resources, power and authority. While thus defining 'Democratic Decentralisation' the team had stressed that the basic unit of democratic decentralisation should be located at the Block Panchayat Samiti level; the district tier namely the zilla parishad shall have just an advisory role.

The block is the intermediate tier of the panchayati raj organisation. In recognition of the approach of the intensive area development, a community block has been accepted as the suitable unit for planning and development. While the district is too large and the panchayat too small, the intermediate size of the block permits more comprehensive local planning. As Birkeswar Prasad Singh put it : "It enables planners to avoid duplication and to frame a coordinated area plan. In addition it ensures people's participation by democratising and decentralising authority to

the appropriate administrative level, where democratic planning can be combined with efficiency."³⁸

The Department of Economics and Public Administration organised a seminar on the topic panchayati raj, planning and democracy at Jaipur from 6 to 11 December 1964. A number of well known economists and planning experts participated in the seminar. Among them there was difference of opinion with regard to suitable unit for 'planning from below'.

The participants were divided between those who favoured the district (zilla parishad) and those who recommended the block (panchayat samiti) as proper unit for planning. Most of the speakers, however tried to differentiate the process of plan formulation from that of plan implementation and wanted the latter to be spread over all levels while the former could be carried out at the district/regional or even state level.

In this connection V. M. Dandekar³⁹ suggested that the process of 'planning from below' could be envisaged through four stages, viz. fixing the size of the plan, determining sectoral allocations, deciding location of various schemes and projects and actual implementation of the schemes. He was of the opinion that first two stages belonged to the state level, as final decision in regard to the items covered by them would have to be taken at the state level.

The state could alone provide the resources and the

technical knowhow to determine the total size and sectoral allocations of the plan. The institutions and the people at the grass roots level came into the picture with reference to locational decisions for which they had both knowledge and interest.

V. M. Dandekar, therefore, opined that it was in regard to this state that local people and their representative institutions had a crucial role to play and where their direction should matter. Lastly, in regard to the stage of implementation and execution of schemes it must be recognised that local people knew their surroundings much better than the people of state capital or Delhi and as such their direction should prevail in matters of implementation.

Iqbal Narain⁴⁰ is of the view that as far as formulation is concerned perhaps district is the only viable unit but, when it comes to implementation, he feels that perhaps one can afford to go a little below and one can make the block as the unit of implementation, because it is there that a sense of purposiveness, born of attachment to the soil, can imbibe effort which may lead to greater mobilisation of resources in terms of manpower and material. The nearer we go to the people the greater are the chances of achieving these objectives which are basic to panchayati raj itself.

The Tripathy Report pointed out that "the block can be made an effective unit of planning and development only

by making the anchalik panchayat responsible both for preparation and implementation of the block plan. Adequate funds for this purpose should be ensured to the anchalik panchayats as grants so the responsibility to account for the same rests squarely with the panchayats."⁴¹

The working group set up by the Planning Commission on November 5, 1977, recommended that "a block should be the proper unit of planning from below. The reason is that a block is "sufficiently small in terms of area and population to enable intimate contact and understanding between the planners, those responsible for the implementation of the plan and people."⁴²

3.14.3 District as Unit of Planning

The district, which has been, by and large, a compact and homogeneous unit, has always been the pivot of administration in India. As such, some favour the district as the basic unit for formulating realistic and meaningful local plans. Since the introduction of the scheme of democratic decentralisation, the zilla parishad has come to be accepted as a body responsible for planning and execution of different development programmes in the district.

But, as V. Nath has pointed out, the fact that "the district is accepted as the unit of planning of a particular programme does not mean that it should necessarily be the unit for its implementation also. In some cases, the

combination will be useful, but over a large field of development activity covered by the district, plan execution could just as well be done through the panchayat samitis. The district is a more suitable unit than the block for planning the content of the minor irrigation programmes. The decision regarding the unit of planning and the unit of implementation should be taken separately for each development programme keeping in view its nature, the technical staff and other resources required for it, and the structure of panchayati raj institutions in the state."⁴³

The seminar on panchayati raj, planning and democracy at the University of Rajasthan observed : "District is taken to be the basic planning unit as the administrative and technical leadership which is essential for preparing plans would not be available at a level below the district."⁴⁴

Again V. Nath opined that "district is a more important unit of planning than the community development block. The community development block was quite a suitable unit for planning a net work of primary schools because the object was to provide every village or in case of very small villages or hamlets, a group of two or more neighbouring units with a primary school. But it is not equally suitable unit for planning location of middle schools and may have positive disadvantages when adopted as the unit for planning of secondary schools. Similarly, while location of credit cooperatives could be planned with the blocks as a unit,

location of marketing and processing societies has to be planned with a larger area as the unit, because of the need for attention to specific location factors."⁴⁵

V. Subramanian pointed out that in Maharashtra the state had adopted the concept of district level planning not merely as an ideology but as a profound practical step for the full and intensive development of the districts and for redressing the imbalance between the different units of the Maharashtra State.⁴⁶

The Sadiq Ali Report stated that 'the zilla parishads will play an important role in the process of planning at the district level.'⁴⁷

The same opinion is echoed in the Zinabhai Dargi Report in the following way: 'The work of suggesting and framing district level schemes should be fully entrusted to the district panchayats.'⁴⁸

The Girdhari Lal Vyas Report also has the same opinion. 'The Zilla Parishad would now be not merely a supervisory body but would be both a planning and executive body with an effective control over the panchayat samitis and gram panchayats. The panchayat samiti would now function basically as its executive agency.'⁴⁹ Conceding that the 'block is an ideal unit for purpose of local administration', the Narasimham Committee stated, "but that is rather too small to be an appropriate area for planning and that

district alone should be the unit for decentralised planning."⁵⁰

It gave the following reasons.

1) The technical and administrative staff available at the block level are generally not quite competent to estimate the available resources in money, material and manpower and to assess correctly the needs and requirements of the people and to prepare five year plans; the position at the district level is different as there are more competent and experienced district heads and technical personnel to prepare comprehensive plans.

2) There are imbalances between block and block in the same district; this cannot be corrected if the unit for planning is block and not the district.

3) Coordination will be achieved better if each district has its own plan prepared taking into consideration the needs of each block and the priorities properly fixed in advance.

The Asoka Mehta Committee recommends that 'the developments necessitate that the first point of decentralisation below the state level should be the district. The reasons advanced for that are well known. Historically, the district has been the pivot of local administration for centuries. For, planning, supervising and coordinating developmental programmes, administrative and technical competence

of the requisite calibre is available on at this level, and not at a lower level say, the sub-divisional or the block level.⁵¹

P. R. Dubhashi, after experimenting the district planning in Maharashtra and Gujarat observed that "in the states of Maharashtra and Gujarat, district was chosen as a more viable unit for planning and development, the zilla parishads emerged as the most important local development agencies. Zilla parishad has more resources, more competent technical staff and therefore had greater strength to attempt planning for development."⁵²

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CHAPTER IV

WORKING OF PANCHAYATI RAJ THROUGH DIFFERENT TIERS AND ITS PERFORM- ANCE IN SOCIO ECONOMIC DEVELOPMENT: SOME EMPIRICAL EVIDENCE

"The story of panchayati raj has been a story of ups and downs. It seems to have passed through three phases: the phase of ascendancy (1959-64); the phase of stagnation (1965-69); and the phase of decline (1969-77).¹

Panchayati Raj like democracy at national and state levels, in both an end and a means. As an end, it is an inevitable extension of democracy to the grass roots, which in turn, makes in the base of the democratic pyramid in the country. The extension should encourage a two way system of political linkages from bottom upwards through the state to national levels and the vice-versa with built in potential for reinforcing responsiveness and accountability of the representatives to the people on the one hand and encouraging mobility, circulation and broad basing of the political and ruling elite on the other.

The Asoka Mehta Committee emphasises that panchayati raj is both a living and an interactive part of a democratic continuum and also a unit of democratic self-management at the rural local level. The dual system is natural as well as desirable, once it is recognised that panchayati raj is a

sub-system in relation to the democratic polity in the country and will also develop the potential system at the rural local level for the complex of transferred activities.²

Any way we shall expect that panchayati raj, both as an end and a means, should contribute to the philosophy as well as practice of a rich, rewarding life in rural India.

Before evaluating the performance of panchayati raj institutions in different states we would like to survey the functioning of panchayati raj institutions at different levels.

4.1 Gram Panchayat -

The gram panchayat is the first tier in the panchayati raj system. The First Five Year Plan observed that "panchayats have an indispensable role to play in the rural areas". Specifying the role of the panchayats the plan added : "Many activities such as, framing programmes of production for the village such as, the construction of roads, tanks etc., encouraging the villages to improve the standards of cultivation, organising voluntary labour for community works and generally existing in the implementation of economic and social reform legislation passed by the states, will naturally fall within the purview of the panchayat."³

The role of panchayat in regard to land policy was considered extremely important as there are certain problems such as safeguarding the interests of small cultivators,

cultivation of village waste lands etc. which none but the panchayat can deal with.⁴ Indeed the centre and the states seem to expect the panchayats to do every thing related to development.

There are, of course, some variation in the powers and functions of the gram panchayats as prescribed by the panchayati raj acts passed by different states. But it is widely accepted that the panchayats, in addition to carrying out civic functions, should be actively involved in the process of socio economic development of the villages. In this regard they are intended to function not merely as agencies of the panchayat samitis or zilla parishads but to plan and implement on their own certain development programmes particularly those related to agriculture.

Several reports of the committees and study teams appointed by various state governments, and research studies conducted by scholars, have commended upon the unsatisfactory performance of gram panchayats and the factors responsible for it. Thus, the report of the Tripathy Study Team on Panchayati Raj (1963, Assam) observed that "neither the panchayats have been encouraged to undertake development works with their own resources nor have departmental funds been transferred to them."⁵

A case study conducted in Jaipur district by Iqbal Narain and P. C. Mathur, observed that "the basic weakness

of the panchayati raj institutions in the Rajasthan pattern relates to the rather weak position of the panchayats which, though conceived as the basic grass roots institutions are not able to make a significant contribution owing to paucity of resources and lack of institutional dynamism."⁶

N. R. Inamdar conducted a study in four village panchayats in the Pune district of Maharashtra. The study reveals that the performance of two panchayats are satisfactory and two not satisfactory. He observed that, "both these otherwise successful panchayats mostly failed in the new development functions like social education, women's activities and promotion of agriculture and small industries. These development activities until recently, were looked upon as purely voluntary; it would require immense efforts on the part of the administration and political leadership to bring out a change in the outlook."⁷

The Vyas Committee Report (Rajasthan) stated that "while the existing list of the functions and powers of gram panchayats in Rajasthan is fairly impressive, it is a fact that the panchayats on the whole have not functional effectively."⁸

One might wonder if a part of the unfavourable verdict is not due to the 'fairly impressive list' of powers and functions. A seminar held at the National Institute of Community Development in October 1975, noted that a typical piece of legislation relating to the village panchayats

contains an elaborate list of functions. Many of them overlap, and several of them are beyond the financial and administrative capacity of the panchayats. It, therefore, recommended that their functions should be defined more realistically.

4.2 Panchayat Samiti

The intermediate tier in the panchayati raj system is known in several states as the panchayat samiti. In a majority of states its jurisdiction is co-extensive with the block, which is generally a smaller unit compared with the taluka. In some states, the jurisdiction of this intermediate tier is co-extensive with that of a taluka.

The panchayat samiti operates through its statutory committees. Generally speaking, they deal with

- i) Production programmes,
- ii) Social welfare,
- iii) Cooperation, cottage industries, etc.
- iv) Education,
- v) Rural water supply, health and sanitation,
- vi) Communication and other allied subjects,
- vii) Finance, taxation and administration.

The number of these committees varies from minimum three in Punjab to maximum eight in Bihar. The Assam Act provides for the constitution of any number of committees. The statutory committees exercise only the powers delegated

by the panchayat samiti.

The panchayat samitis are also executive bodies for the state government and the zilla parishad. They execute transferred schemes which were previously implemented by the different departments of state governments. The departments allot funds to the panchayat samitis and the latter has to execute the schemes according to the terms and conditions prescribed by them.

Panchayat samiti have a 'formidable list' of functions and responsibilities. They do not have their own resources. Their resources mainly consist of a share in the land or local cess and duty on transfers of property, community development grants and funds allotted by the state government or zilla parishad for specific schemes. These resources are found grossly inadequate in terms of their responsibilities. Reporting such inadequacy, the Narasimham Committee in Andhra Pradesh observed : "There is nothing surprising if panchayat samitis have not been giving adequate attention to the maintenance of roads, buildings, furniture in schools etc. for want of funds."⁹

Though panchayat samitis in many states are statutorily made responsible for the preparation of block plans with regard to agricultural production, industries, etc., the samitis do not seem to have made appreciable impact in this regard. The observation made by the All India Panchayat

Parishad (AIPP) study team in West Bengal (1967) reflects the general situation in other states also. They observed: "The anchalik parishad in West Bengal has yet to acquire an independent status of its own and it is functioning more or less as an appendage of the block organisation rather than as the policy making body with regard to the implementation of community development programme in its jurisdiction."¹⁰

Even the execution of transferred schemes by the panchayat samitis is found ineffective. In Rajasthan, the Sadiq Ali Committee found that "the transferred schemes have been implemented by panchayat samitis according to the terms and conditions but they have not been implemented with the desired speed and efficiency."¹¹

The committee observed that lack of timely and adequate guidance from the technical and supervisory personnel, delay in the allotment of funds, lack of due consideration for local condition and circumstances while laying down terms and conditions of the schemes and lack of continued interest on the part of sarpanchas and members of panchayats in the completion of works are some of the important reasons for delay in the execution of schemes. The situation regarding the execution of transferred schemes is found more or less similar in most of the states.

A trend of thought is emerging that the zilla parishad

is in a better position to plan and execute some of the schemes more effectively. The Vyas Committee in Rajasthan has suggested drastic reduction in the schedule of functions of panchayat samiti. "They wanted it to be merely an executive agency."¹² The Narisimham Committee in Andhra Pradesh has already stated that "the district should be the unit of planning and the zilla parishad should be made responsible for formulation and implementation of district or local plans and for the implementation of central and state plan schemes within the district."¹³

4.3 Zilla Parishad

The nomenclature used to indicate the popular body constituted at the district level is zilla parishad in most of the states. The case of Maharashtra is particularly interesting where the zilla parishad is entrusted with the execution of all development programmes at the district level. Its responsibilities are clearly specified in Schedule 1 of the Maharashtra Panchayat Samitis and Zilla Parishads Act. The Act provides for financial resources of its own through taxes and levies in addition to the purposive grants given by the state government for the implementation of specific programmes. Another distinctive feature of the Maharashtra pattern is that all the district officers of development departments are brought under the administrative control of the chief executive officer of

the zilla parishad.

Various evaluation studies on the working of zilla parishads in Maharashtra have made encouraging observations. The Bongirwar Committee observed that "by and large, the zilla parishads have been able to administer their functions satisfactorily", in spite of the fact that "there have been some irregularities or lapses and even a few cases of abject misuse of power."¹⁴

The committee distinguished between the administration of existing services, institutions and activities, such as schools, health centres, etc. on the one hand, and that regarding the new campaigns like high yielding varieties programme or family planning programme etc. on the other. They found their performance much more outstanding in respect of the latter than in respect of the former. They, however, conceded that the performance has not been uniform or of the same description or type in every district.

N. R. Inamdar makes an interesting observation in this regard. "As political institutions, the zilla parishads in Maharashtra have created a place for themselves in the body politic."¹⁵ But he felt that the growth of democracy through this institution is hampered due to the tardy growth of opposition political parties or groups in the zilla parishads and panchayat samitis. Shri V. B. Mandlekar observed that "looking in retrospect, the zilla parishads did work in Maharashtra for some time reasonably

satisfactorily."¹⁶

In Rajasthan, Andhra Pradesh and Uttar Pradesh where the panchayat samiti is the stronger tier and now the trend is for making the zilla parishad more powerful. The Vyas Committee in Rajasthan recommended a set up whereby the hitherto ineffective nay, almost superficial zilla parishad should now become the strongest body and panchayat samiti would now remain basically an executive agency of zilla parishad but not inert.

They suggested transfer of almost all the district level schemes related to agriculture, animal husbandry, forests, small scale and cottage industries in the production sector and all works and schemes concerned with co-operation, irrigation, power, social welfare, medical and health and education in the servicing sector.

In Andhra Pradesh, the Narasimham Committee observed that the district is the most appropriate unit for planning and the zilla parishad is the proper statutory body to be entrusted with formulation and implementation of district sector plans, and it cannot perform these functions without having control over the district heads of development departments and their staff.

In Uttar Pradesh, the zilla parishads remained weak with no executive functions or resources of their own. The Ram Murti study team reported that "in other states, the panchayat samitis and zilla parishads have begun exercising

their powers from the date they came into being but in Uttar Pradesh the Kshetra Samitis and zilla parishads are in actual practice no better than the old block development committees and the Antarian zilla parishads, mainly because of certain reservations and resistance in certain quarters."¹⁷

In Punjab, the zilla parishad failed to provide any effective guidance, coordination and assistance to panchayat samitis.¹⁸ The working of panchayati raj in Punjab was evaluated from time to time by different study teams, viz. Rajinder Singh Committee (1966), Punjab Administrative Reform Commission (K. Hanumanthayya, 1966) and Badal Study Team (1969). In Punjab, the above commissions or teams strongly recommended strengthening of the zilla parishad on the Maharashtra pattern. The Hanumanthaya Commission recommended transfer of all development schemes at the district level to the zilla parishad for implementation along with the powers of taxation now vested in the panchayat samiti. As in Maharashtra the commission observed, "the chief executive officer of the zilla parishad will be a senior scale IAS officer appointed by government.

In West Bengal, an evaluation team found that zilla parishads mainly acting as distributive agencies for funds relating to construction of public works under the schemes of rural water supplies, famine relief, and maintenance and repairs of roads, bridges and other buildings.

As a concluding note in this respect we shall observe

that the trend towards making the district level body the stronger of the two tiers above the gram panchayats is quite strong. By that the development to the country are by no means insignificant.

4.4 Panchayati Raj : Its Performance and Socio Economic Development

4.4.1 Panchayati Raj and Agricultural Production

Balwantrai Mehta's Report (1957) observed that the "material progress in the agricultural sector can be judged only by the total increase in production".²⁰

The available data on agricultural production make unhappy readings and merely emphasise the need for greater attention for the agricultural sector in our schemes of community development. The contribution of panchayati raj bodies to agricultural development has, however, remained a debatable issue. Rishikesh Maru²¹ found that the leadership at the block and village level had not shown enough awareness and capacity to give priority to development work and suggested the establishment of a separate agency for developmental functions.

In a similar view, Rudramurthy,²² while observing that the panchayati raj institutions at the higher level have done a great deal of work in increasing food production, remarked that the village panchayats have not yet come upto expectations.

On the other hand, R. N. Chopra²³ is emphatic that panchayati raj bodies cannot handle agricultural production and it can be handled successfully only under a system of single line control and responsibility.

K. N. Raj,²⁴ who is critical of the inadequate involvement of panchayati raj institutions in activities which are directly related to agriculture, suggested that the "states should experiment with planning from below by concentrating initially on district, block and village levels and thereby, take full advantage of the existing institutional structure.

An empirical study conducted by P. R. R. Sinha and S. P. Jain²⁵ (1974) in the states of Andhra Pradesh, Gujarat, Madhya Pradesh and Tamil Nadu to assess certain aspects of the functioning of the three tiers of panchayati raj institutions with reference to agricultural development reveals that, in Tamil Nadu, panchayati raj institutions seem to have made an all round impact on different community services, and that almost all services connected with agriculture were considered to have improved after the introduction of panchayati raj.

In Gujarat and Andhra Pradesh, significant improvements were deemed to have occurred with respect to roads, distribution of fertilizers, seeds and insecticides, implements and loans for irrigation and guidance in cropping patterns. In Madhya Pradesh, however, little improvement in

services was noted apart from roads.

About the role of zilla parishads and panchayat samitis in agricultural production in Maharashtra, the Bongirwar Committee (1971), observed that under the many programmes of agricultural production including the high yielding varieties programmes, the zilla parishads and panchayat samitis have played a significant role.²⁶ The achievements under the high yielding varieties programme since 1966-67 are shown in Table 4.1.

Table 4.1 : Achievements under the High Yielding Varieties Programme from 1966 to 1970

Crop	(Acres in lakhs)			
	Achievement			
	1966-67	1967-68	1968-69	1969-70
Taichung Native-I paddy or IR-8 paddy	1.52	1.61	3.19	4.56
Mexican wheat	0.14	0.44	1.51	3.75
Hybrid jowar	0.36	5.64	13.16	7.98
Hybrid bajra	0.36	2.58	6.76	7.48
Hybrid maize	0.23	0.34	0.27	0.20
Total	2.61	10.61	24.89	23.97

Source : Report of the Evaluation Committee on Panchayati Raj : Rural Development Department, Maharashtra, 1971.

In fact, the contribution made by these bodies to the services of the agricultural production programmes has been of the higher order. The committee is of the view that without the assistance of these bodies the agricultural production programmes would not have succeeded to the extent they did. They highlighted that most of the office bearers of these bodies, including the sarpanchas of panchayats, had all along been in the forefront of the agricultural programme and had by their personal example, imagination, initiative and untiring efforts made their programme what it is today.

However, an important lacuna noticed by the Bongirwar Committee was the lack of systematic agricultural planning at the level of zilla parishad and panchayat samiti and the lack of agricultural consciousness even at the panchayat level.

Heble²⁷ was of the opinion that in Maharashtra the village panchayats have not appreciated their role and responsibility in the matter of agricultural extension and development which is inevitably the basis of rural development. It was with this feeling that he suggested strengthening the village panchayats by providing an agricultural functionary.

In Gujarat, panchayat institutions took keen interest in the various programmes of agriculture, animal husbandry and minor irrigation. Kharif/rabi campaigns were

regularly organised. Demonstrations and crop competition were the regular feature in such performance. During the period of 1962-63 to 1969-70, the performance of panchayati raj institutions showed considerable improvements and helped in boosting the rural economy considerably.

According to the Government Study Report²⁸ the number of primary agriculture societies increased from 9.57 lakhs to 13.08 lakhs. Short and medium terms credit reached in all time high from Rs. 2,894 lakhs in the beginning of panchayati raj to Rs. 7,846 lakhs in 1969-70. If a comparison is made between the performance in their sphere of agricultural production during the first three years after panchayati raj and the performance during the years 1966-70, one finds an increase of about 100 per cent in the distribution of chemical fertilizers, and of about 50 per cent in distribution of pesticides and utilisation of irrigation potential. Rate of installation of oil engines went up by four times. The extensive spread of hybrid of bajra seeds and improved strains of other crops was likewise facilitated by the coordinated efforts of the panchayati raj institutions, the cooperative institutions, and government departments.

Field studies²⁹ in Andhra Pradesh indicated that the farmers were aware of the benefits of improved seeds and that they favoured the panchayati raj bodies for seed distribution. The role of these bodies was however limited.

Much planning needs to be done. The quality of the seeds supplied by the department was believed to be inferior.

In the State of Karnataka, with the introduction of panchayati raj, a number of schemes were transferred by the technical departments like agriculture, animal husbandry and forests to local bodies and was found that "as a consequence many development schemes suffered for want of sufficient technical administrative guidance of the panchayat bodies."³⁰

U. Gurumurthy³¹ conducted an empirical study in Karnataka on panchayati raj functioning. He found out that with regard to agricultural functions, the programmes of taluk development boards suffered due to non-availability of the field staff to guide and control them. He states that the agricultural extension officers kept at the disposal of the TDBs owed dual loyalty technically to their parent department and administratively to the B.D.O. Administrative control dictates the extension officers to attend to office work rather than field functions. With the result, their field functions suffered. Probably, government might have found an excuse in these lapses, for withdrawing the agricultural extension officers and agricultural assistants from them, for which the TDBs are not solely responsible. With the result, panchayati raj institutions in Karnataka suffer from the lack of adequate powers and functions.

A study conducted by Iqbal Narain, K. C. Pande and

Mohan Lal Sharma on the performance of panchayati raj in Rajasthan found out that the performance of the panchayati raj institutions has not been encouraging, though the battle did not appear to be totally lost. It was still hoped the situation would be remedied through some kind of restructuring and the influx of fresh leadership.

A study³² in the districts of Nizamabad (Andhra Pradesh) and Aurangabad (Maharashtra) supported overwhelmingly the view that there has been significant progress in agricultural production since the advent of panchayati raj in spite of the fact that the institutions of panchayati raj were not quite old. The officials categorically maintain that they could not conceive of so much progress in agricultural production without the involvement of these institutions.

4.4.2 Panchayati Raj and Education

Education has a pivotal role in the development of the community. Hence it is not surprising that education at the primary and secondary levels has been transferred to the panchayati raj institutions. In Madras, the Madras Panchayats Act, 1958, introduced a principle that the panchayat union should levy a local tax to cover a specific proportion of increased expenditure on elementary education as it was found that the expenditure had gone up due to remuneration of teachers.

In Rajasthan, the attendance of teachers had improved because of the spot supervision exercised by panchayati raj institutions. There was a marked improvement in the enrolment of pupils in primary schools in some panchayat samitis but it was also stated that the teachers were demoralised by the frequent and arbitrary transfers.³³ In Andhra Pradesh the quality of education has gone down considerably due to ineffective supervision, haphazard inspection and tardiness.³⁴

Many officials and non-officials in Maharashtra suggested that the subject of education should be withdrawn from panchayati raj bodies and brought back to the state sector. The Bongirwar Team,³⁵ however, felt that it would be a retrograde step and suggested that the education committee of the zilla parishad should be made largely autonomous on the lines of the education committees of some municipal corporations.

The importance given to spreading literacy through the panchayati raj bodies in Gujarat may be understood from the recommendations of the Darji Committee.³⁶ The Committee observed that "it should be made obligatory for the members of the district and taluk panchayats to make literate every year at least one illiterate adult. Panchayats should chalk out and implement essential schemes in this respect from their own funds with the help of government grant-in-aid. The committee suggested strict enforcement of compulsory

education and the institution of legal proceedings under the compulsory education act against families unwilling to send their children to school. It recommended the constitution of an education committee on an integral part of the district panchayat comprising of members who have aptitude for and practical experience in teaching and who are educated and cultured to maintain and improve the standard of education.

A study conducted by U. Gurumurthy³⁷ in Karnataka on the functioning of panchayati raj institutions in this field observed that "in providing educational facilities, the village panchayats and taluk development boards have only a promotional role. The chairman of the village panchayat is the president of the school betterment committee, which is concerned with the improvement of educational standards. TDBs are running nurseries. They also provide buildings for nurseries. Both the VPs and TDBs provide incentives and scholarships to the SC, ST children. When the Deputy Director of Public Instruction Mysore was asked whether the VPs and TDBs are discharging their role satisfactorily in regard to these things, he commended that they function normally. Weaker sections also do not have any complaint against panchayati raj bodies in this field.

4.4.3 Panchayati Raj and Weaker Sections

Referring to the role that the panchayati raj

institutions can play in improving the conditions of the weaker sections, a report of the committee on plan projects observed that, "with a view of ameliorating the social and economic conditions of the weaker sections it was considered necessary to associate the weaker sections with the panchayati raj institutions. Accordingly, provision has been made for representation of backward classes, scheduled caste and scheduled tribes in the panchayati raj legislation.

Referring to the role of panchayati raj institutions in raising the status of the weaker sections in Rajasthan, the Sadiq Ali Committee³⁸ stated that, by and large, the panchayati raj institutions have not been able to devote any specific attention and render any significant help to weaker sections. The panchayati raj institutions had their limitations also in this respect. They have very little funds from their own resources and, therefore, they have hardly any capacity to initiate any measures on a sizeable scale for welfare of weaker sections. The various schemes which have been transferred to them are hedged in by terms and conditions. The nature of the schemes is such that, by and large, only well-to-do sections of the community are able to derive benefits. This is more so in case of production programmes. The state government, accepting some of the important recommendations of the study group on welfare of weaker sections (appointed by the Government of India), had issued directions that certain funds should be earmarked

in each panchayat samiti for the welfare of the weaker sections.

But despite this direction, perhaps no panchayat samiti has earmarked any such funds. Due to limited financial resources, this was not possible also. The committee also found that in sanctioning of loans and subsidies, the larger share has gone to the comparatively well-to-do sections of the community in the villages. Under the existing circumstances and limitations, panchayati raj institutions have not exhibited any special solicitude for the welfare of the weaker sections of the community.

That the position did not undergo any change even after a decade is evident from the inaugural address of Shri Jagjivan Ram, late union minister, to the second meeting of the steering committee of the National Committee for silver jubilee celebrations of panchayati raj in February 1976. He pointed out that in many places the panchayats were dominated by the more affluent sections or dominant castes, and this has not only led to the neglect of the weaker sections but even the other sections were not able to benefit from the schemes meant for the village community as a whole."³⁹

O. K. Moorthy⁴⁰ in his study observes that "zilla parishads and panchayat samitis which have been entrusted with tribal development schemes are dominated by powerful vested interests composed mostly of non-tribals." He has

made another important observations in regard to the utilisation of resources that the specific funds allotted for the amelioration of scheduled castes and scheduled tribes under the jurisdiction of panchayat samitis are usually merged with other funds. He points out that either the funds are diverted for other purposes or not utilised in time and in the manner specified in the scheme.

D. C. Sancheti⁴¹ (1968) in his paper has assessed the impact of various rural development programmes on the economic life of the weaker sections and finally suggests the measures to be taken for the betterment of these sections with special reference to the role of panchayati raj institutions in Rajasthan. Assessing the impact of various development programmes on the economic life of the different categories of rural households he could derive some conclusions. On the basis of the findings of his study he concludes that the benefits to these sections have accrued more in indirect form of higher wages owing to better employment opportunities and better bargaining capacity on account of increasing political and economic consciousness. Some of the opportunist families in the weaker sections have been able to take advantage of education, health and other facilities. But the direct benefits in the distribution of loans, subsidies, improved seeds, fertilizers, implements etc., have not gone to these sections to any considerable extent. He opines that "the panchayati raj institutions

and the main policy making bodies at the lower levels can play an important role. They are best suited to assess local needs and to combine the two with the help of higher bodies through their own efforts of raising material resources, speeding up social change and by giving moral support when that is needed."

Parvathamma⁴² (1975) in her paper analyses the impact of panchayati raj on weaker sections. One of her observations is that political representation has not helped to bring about the emergence of scheduled castes. She contends that there are inherent drawbacks which prevent the people of these categories to be vocal and assertive and much less to mobilise. "Poverty, ignorance, illiteracy, the near total dependence on upper castes and above all the lowest ritual rank which makes them a constant source of pollution to caste Hindus certainly limits the scope of the roles they could play as panchayat members."

In order to study the performance of panchayati raj in uplifting the weaker sections, U. Gurumurthy⁴³ had conducted a survey in Karnataka very recently. A great majority of weaker section respondents indicated that the village panchayats and taluk development boards are not rendering useful service to them and they rated their working as unsatisfactory. A sizeable number of them considered dishonesty of members as the most important reason for their unsatisfactory working. They also indicated by majority

that they are not deriving benefits either from village panchayat, taluka development board or rural cooperative society.

A good number of them said that the rich and influential people have been benefited most from the village panchayat and taluka development programmes. With all this discredent note against the panchayati raj institutions, weaker sections have considered their performance as satisfactory in civic functions like water supply, medical relief, construction of roads, distribution of house sites etc., and also in the regulatory function of education.

4.4.4 Panchayati Raj and Rural Manpower Programme

The rural manpower programmes implemented through the panchayati raj institutions aim at the provision of additional employment opportunities for agricultural workers during the slack seasons through a works programme based on community action to create productive community assets mainly in the agricultural sector. It is now in operation in a number of blocks and experience shows that due to the part played by local resource mobilisation the execution of works has been less expensive than under corresponding departmental arrangements.⁴⁴

Reviewing the functioning of the programme, the annual conference on Community Development and Panchayati Raj held in New Delhi in 1966 recommended that the state

governments should not allocate funds under the programme to government departments except to meet the minimum requirements for completing incomplete works. The rest of the funds should be placed according to the requirements and past performance at the disposal of the block development committees, where there was no panchayati raj institution.⁴⁵

4.4.5 Panchayati Raj and People's Participation

The Sadiq Ali Report⁴⁶ observed that the panchayati raj can be credited only with partial success in initiating the developmental programmes and mobilising the people in their context. Though in some cases, resources and popular contribution could be procured, in many others it was not so and more often than not, efforts were wasted.

The Jaipur area study reports observe that panchayati raj in the letter of law and in operation has turned out to be a very limited concept. It is inhibited by the pattern of national planning and the desire of the bureaucracy to keep the reins on non-official leadership. Panchayati raj institutions by and large are performing just an agency role, as if they were a mere extension of the state government's administrative machinery, though according to the image built up by political leaders the institutions should be units of rural local governments.

The extract not only points out the failure in the realisation of the objectives of planning from below, but

also identifies two important constraints that impeded the process of realising the objectives. These are imperatives of national planning and self-aggrandisement and the inflexible character of the bureaucracy that comes in the way of sharing power with the less educated lay villagers. It may also be recalled in this context that one of the basic objectives of the panchayati raj was that it would help the villagers in imbibing the value of self-help. This also could not be realised.

The absolute figures for people's participation available in rupee terms also confirm the trend. Table 4.2 shows this trend.

It is clear from Table 4.2 that after the peak situation in 1961-62, there has been steady decline. Though the data are available only upto 1963-64, there are reasons to believe that the situation has worsened since then.

U. Gurumurthy⁴⁷ (1987) also observed that participation of weaker sections in panchayati raj functionaries at the village level, is not satisfactory. They continue to be passive participants in its meetings and proceedings. This is because they lack the essential requisites of participation like education, sufficient income, etc. Weaker sections' participation as taluka development board functionaries is better. Here the members of weaker sections particularly the scheduled castes are more articulate and assertive.

Table 4.2 : Statement Showing Peoples Participation and Government Expenditure under the Community Development Programme (Rajasthan State)

Year	Government expenditure (Rs. in crores)	People's participation (Rs. in crores)	Average people's participation in block (Rs. in lakhs)	Percentage of people's participation
1953-54	47.09	10.28	0.49	21.8
1954-55	92.03	25.81	0.92	28.0
1955-56	134.24	85.29	2.08	62.1
1956-57	161.10	166.57	2.52	103.4
1957-58	199.87	129.28	1.52	64.7
1958-59	271.82	134.47	1.24	49.6
1959-60	236.89	61.46	0.64	26.0
1960-61	262.77	56.68	0.72	21.6
1961-62	226.68	117.14	0.84	51.6
1962-63	235.40	96.37	0.63	40.9
1963-64	225.39	94.61	0.52	42.0

Source : Report of the Study Team on Panchayati Raj, 1964, p. 393 (Panchayat and Development Department, Jaipur, Government of Rajasthan, 1964).

In this chapter, so far we have discussed the working of panchayati raj through different tiers viz., gram panchayat, panchayat samiti and zilla parishad and its performance in the socio-economic development of the nation. As pointed out by a number of studies and reports, among these three tiers, the upper tier's i.e. zilla parishad's working is effective at a greater extent.

When we evaluated the performance of panchayati raj institutions in socio-economic development of the nation, we came across panchayati raj's performance in a number of fields such as agricultural production, spread of education, upliftment of weaker sections, implementation of rural manpower programmes and lastly, people's participation in developmental activities. By this discussion it is evident that panchayati raj's role in the socio-economic development of the rural India is very crucial. 9

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CHAPTER V

CONCLUDING REMARKS

Dynamics of rural reconstruction and the growth of our democratic institutions will draw enduring strength and sustenance largely from the purposeful participation of the people through habits and institutions of self-government at the grass roots. That was the underlying premise and promise of the directive principle enshrined in Article 40 of the Constitution. It was the hope and the faith of the nation when panchayati raj movement was launched some three decades ago, that genuine authority, resources and responsibilities vested in those self-governing institutions will make them bulwarks of democracy and nurseries of public leadership and civic concern.

Decentralised planning through panchayati raj is not a futile phantom. It has great relevance in the rapid development of rural India. But the experience gained in the country during the last four decades of planning has demonstrated that merely wishing for decentralised planning would not be enough; to be successful, it has to be backed up by sound practices. The capabilities for decentralised planning have to be assiduously built up, the right procedures and suitable structures have to be evolved and necessary

technical and administrative changes, including attitudinal changes have to be brought about among the bureaucrats and the politicians.

All these take time. The preparation for such changes must start with clear thinking. They have to be preserved through time with determination and implemented with cause and dedication. The various initiatives and improvisations necessary should be introduced continuously and "in steps", providing adequate time for assimilating them, thus paving the way for learning through experiences at every stage and making necessary modifications in the process as we go along.

There are certain prerequisites if decentralised planning is to succeed. The first and foremost requirement is to strengthen the planning machinery at the district level. The planning department at the district level should be competent to prepare a technically valid and sectorily consistent plan based on felt needs, local resources and grass root participation. The zilla parishad, on the other hand, would approve this plan or suggest changes or modifications in line with the people through their representatives. The fact of the situation to-day is that the planning machinery, as it exists to-day in the various districts of the country, is either nonexistent or woefully inadequate or weak. This needs to be changed.

It is desirable that the plans are flexible and they are subjected to objective evaluation. They need frequent and constant tests for their progress and achievement of their objectives. The plans should have the people's active support both at the stage of formulation and implementation. This is a necessary condition for their success and for the development of rural areas. With the entrusting of necessary functions to zilla parishads and with the streamlining of their administrative organisation, it may be expected that they will be able to play a more meaningful and effective role in the sphere of formulation, implementation and review of plans.

Democratic decentralisation, in spite of many deficiencies, has come to stay. We should, however, not be oblivious to those deficiencies, nor should we be disheartened on that account. In that exercise, it will be profitable to bear in mind the following patently unpalatable but candid observations of the Asoka Mehta Committee regarding the panchayati raj institutions.

"In general, there has been disappointment with the working of the panchayati raj institutions which is traced, in stronger or milder terms, to a number of inadequacies and failures. Panchayati raj institutions are dominated by economically or socially privileged sections of society and have as such, facilitated the emergence of oligarchic forces yielding no benefits to weaker sections."¹

The performance of panchayati raj institutions has also been vitiated by political factionalism rendering developmental thrusts either warped or diluted. Corruption, inefficiency, scant regard for procedures, political interference in day to day administration, parochial loyalties, motivated action, power concentration instead of service consciousness, all these have limited the utility of panchayati raj for the average villager.

Successive plans have suggested measures for bringing about public participation and commitment and in this connection stress has rightly been laid on the positive role of panchayati raj institutions and organisations of farmers, youth, consumers, artisans, industrial workers, etc. In actual practice, however, the measures envisaged have not had an adequate impact on the direction or tempo of development. It is felt that this has been largely because development tasks regarding public involvement were not carefully assigned to various representative institutions and voluntary organisations along with the concomitant resources and built in incentives for raising local resources or maintaining a high level of performance.

As far as local bodies and panchayati raj bodies are concerned, adequate motivation could not be created because schemes conceived at the national and state level did not contain any provision for the exercise of initiative either

for introducing modifications for the taking up of supplementary activities or to suit local conditions.

Panchayati raj institutions have been in existence for quite some time in our country. However, their working has never been satisfactory. They have not been endowed with necessary powers and resources. Even elections to these bodies have not been held regularly. Quite often, the bodies have remained superseded for long periods of time. Both politicians in the government as well as bureaucrats regard them as rival centres of power and hence tend to adopt a step motherly attitude towards them. There is nothing in the Constitution of India to prevent them from this.

Though many rural development activities have been initiated since independence, these schemes have failed to uplift rural masses. This is because there is no specific constitutional provision regarding the structure, financial and administrative powers of rural institutions.

As observed by many individual research studies as well as expert committee reports, these panchayati raj institutions have been at the mercy of the state governments and their bureaucratic systems. The bureaucratic institutions always like to usurp the powers of the rural institutions.

Another issue relates to the social aspects of the

rural society in India. After several years of economic planning Indian rural scene witnesses feudal tendencies in land structure. Usury, castes and communal conflicts, social and cultural backwardness are the additional contributing factors responsible for malfunctioning of panchayati raj institutions. Even the achievements of five year plans have touched but the fringe of the problem. The panchayati raj institutions as evolved in their present form have not provided any tangible solutions to the socio-economic ills of rural India.

We have a massive manpower in our villages. Due to one factor or other this human resource remained a victim of ignorance, illiteracy and superstition. To bring them out of this fog of inertia, to mobilise this vast resource, education is the most effective impetus. The history of India shows that knowledge has always been shared. With lines of communication reaching remote areas of our vast land, there is a growing consciousness in our villages today that knowledge is a productive resource which is inevitable for any process of development. Panchayati raj institutions must be strengthened because they alone represent the will and wishes of our people.

An ancient proverb runs as follows:

"When planning for a year, sow corn;
when planning for a decade, plant trees;
when planning for life, teach men."

For practical purposes, we may break up the planning process into convenient time spans of five or seven years. In reality, however, development is a continuous process un-hemmed by time frontiers. Similarly, planning is a dynamic phenomenon and not merely a static concept. It is a blend of time honoured values and pragmatic practices, a holy matrimony of stable progress and flexible improvements.

Nevertheless, there are commitments to which the doctrine has to conform. Some commitments may change their hue or differ in their emphasis over a period of time, but these commitments cannot be considered fragile or impermanent. They represent the quintessence of the awakened spirit which does not rest until the duty to the last man is done. It is in this context that plan education and plan information derive their importance.

There should be the widest possible permeation of knowledge so as to make possible the participation and involvement of those whose every day lives are affected by these commitments. The stability of the decentralised planning process depends on the vitality of this involvement particularly in the context of the growing dissatisfaction with poverty and all its debasing results and the need to take long leaps in the direction of progress because both time and patience are running out.

If economic justice, a fair deal to the common man

as well as special concern for the downtrodden which are the distinctive features of the new economic programmes and thrust unfolded by the National Front Ministry at the Centre, are to be realised in any appreciable manner in the near future, the involvement of the people in plan policy as well as plan administration is of the utmost importance.

5.1 Amend Constitution

Panchayati raj institutions have yet to fulfil their promise and to translate the faith into a living and pulsating reality so that people's power is harnessed from the gram sabha to the Lok Sabha in a steady progression. The inadequacies of the panchayati raj movement flow from lack of confidence in the system, emaciated by scanty resources and meagre responsibilities. These institutions have suffered a serious setback in the absence of regular elections and due to perfunctory audit. What is more, there has been an allergy to sharing authority with these nascent institutions both at official and political levels.

It is the general consensus amongst those who have faith in democracy and in the common people of India that the time is now ripe for working out the mandate of Article 40 of the Constitution. Panchayati raj institutions should be reconstructed, reinforced and revitalised as an organic integral part of our democratic process and that they should be accorded appropriate constitutional status and recognition.

The Constitution of India should be suitably amended in order to grant more financial powers to both the states and local bodies. Then only these grass roots institutions can become politically, economically and socially viable. Otherwise the strategy of Eighth Plan to achieve economic growth with equity through employment oriented programmes will be a futile exercise.

We would like to sum up with a note of the Asoka Mehta Committee Report on Panchayati Raj Institutions. The report states that "it will be wrong to think that panchayati raj would be viewed as a god that has failed. It has many achievements to its credit, the more important of which may be identified here. Politically speaking, it became a process of democratic seed-drilling in the Indian soil, making an average citizen more conscious of his rights than before. Administratively speaking, it bridged the gulf between the bureaucratic elite and the people. Socio-culturally speaking, it generated a new leadership which was not merely relatively young in age but also modernistic and pro-social change in outlook. Finally, looked at from the developmental angle, it helped rural people cultivate a developmental psyche."²

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