

Chapter - 2

CHAPTER - II

PANCHAYATI RAJ INSTITUTIONS AND RURAL DEVELOPMENT

2.1 Introduction

The Balwantrao Mehta study team recommended a three tier Panchayati Raj system to associate people in decision- making at the Village, block and district levels. It was expected that the Panchayati Raj Institutions would properly utilize the development funds as per the local needs and aspirations of the local people, creates opportunities for employment in rural areas, develop infrastructure and assets to the government in removal of poverty. Thus, it would act as an effective agency of the government for rural development at the Village level.

Since 1959, almost all the rural development departments executed their programmes through the PRIs. Agriculture extension, animal husbandry development, veterinary services including breed improvement, sheep breed improvement, handicrafts and handlooms, cooperatives, minor irrigation and small tanks, woman and child development, primary education, health services and family planning were all supervised by the PRIs. Officers of all the departments were posted at the grass root levels, who were administered by the Pradhan and the BDO. All the district levels officers from IAS or state administrative services were

posted as BDOs. It was really the golden period for rural development.

Then came the period of decline when the staff and budget of different departments were withdrawn. Panchayat Raj was reduced to Panchayat administration, primary education, rural sanitation and smokeless chulla. In 1978 the central government created an agency for rural development in every district, known as the District Rural Development Agency (DRDA). All the funds for rural employment and poverty alleviation were diverted to it, who would sanction and monitor progress. The collector was the chairman of the (DRDA) and the PRIs remained only as agencies of executing development programs.

Schedule XI, containing 29 powers, was laid down for devolution of powers to the PRIs. The District Planning Committee was proposed for preparing the plans for economic development and social justice at the district level. With the implementation of the state Acts as per the 73rd constitutional Amendment, a clear-cut role of the PRIs in rural development has been envisaged and the government of India and deferent states are now increasingly seeking the assistance of the PRIs in implementation of various schemes of these, the following development programmes of the government of India have invariably sought a meaningful

involvement of the PRIs and carved out a specific role for them in the context of the XI scheduled and the five year plans.¹

2.1.2 Jawahar Gram Smarudhi Yojana or Pooran Sam Gramin Rozgar Yojana (SGRY):

It is intended specially for direct grant to the Village Panchayats for infrastructure development in rural areas. Employment generation is the secondary objective. The amount is given by the central government directly to the Village Panchayats on the basis of total population and the SC population.

Until 1st April 1999, the objective of the JRY was mainly employment generation whereas now the JGSY basically aims at infrastructural development.

Important features:

- 1) Village Panchayats prepare and implement Annual Action Plan in the gram sabha, where people's needs and aspirations are indicated. Plan equal to 125 percent of previous years grant has to be prepared.
- 2) The share of the centre and states is 75:25
- 3) 22.5 percent funds are to be spent on the SC /ST/BPL families on their individual beneficiary schemes.

¹ R. P. Joshi, Constitutionalisation of Panchayat Raj, Rawat Publication, Jaipur, 1998, p. 20

- 4) 60 percent expenditure should be on labour component as far as possible though relaxation can be given
- 5) Priority in sanction of works will be as under:-
 - a) Infrastructure facilities in SC/ST colonies
 - b) Infrastructure facilities for SGSY
 - c) Infrastructure facilities for assistance for agriculture activities
 - d) Community infrastructure for education, health and roads
 - e) Other social, economic and physical infrastructure facilities
- 6) On completion of the works, an entry will be made in the assets register, indicating, expenditure, benefit, mandays generated etc.
- 7) A board indicating similar details will also be hung at the site photos before, during and after completion of work shall also be kept in record.
- 8) Individual works for SCs/STs out of 22.5 percent funds can be as under for economic works.
 - a) Development of allotted land

- b) Social forestry on owned lands for fuel and fodder
- c) Workshop or infrastructure for self-employment
- d) Irrigation wells /boring of wells
- e) Residential houses
- f) Sanitary latrines and improved chullha, priority will be given to productive works and the co-operation of the beneficiary will be ensured

2.1.2 Swarn Jayanti Swarozgar Yojana (SGSY)

Poverty alleviation through self-employment and increase in the income is the main objective of the scheme. Since 1st April 1999, the following six schemes were made part of this scheme to remove confusion.

1. Integrated Rural Development programme (IRDP).
2. Development of woman and children in Rural Areas (DWACRA).
3. Training of Rural Youth for self Employment (TRYSEM).
4. Supply of improved tools to Rural Artisans (SITRA)
5. Irrigation wells for SCs/STs (Jeevan Dhara)
6. Construction of tubewells, tanks, drains (Ganga Kalyan)

Important features:

1. Integrated Scheme of self-employment covering all aspects of technical training, infrastructure, and credit from time to time, marketing, organizing groups and their capacity building.
2. 75% expenditure will be on self help groups.
3. Agreement is also made for sale in exhibitions, fairs, sale counters etc.
4. Beneficiaries are to be selected out of the BPL list by the Gram sabha.
5. Subsidy is payable on back-ending basis at the rate of 30% of unit cost to the BPL but at the rate 50% of unit cost to SC/ST Families. Group subsidy is 50% to the maximum limit of Rs. 1.25 lakh.
6. 10% expenditure can be made on training and 20% on training infrastructure.
7. Production programmes like minor irrigation for small and the marginal farmers, horticulture, floriculture and land- based programmes should be accorded priority. The objective is to bring 30% BPL families above the poverty line by raising their income through bank loans and subsidy.

2.1.3 Samagra Aawas Yojana:

The Ninth Five Year Plan has kept the target of providing residential houses to all the homeless BPL families. Such houses are provided to all SC/ST and BPL Families. While Rs. 16,000 are payable as 100% grant for pucca room and kitchen measuring 20 square meters, Rs. 1,500 are payable for sanitary latrine and installation of improved chullha. In tribal areas an additional amount of Rs. 2000 is payable for using angel iron in place of wood. The Sarpanch sanctions it and disburses installments as per the progress.

Important Features:

1. Since 1st April, 1999 Rs. 10,000 are also payable as grant to BPL families for improving the kuccha houses. They have to convert them into pucca walls and provide safe roofing.
2. The provision has also been made for other than BPL families having an annual income of less than Rs. 32,000. In addition to the subsidy of Rs. 10,000, they can get a bank loan upto Rs. 42,000 for house construction. This provision has also been made in prime minister's Gramodaya Yojana.

2.1.4 Desert Development Programme (DDP), Drought Prone Area Programme (DPAD), Watershed/Wasteland Development Programme (WDP):

Since 1st April, 1999, 100 percent funds of DDP and DPAP are to be spent only for watershed programme. Since 1st April, 2000, all the activities of wasteland Development Board have been handed over to the newly created department of land resources. The guidelines for execution of watershed, wasteland projects are more or less the same.

Important Features:

1. Primarily it is soil and water conservation. The main purpose is to prevent rain water from following away out of the village through drains, river etc. and to utilize it in the fields by raising the moisture content, there by cultivating the rabi crops or by construction of earthen check dams, and tanks to prevent water flowing in the Village it self, thereby raising the water level in irrigation wells and raising agricultural production.
2. The main advantages are water and soil conservation prevention of soil erosion, moisture conservation, raising water level, development of pasture, forest, horticulture, agro- forestry, availability of fuel, fodder and fruits, increasing agricultural production, etc.

3. The plan is prepared in consultation with the villagers in the gram sabha and group meeting through participatory learning and appraisal method, commonly known as Participatory Rural Appraisal (PRA). The needs and programs are analyzed by the people themselves who suggest solution also. Indigenous technical knowledge is preferred.
4. The Project period is four years. About 25% of the expenditure is done by the PIAs on survey, mapping, detailed project report preparation community organization, training, administration and technical guidance, etc.
5. 75 percent of expenditure is done by the watershed committee elected by the Gram Sabha for execution of various works.

2.1.5 Prime Minister's Gramodayag Yojana:

In the year 2000, this scheme was launched and a special amount has been sanctioned to each for rural housing, rural roads and drinking water. It is proposed to connect all the villages having a population of 1,000 with road within three years and the Village having a population of 500 within seven years. In tribal areas, all Villages having a population of 250 will be connected with road.

2.1.6 Antyodaya Ann Yojana:

It was started in December 2000. All BPL families are getting 25 kgs of wheat/ rice per month at the rate of Rs. 2 and 3 per kgs. For subsistence at subsidized rates of almost half the price.

2.1.7 Tribal Area Development Programme (TAD):

A special central assistance is provided for development of infrastructure in tribal areas and development of social services like education, medical and ayurved, agriculture, horticulture, lift irrigation, minor irrigation, animal husbandry, fisheries development, forest development, training and employment creating avenues of employment and raising income and standard of living of the tribal.

The programme is run in the TAD area having more than 50 percent tribal population in whole block as well as pockets of tribal in the cluster of Villages and for scattered tribal. It is supervised by the TAD commissioner and the Tribal Development Advisory Committee in eight states having TAD areas.²

2.1.8 NGOs and Rural Development:

NGOs and the Panchayats in India are emerging as crucial grass level agencies of social mobilization and rural development. Both of them have played quite a significant role in bringing about awareness among the people at the local level and mobilising them

² R. P. Joshi, G. S. Narwani, Panchayat Raj in India, Rawat Publication, New Delhi, 2002, pp. 191-199

for development. They have, undoubtedly, produced “a development psyche” among the masses and given rise to what is called a leadership, which is young in age and modernistic in outlook. However, with the devaluation of power and resources a cleavage is becoming visible in many areas between the NGOs and Panchayati Raj bodies and is likely to further become a matter of serious debate in the real of interface between them.

NGOs in India have also come to occupy a significant place in the arena of development through voluntarism. It is now being increasingly realized that government structures are not conducive for integrated development like agriculture, environment, energy, soil conservation, forestry, social justice and equity. Since NGOs operate at the grass roots level and are founded on the basic principals of equity and social justices, they can prove to be more dynamic and responsive in bringing about the much needed transformation in the Indian society and provide a suitable alternative Policies and plan of the government of India as well as different state governments are proving the thesis that voluntarism is the best answer to the demands and dilemmas of development afflicted with resource crunch and mobilisation.³

³ V. S. Sisodia, Functioning of Panchayat Raj System, Rawat Publication, Jaipur, pp, 100-101

2.2 Role of Panchayat Raj institutions in Rural Development:

The Panchayats Acts of different states had laid down the activities and functions of Panchayats. These functions mostly included municipal functions and some administrative activities. After the launching of the community development programme on a country wide basis on October 2, 1952, the Village Panchayats came to be utilized as agencies for execution of works of development.

A) Agricultural Development:

Agricultural Development is our top national priority. With a view to increasing agricultural production it includes the programmes of minor irrigation, utilization 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. Panchayati Raj institution has a significant role to play in achieving increased agricultural production. It 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:

- i. Production in agriculture as the highest national priority in the third plan.
- ii. Promotion of rural industries

- iii. Development of co-operative institutions.
- iv. Development of local resources including the utilization of manpower.
- v. Optimum utilization of resources available to Panchayati Raj institution such as money, staff, technical assistance and other facilities from higher levels.

B) Mobilization of Local Resources:

Mobilization of Resources for the plan poses an important problem at every stage. The resources of the country from traditional sources are necessarily limited. Resources to taxation and external assistance also has limited scope. Under the circumstances the mobilization of local resources assumes very great importance. This mobilization of local resources can be both for local and central schemes as well as for the state and central schemes efforts at mobilization of resources by the local institutions can prove of immense value to the development effort.

This aspect of local planning has been emphasized since the beginning of the first year plan and also in the community development programme. Creation of community assets and utilization of energies of the people in rural areas are significant for rural development.

C) Utilization of Manpower:-

It is a known fact that a huge amount of manpower in rural areas remains idle and needs to be properly harnessed. Utilization of manpower is important not only from the point of view of creation of additional employment but also with a harnessing the large manpower resources for the economic development of the country. The Panchayati Raj institutions are the agencies for carrying out the rural works programme for utilization of manpower. Besides the rural works programme as envisaged by the central government, these institutions can help the process of utilization of manpower by launching their own schemes and also by general economic development of the area.

D) Popular Enthusiasm and Participation:-

The most significant contribution of local institutions to planning and development could be the generation of popular enthusiasm for the programme and securing of popular Participation. Unless people feel involved in and inspired by the programme, the efforts for planned development of rural areas will not yield result. There should be created that irrepressible urge for advance amongst the people, which is characteristic of a dynamic society. In the words of the late Prime Minister Jawaharlal Nehru, "in the implementation of the five year plan 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 this

implementation a feeling should be generated among the people so that each man, women 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 promote in the village. Then only the plans and programmers 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.

E) Implementation of programmes:-

It hardly needs any emphasis that implementation of the plans is as important as their formulation. The entire objective of planning will be frustrated if effective implementation of plan is not ensured. This is true of plans and programmes at all levels viz. national, state and local. The responsibility of lower levels is much more where implementation aspect of planning is concerned. Thus the states have the responsibility of implementing not only their own programmes but also the national programmes. At the local level this responsibility of sharing in implementation of plans for country's development became still more crystallised. The local institutions of Panchayati Raj work as field agencies for the execution of programmes directly, besides helping the process of implementation through popular enthusiasm and local initiative.

Implementation of programmes conceived at the local level also remains their own responsibility. They have a two fold task therefore, in the process of implementation of plans. It is here that the local genius and creativity must find full play.

F) Village Production Plans:-

Village production plan represents the attempts at planning at the lowest level, i.e. the village. Village production plan is the principal means for involving all cultivators in the village in the agricultural effort and mobilizing effectively the resources of the local community. The third five-year plan attaches very great importance to the formulation and implementation of village production plan. Panchayati have to play a very important part in this respect.

The village Production plans have to be prepared keeping in view the following considerations:-

1. Agricultural condition in the area,
2. Availability of the means of irrigation,
3. Funds allocated by the Panchayati Samiti
4. Credit available through Co-operative institutions; and
5. Resources to be made available locally by the villagers them selves.

The village production plan should serve as the blueprint for increasing the agricultural production through maximum utilization of the funds and supplies made available and resources raised locally. It should be based on improved agricultural practices and techniques.

The test of a village production plan, like any other plan, is its implementation. This would depend on the one hand, on the realistic. Formulation of the plan according to local conditions and resources and on the continuous availability of funds, credit and supplies and the technical assistance and guidance from above on the other.

The Panchayat plan will comprise of all the village production plans of the village in its area and other programmes of development. It will be through the village, production plans that people in the rural areas will have the thrill of planning for progress and prosperity.

2.3 Review of the Panchayati Raj Institutions in Maharashtra

2.3.1 Introduction

Village Panchayat in Maharashtra had traditionally functioned as the main centres of administration before the village communities lost their cohesion due to improved means of communication and the influence of western civilization. The first attempt to improve on the old model of the Village as a unit of administration was made in 1869 with the formation of Village

Sanitary Committees. But it was not till 1920 that any further interest was taken in the Village as a unit of administration.

The Bombay Village Panchayat Act of 1920, which for the first time provided for the formation of statutory Village Panchayats as wholly elected bodies. Voting rights though were limited only to adult male members. This act also formalized the control of district local boards over Panchayats. The performance of these Village Panchayats was not found to be satisfactory due to a lack of revenue at their disposal. ⁴

In June 1925, a committee, namely Hatch Committee was appointed. Its members included two collectors and nine non-officials representing the legislative council, the local boards and the Panchayats. The committees terms of reference were to consider generally the then existing position of the Village Panchayat system, to make concrete proposals for increasing its sources of income and to suggest such amendments to the Village Panchayat act as would give effect to its proposals. Through the committee submitted its reports in 1926, no action was taken to implement its suggestion for a very long time.

A new law, the Bombay Village Panchayats Act enacted in 1933, incorporated some of the suggestions and recommendations of the Hatch Committee. The act of 1933 was not only an improvement over the earlier Act of 1920 but it was also

⁴ S. D. Joshi, Anoop Kumar, N. P. Mitragotri, Status of Panchayati Raj in the States and Union Territories of India, 2000, pp. 184, 186

progressive since it conferred voting right on women for the first time. Its shortcomings were the absence of any compulsion to form Village Panchayats even for bigger Villages and the absence of provisions for financial assistance to Panchayats. When the first government of the Bombay Province was formed under the Government of India Act, 1935 it amended the act of 1933, and the new Act the Bombay Village Panchayat (Amendment) Act 1939 come in to force.

The Act of 1939 provided for:

1. Compulsory formation of Panchayats for areas with a population of two thousand or more.
2. Power of nomination of persons as members of Panchayats in case of failure on the part of the people to elect the required number of representatives.
3. Compulsory levy of house tax.
4. Appointment of Secretaries to Panchayats by the provincial government, instead of Village Panchayats as earlier. This Act was further amended in 1947, providing for a permanent source of revenue for Panchayats in the form of regular grants in proportion (15 percent) to the land revenue collected.

After the reorganization of states in 1956, a comprehensive legislation for village Panchayats called the Bombay Village Panchayat Act 1958 was passed. This Act, as amended from time to time, remains in force to this day. When the Bombay village Panchayats Act, 1958, was passed, the Village Panchayats assigned the work of collection of land revenue and maintenance of land records. Subsequently, these powers were withdrawn and assigned to the revenue department of the state government. This work is looked after by the talathis at present. Nyaya Panchayats too ceased to exist.

On 1, May 1960, the state of the Maharashtra was formed, with Bombay as its capital. Although the report of Balwantrai Mehta study team had been made public, the state government preferred to appoint a Committee on Democratic Decentralisation headed by Vasantrao Naik to study the subject of Panchayati Raj in all its aspects and to make a model proposed for the state. It was on the basis of the recommendation of the Naik committee that a comprehensive legislation, the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1962 was enacted and Zilla Parishads and Panchayat Samitis were constituted in May 1962. Maharashtra was the eleventh state in the country to adopt the new three tier Panchayati Raj system.

The Balwantrao Mehta study team had recommended a strong and powerful democratic institution at the block/taluka level since it considered the block to be an ideal unit for implementing programmes with efficiency and effectiveness however, the V. P. Naik Committee was of the opinion that adequate technical and administrative staff would not be available for the block/taluka level institutions for effective implementation of development programmes. The committee felt that a democratic institution at district level, instead, would be in a better position to provide the necessary resources, as also the technical and administrative staff for the systematic development of the district. The district could emerge as an ideal Institution for local development. The committee also observed that the institutional arrangement suggested by it was in conformity with the view expressed by the planning commission of India, while drafting the second five year plan, on the establishment of democratic institutions in that district. All these factors strengthened the democratisation of institutions in the trend in Maharashtra for a district oriented approach to Panchayati Raj.

The salient features of the pattern adopted in the state included a strong tier of Zilla Parishad at district level, which constituted a local self-government Institution. Its members were directly elected by the voters in the district. The Panchayat Samiti was created at the taluka level as a second tier, to act as the non-corporate statutory regional committee of Zilla Parishad. The

member of the Panchayat Samiti were initially elected by the specific area of the people.

Review Committees:-

The status of Panchayati Raj was reviewed from time to time by committees appointed at the national and the state level. The important committees appointed at the state level were the Panchayati Raj Review Committee of 1970 (Bongirwar Committee) and the Panchayati Raj Review Committee of 1984 (Patil Committee). The Bongirwar Committee had observed that though Panchayati Raj institutions had played a useful role in certain sectors like agriculture, family planning, among others, on the whole they had failed to fulfill the expectations of the rural masses. The main reason for this unsatisfactory performance had been cited as paucity of funds and the poor quality of implementation. The committee's conclusion had been that there was nothing wrong in the organizational structure of Panchayati Raj and it could play a crucial role in the creation of employment opportunities for improving the economic condition of the rural population.

In the period between the submission of the report of the Bongirwar Committee and the appointment of the Patil committee, two most important developments had taken place, which had given a serious blow to Panchayati Raj in the state. The first was that the special poverty alleviation programme for small and marginal, the programme for farmers in the drought prone area and

the intensive tribal development programme were kept outside the purview of the Panchayati Raj institutions and separate agencies headed by bureaucrats were established for them.

The second development was that the work for preparing the district development plan and overseeing its implementation the legitimate function of the Zilla Parishad were entrusted to a non-statutory body, namely, the District Planning and Development Council (DPDC) headed by a minister. The collector of the district was made the secretary of the DPDC in place of the chief executive officer of the Zilla Parishad. Similarly, the withdrawal of certain schemes which had been transferred to the Zilla Parishad, the postponement of elections to the body, and the extension of the term-in-office were factors which contributed to erosion of the working of Panchayati Raj institutions.⁵

District Planning Committees:

Maharashtra District Planning Committee (constitution and function) Act, 1998 Provides for the constitution of district planning committee to consolidate the plans prepared by the Panchayats and the municipalities in the district to prepare a draft district development plan for the district as a whole and to provide guidance for matters concerning it. This Act come into force in March 1999.

⁵ Ibid, p. 189, 59, 60

The District Planning Committee will consist of not less than thirty and not more than fifty members. The ex-officio members will be: the minister in-charge of the district, as the chairperson: the president of the ZP, one representative of the concerned statutory development board, the divisional commissioner, the district collector as the member secretary and CEO of the Zilla Parishad.

The total number of DPC members, not less than four-fifths shall be directly elected by and form amongst the elected member of the Zilla Parishad and municipalities in the district in proportion to the ratio between the population of rural and urban areas in the district. The MP and MLAs shall be permanent invitees to all the meetings of DPC and shall have a right to take part in the meetings of the committee.

There shall be reservation for SCs, STs and backward classes and women members in this collection on the same lines as prescribed for the elections to Zilla Parishads and Panchayati Samitis.

The DPCs functions under the amended act are;-

- a) To consider, and consolidate the annual plans prepared by the Panchayats and municipalities in the district and to prepare the draft development plan for the district as a whole.
- b) To consider the Five Year Plan and perspective plans prepared by the Panchayats and municipalities and co-

ordinate and prepare the draft five year plan and perspective development plan for the entire district.

- c) To review, monitor the progress of district annual plan and suggest reappropriation of its approved provision in accordance with the guidelines issued by the state government.⁶

The panchs (members) of the Village Panchayats are elected on the basis of adult franchise. Elections of panchas are held wardwise each ward having two to three seats. A few seats are reserved for the panchas belonging to the scheduled castes and the women.

The Sarpanch (president) is elected by the panchas. He is the chief executive of the village Panchayat. Its Secretary remains a government official. A gram sabha (a meeting of adult Villagers) has to meet twice to consider and adopt the annual budget and plan of the village.

The Village Panchayat's functions are civic and developmental in various fields, viz. agriculture, social education, health, education. Co-operation and cottage industries, social welfare, construction works etc. the main stay of its finances is the property tax on buildings, pilgrim tax and profession tax being secondary sources. Land revenue grant, now raised to 100 percent of the land revenue collected in the village also contributes to the

⁶ Ibid, pp. 193-194

financial resources of the Village Panchayats. Grants for development from the Zilla Parishad have helped to strengthen its financial position. But still the experience is that a large number of Village Panchayats are defunct or in a weak condition. This is due to faction-ridden and short sighted Panchayat and village leadership and weak and infrequent secretarial assistance. The Zilla Parishads contact with the Village Panchayats has to be more intimate so as to gear up to development process in the village.