

# Chapter - 1

## CHAPTER - I

# INTRODUCTION AND RESEARCH METHODOLOGY

### 1.1 Introduction:

In ancient Hindu literature Panch, Panchala, Panchpriya and Panchayat occur quite frequently. In fact, in Hindu belief Panchayat is a perfect, holy number. Hence comes the respect paid to the Panchayat or the body of five arbitrators or assessors the tribal or caste council of the group of locality, which deals with social affairs such as marriages, divorce, violation of caste rules and so forth.

Immediately after independence, the need of rural reconstruction was emphasised very much. Gandhiji pleaded, "True democracy could not be worked by twenty men sitting at the centre. It had to be worked from below by the people of every village."

Indian constitution the article in Part IV under the heading 'Directive principles of state policy' runs as follows: <sup>1</sup>

"The state shall take steps to organize village Panchayat's and endow them with such powers and authority as may be necessary to enable to function as units of self government.

---

<sup>1</sup> V. S. Sisodia, Functioning of Panchayat Raj System, Rawat Publication, Jaipur, 2005, p. 37

Under the chairmanship of Shri. Balwantrai Mehta in 1959 report of the team recommended it as an essential part of the true democratic character of the country. On its recommendations, the new set-up of three-tier system of Panchayati Raj was established at the village block and the district levels.

Panchayat, Panchayat Samitis, Zilla Parishads functions should cover the development of agriculture in all its aspects, in the improvement of cattle and local industries, public health, welfare work, administration of primary schools and collection and maintenance of statistics. It should also act as an agent of the state government in the execution of special schemes of development entrusted to it.

The second important force that made policy-makers revive and strengthen the Panchayat Raj system was Article 40 of the constitution of India, which says,

“The state should take steps to organize village Panchayats and endow them with such power and authority as may be necessary to enable them to function as units of self government.

The provision was incorporated in the constitution under the influence of Gandhiji even though there was a lot of controversy in the constitution Assembly regarding the revival of the village Panchayats. Thus, under the influence of Gandhiji and the

provisions in constitution of India, the states have taken steps to strengthen the village Panchayats. <sup>2</sup>

## **1.2 Development of Panchayati Raj:**

### **1.2.1 Balwantrai Mehta Study Team Report (1957)**

The team felt that “There should be a single representative and vigorous democratic institution to take charge of all aspects of development work in the rural areas it must not be cramped by too much control by the government or government agencies. It must receive guidance, which will help it to avoid mistakes. In the ultimate analysis, it must be an instrument of expression of the local people’s will in regard to local development” It suggested that the concept of democratic decentralization should form the basis for the planning and implementation of the community development and national extension service programmes. Both the programmes should be merged. The main recommendations of the study team were as under:-

1. Suitable administrative decentralization for effective implementation of development programmes.
2. Place decentralized administrative system under the effective control of elected representatives of people.
3. Development block covering about 100 villages and having a population of a hundred thousand should coincide with tehsil/sub district unit.

---

<sup>2</sup> Ibid, p. 25

4. There should be three tiers – Zilla Parishad at the district level to replace the district board, Panchayat Samiti at block level and the Gram Panchayat at the village level.
5. Panchayat should work under the overall supervision of the Panchayat Samiti, which would include their representatives.
6. Three tiers Panchayati Raj system would be vested with powers and functions. Resource will be largely developed upon the Panchayat Samiti – the intermediate tier. The Panchayat Samiti will play a primary role in rural development process.

The National Development Council agreed to most of the recommendations in 1958. Looking at the varying conditions states were given the freedom to decide about the exact application of the concept of democratic decentralization and its institutional set up. The government of India also convinced the states to switch over to institutionalized participative approach to rural development at all levels with some variation in the structure.

#### **1.2.2 1959-1965:**

Rajasthan was the first state where Panchayati Raj was established on 2<sup>nd</sup> Oct. 1959. Pandit Nehru kindled the lamp at Nagaur to inaugurate Panchayati Raj. Maharashtra, Bihar, Madhya Pradesh and Kashmir decide not to have multi-level Panchayati Raj

and gave more powers to the village Panchayats. In Maharashtra, powers were largely devolved on the Zilla Parishad for planning and implementation of rural development programmes as per the Naik Committee recommendations.<sup>3</sup>

### **1.2.3 Committees in various States:-**

In view of the increasing importance of Panchayati Raj, the following committees were appointed in different states to recommend on organizational pattern, resources of PRIs, administrative powers, personal system and other problems. The report of the Ministry of community Development stated in 1966 that younger and better leadership was emerging through PRIS and there was fairly high degree of satisfaction among the people regarding their working.

In 1968-69, the Venkatapiah Committee was appointed by the Reserve Bank of India for All India Rural Debt and Credit survey. It was after this report that the Small Farmer Development Agencies (SFDAs) were created in 1977 to spend the central funds for agriculture and animal husbandry. They were converted into District Rural Development Agencies (DRDA's) in all the district in 1978. All central funds for rural employment and poverty alleviation were routed through these agencies. Though it was done for impartial sanction of projects without any political bias, but the Zilla Parishads become weaker and weaker day by day. There was no

---

<sup>3</sup> Ibid, p. 87

permanent development service also, except in Gujarat and Punjab. Hence, interest and enthusiasm in PRIs declined during this period.

#### **1.2.4 Ashok Mehta Committee (1977):-**

The government of India appointed the Ashok Mehta Committee in 1977 to study the role and powers of PRIS in rural development and suitable suggestion. This committee classified the period of 1962-64 as the establishment era for PRIs, 1964-69 as the period of dormancy and 1969-74 as the period of decline. The committee was of the view that thought the PRIs faced ups and downs, yet these institutions never failed. It suggested measures to strengthen the PRIs so that the system of democratic decentralization becomes effective for planning and development. The main recommendations of the committee were as under

1. Mandal Village Panchayat with proper powers and resources and covering smaller area than development block and large area than village Panchayat should replace the Panchayat.
2. A massive programme of education and training of the people's representatives and the bureaucracy with the Panchayati Raj should be organized for improving their capabilities and reorient their attitude.

3. A Panchayati Raj Finance Commission should be set up. It should allot funds for each district to meet the demands of district level planning as per the needs and stage of development.

Though the recommendations of the Ashok Mehta committee were not accepted by the union government due to change in the ruling party, it did exercise some influence open the working of Panchayati Raj in a few states.

#### **1.2.5 G. V. K. Rao committee (1985):**

In 1985, the union government also appointed G. V. K. Rao committee to advice on Poverty alleviation programmes and organization of the PRIs. The committee advised for regular elections to the PRIs and formulation of plans at the district level.

#### **1.2.6 Laxmi Mal Singhvi committee (1986)**

This committee was formed by the government of India to suggest steps for revival of Panchayati Raj. It advocated that Panchayati Raj should primarily be viewed as the local self-government system and should be strengthened accordingly. It is the foundation stone for the country's democratic political system. Management of rural development was its secondary role. The existing constitutional provision in Article 40 is too general and also discretionary. It cannot give a firm basis for Panchayati Raj, which has been weakened due to neglect and unscrupulous politicising in various states. The committee advocated

constitutional recognition to strengthen Panchayati Raj, which became the basis for the 64<sup>th</sup> constitutional Amendment Bill. <sup>4</sup>

### **1.2.7 Workshops of collectors (1987-88) and conferences of Panchayati Raj Leaders:**

The department of personnel and administrative reforms, Government of India organized quite number of workshops at Bhopal, Hyderabad, Imphal, and Jaipur where the collectors of many districts discussed the subject to the entrusted to Panchayati Raj at the district level. The importance of the PRIs was recognized for expediting development programs in rural areas and in the interest of responsive administration. The workshops recommended that the list of functions of the PRIs should be incorporated in the constitution of India. Functions like agriculture, animal husbandry, minor irrigation, social welfare health, drinking water and social forestry were suggested to be included in the list of the functions to be delegated to the PRIs. All agreed on revamping the Panchayati Raj system. As a result of these workshops and conferences, it was to decided to amend the constitution so as to provide protection to Panchayat Raj against negligence or arbitrary action by the state government

As a result of the recommendations of various such committees and the tempo generated ,the central government decided to give a constitutional status to the PRIs and passed the

---

<sup>4</sup> Ibid, p. 35

73<sup>rd</sup> constitution Amendment Act in 1993 to provide uniformity to the Panchayat Raj system throughout India Reservation to scheduled castes, scheduled tribes and women was also guaranteed by the Indian constitution .Though most of the state governments amended their Panchayati Raj Acts during 1993 and 1994, yet things have mostly remained on paper. Political will is still locking powers, staff and resources to the PRIs have hardly been transferred. The PRIs still remain more an agency of development rather than institutions of self-government. <sup>5</sup>

### **1.3 73<sup>rd</sup> Constitution Amendment and Panchayat Raj:**

The constitution 73 Amendment Act, 1992 that came into force w. e. f. 24 April 1993 conferred constitutional status to Panchayats and government from the village upwards. It was considered by the experts that there is an imperative need to enshrine in the constitution certain basic and essential features of PRIs to impart certainty, continuity and strengthen the constitutional Amendment Act, 1992 has therefore been cherished as a water shed event for achieving rural development through democratic decentralisation. It has laid down certain mandatory provisions in terms of structural organisation of PRIs while the functional aspects are left to the option of respective states. The 29 subjects to be assigned under the Eleventh Schedule to the PRI are agriculture extension, and improvements, land reform, soil

---

<sup>5</sup> Ibid, p. 123, 124, 191, 192

<sup>6</sup> R. P. Joshi, G. S. Narwani, Panchayat Raj in India, Rawat Publications, New Delhi, pp. 30-39

conservation, social forest and farm forestry, rural housing, drinking water, roads, culverts, bridges, rural electrification poverty alleviation programmes (IRDP, JRY), education primary and secondary, health and sanitation, etc.

73<sup>rd</sup> Amendment of the constitution enables Panchayats to play substantial role in the local self-government. The constitution envisaging the establishment of Panchayats as a unit of local government, it is mandatory for states to devolve adequate power and responsibilities upon the PRIs.<sup>7</sup>

At the state government level, it is apprehended that non- empowerment of Gram Sabhas with inadequate devolution of power, finance and top down approach to planning, monitoring and evaluation, manipulation of the pattern of reservation for the posts of Adhyakshas by the ruling party of the PRIs. Further, vesting of major powers, functions and funds at ZP/TP level could improving the GPs in reaching the goal of self- reliance or empowerment of the poor and weak. Provision in constitution of district planning committees (DPCs) would bring the process of rural- urban synchronization, to a stand still.

#### **1.4 Gramsabha:**

The Gramsabha is defined in section 2(16) of the Panchayati Raj Act 1992 as a body consisting of persons registered in the electoralroll relating to a village comprised within the area of Gram

---

<sup>7</sup> Goel, S. L., Ramesh S., Panchayati Raj in India, Deep and Deep Publication, New Delhi

Panchayat. In Panchayati Raj system the Gramsabha occupies a very important place. The democratic decentralization envisages decentralization planning. Many of state functions have been transferred to the Panchayati Raj bodies for better and effective implementation. The Gramsabha has a key role in bringing about transparency in the functioning of the Gram Panchayats, in ensuring equitable distribution of benefits, in creation of community assets where these are needed and in bringing about social cohesion. It has been envisaged that Gramsabha shall plan and priorities development works to be taken up in the village, approve annual plan for the Gram Panchayat, seek active participation of women, scheduled castes and scheduled tribes ensure transparency in the working of Gram Panchayats, exercise the right to check the accounts of Gram Panchayats select beneficiaries under various schemes of the central government undertaken for rural development and move towards full control over management of natural resources.

## **1.5 Data Base and Research Methodology**

### **Data Base**

The data is collected from the concerned Village Panchayat Office records, budgets. Data collected was tabulated and interpreted with the help of statistical tools like average, simple growth rate, and percentage. The necessary secondary data was collected as per the requirement.

## **1.6 Objectives of the Study**

The objectives of the present study are as follows:

1. To examine the quantitative growth of both aggregate revenue and expenditure of village Panchayats under study.
2. To highlight the changing relative shares of different sources of revenue.
3. To highlight the major changes in its pattern of developmental expenditures.
4. To bring out the changes in the relative shares of capital and revenue expenditure.
5. To suggest measures to correct imbalances, if found between its expenditure and revenue inclusive of both capital and revenue accounts.

## **1.7 Hypothesis of the Study**

The following are the hypotheses of the present study.

1. The sources of revenue of Panchayat are limited.
2. The Village Panchayat does not have its own debt revenue and hence 'Grants-in-aid' got form from the Panchayat Samiti, Zilla Parishad is the single largest component or the only major source of revenue of Panchayats in Maharashtra.

3. Village Panchayats have been doing expenditure and many activities and resource base therefore has to be increased.

### **1.7 Chapter Scheme of the Study**

The following is the chapter scheme of the present study.

- Chapter - 1 : Introduction and Research Methodology
- Chapter - 2 : Panchayat Raj Institutions and Rural Development
- a) Role of Panchayat Raj Institutions in Rural Development
  - b) Review of the Panchayat Raj Institutions in Maharashtra
- Chapter - 3 : Growth and Composition of Revenue of the Village Panchayats
- Chapter - 4 : Composition Analysis of the Expenditure Pattern of Village Panchayats under Study
- Chapter - 5 : Ways and Means to Augment Panchayat Finances
- Chapter - 6 : Conclusions and Suggestions