

CHAPTER - I

Introduction

1.0 INTRODUCTION OF THE STUDY

Village Panchayats have a long history in India. It has existed since earliest times. We get numerous references about the Panchayats in Manuscript, Mahabharata, and Arthavaveda, which testify that village has been a basic unit of administration since earliest times. During the Muslim Rules, also the system continued to operate unobstructed. But, unfortunately it could not be established according to any law or act by the government within the British India.

After independence of India, once again, it paid attention to the issue of revival of panchayats and passed numerous acts. When the new constitution of India was formed the framers of the constitution in due difference to the wishes of Mahatma Gandhi who had aptly remarked that independence must begin at the bottom. Every village ought to be a republic or panchayat with the authority and resources to realize the potential for economic and social development of the village. Gandhiji's views found articulation in

Article 40 of the Constitution. It enjoins that `the States shall take steps to organize village panchayats with such powers and authority as may be necessary to enable them to function as units of self-government.

1.1 NEED & IMPORTANCE OF THE STUDY

Gandhiji had remarked that true democracy can be worked only from below by the people of every village. This is possible through popularly elected Panchayats in village panchayats and makes participation in the management of local affairs possible. It thus promotes decentralisation or dispersal of powers.

Rural development is a national necessity and has considerable importance in India because of the following reasons.

1. To develop rural area as whole in terms of culture, society, economy, technology and health.
2. To develop living slandered of rural mass.
3. To develop rural youths, children and women.
4. To develop and empower human resource of rural area in terms of their & skill, knowledge, attitude and other abilities.
5. To develop infrastructure facility of rural area.
6. To provide minimum facility to rural mass in terms of drinking water, education, transport, electricity and communication.
7. To develop rural institutions like panchayat, cooperatives, post, banking and credit.
8. To provide financial assist to develop the artisans in the rural areas, farmers and agrarian unskilled labor, small and big rural entrepreneurs to improve their economy.

9. To develop rural industries through the development of handicrafts, small scaled industries, village industries, rural crafts, cottage industries and other related economic operations in the rural sector.
10. To develop agriculture, animal husbandry and other agricultural related areas.
11. To restore uncultivated land, provide irrigation facilities and motivate farmers to adopt improved seed, fertilizers, package of practices of crop cultivation and soil conservation methods.
12. To develop entertainment and recreational facility for rural mass.
13. To develop leadership quality of rural area.
14. To improve rural marketing facility.
15. To minimize gap between the urban and rural in terms of facilities availed.
16. To improve rural people's participation in the development of state and nation as whole.
17. To improve scopes of employment for rural mass.
18. For the sustainable development of rural area.
19. To eliminate rural poverty.
20. To solve the problems faced by the rural mass for their development

1.2 BACKGROUND OF THE STUDY

During the national movement, it was Gandhi's vision that the establishment of Panchayatiraj was essential for people's government at the grassroots as well as the upliftment of the villagers. After India get independence, Panchayats were specially mentioned in Article 40 of the Constitution as parts of the Directive Principles of the State Policy.

1.3 PHILOSOPHY OF PANCHAYAT RAJ

The philosophy of Panchayat Raj is deeply steeped in tradition and culture of rural India and is by no means a new concept. Panchayati Raj Provided a system of self-governance at the village level. Panchayati Raj Institutions is the grass-roots units of self-government – have been declared as the vehicles of socio-economic transformation in rural India. Effective and meaningful functioning of these bodies would depend on active involvement, contribution and participation of its citizens both male and female. The aim of every village being a republic and panchayats having powers has been translated into reality with the introduction of the three-tier Panchayati Raj system to enlist people's participation in rural reconstruction.

The constitutional provision directed the union and state governments to take steps to organise Village Panchayats and give them such powers and authority as may be necessary to enable them to act as units of self-government. Since the Article was not binding on the states, Panchayats were not taken up seriously by the states.

Through the 73rd amendment to the Indian Constitution in 1992, Panchayatiraj has now been granted Constitutional recognition. The 73rd Constitutional Amendment Act has created three tier PRIs in the rural areas with allocation of specific subjects to them. In pursuance of this, States haven initiated action to devolve administrative and financial powers and resources to PRIs to enable them to discharge their Constitutional role. It is expected that once the process of devolution is effectively operationalized, resources from the Central and State Governments meant for programmes

falling within the jurisdiction of the PRIs would directly get allocated to them. It is however, observed that a number of Ministries of Central Government have not taken any concrete steps to integrate PRIs in their strategy of planning and implementation of various programmes, which essentially fall in their jurisdiction. At best the Ministries issue general instructions / directions for involvement of panchayats in their programmes without suggesting concrete modalities or institutional arrangements with specified roles for them consistent with their jurisdictional status. Besides, the Ministries are increasingly implementing programmes through Non-Governmental Organizations (NGOs), which are expanding rapidly in the social sectors. PRIs do not really figure in this strategy of implementation and in fact there is not even a conceptual recognition that essentially NGOs are operating in areas and subjects which belong to the PRIs and therefore they should work in tandem with them. Ministries also take up international-ally funded projects. All such projects are implemented through bureaucratic functionaries and do not involve panchayati raj institutions even though the subject they deal with fall in the domain of panchayats. The Ministry of Rural Development (MORD), which is the nodal Ministry for implementation of the 73rd Constitutional Amendment Act, has also, so far, not discharged its role in setting up institutional mechanisms for bridging the wide gap that exists today. Though some steps have been taken by the MORD to goad the State Governments to strengthen and deepen the process of democratic decentralization, it has not yielded the desired results. Most Central Ministries have not yet internalized the PRIs role in the delivery of services handled by the Ministry. What is true of the Central Government is

also true of the State Governments. Leaving aside one or two States such as Kerala, which have taken active steps for substantially empowering PRIs in planning and development, there is little by way of operationalizing models of such empowerment. Even States like Kerala feel handicapped in regard to Central schemes since the guidelines for implementation are drawn by the concerned agency of Central Government. There is, therefore, an urgent need to conceptualize how the Centrally Sponsored / Central Sector Schemes would be implemented through PRIs and to ensure effective PRIs - NGOs interface consistent with the spirit and provisions of the 73rd Constitutional Amendment Act. Planning Commission constituted a Task Force on Panchayati Raj Institutions in Bihar vide its notification No P-12025/5/98-RD dated 20.12.1998 under the Chairmanship of Shri K B Saxena, Principal Adviser, Planning Commission, for working out concrete modalities for building up consensus and formulating operational guidelines on above-mentioned issues.

1.4 PROBLEMS OF THE STUDY

During the last sixty eight years, several attempts have been made to bring about effective decentralization, both political and economic, with limited success. However, the year 1992 marks a new era in the federal democratic set up of the country. The 73rd Constitutional Amendment Act, 1992 conferred Constitutional status on the Panchayati Raj Institutions (PRIs). It envisages the establishment of a democratic decentralized development process through people's participation in decision-making, implementation and delivery.

1.5 SCOPE OF THE STUDY

Overall development of country is the main objective of Indian government since its independence. Earlier the main thrust for development was laid on Agriculture, Industry, Communication, Education, Health and Allied sectors but soon it was realized that the all-round development of the country is possible only through the development of rural India. Keeping this in view Panchayati Raj Institutions have been introduced under the 73rd Amendment Act of the Constitution of India. Rural Development includes measures to strengthen the democratic structure of society through the Panchayati Raj Institutions (PRIs). It also includes measures to improve the rural infrastructure, improve income of rural households and delivery systems pertaining to education, health & safety mechanisms. Government of India has taken many steps to develop rural India and for this Department of Rural Development has been setup under the control of Ministry of Rural Development. The department through PRIs has launched various development schemes such as Sampoorna Swachhta Abhiyan, Gram Vikas Yojna, Farmer Market & Livestock Market, and Underground Drainage System Construction Scheme and so on. Through these schemes Government of India seems to accomplish its dream of rural India's development. Although some loopholes may also be seen. Without overcoming these drawbacks Government of India won't be able to foster the growth of rural India.

1.6 STATUS OF THE PANCHAYATI RAJ INSTITUTIONS IN INDIA

The passage of the 73rd Constitution Amendment Act, 1992 marks a new era in the federal democratic set up of the country and provides Constitutional status to the PRIs. The main features of the Act are:

(i) constitution of panchayats at village, intermediate (block) and district level; however, panchayats at the intermediate level may not be constituted in a State having a population not exceeding twenty lakh; (ii) regular elections to Panchayats; (iii) reservation of seats for Scheduled Castes / Scheduled Tribes and Women (33%); (iv) setting up of an independent State Finance Commission for strengthening finances of local bodies at all levels; (v) constitution of an independent State Election Commission to hold PRIs elections on a regular basis; (vi) legal status to Gram Sabhas; and (vii) addition of Eleventh Schedule to the Constitution listing 29 Subjects within the jurisdiction of PRIs. Further, the 73rd Constitutional Amendment Act contains provisions for devolution of powers and responsibilities upon panchayats at the appropriate level with reference to (a) the preparation of plans for economic development and social justice; and (b) the implementation of such schemes for economic development and social justice, as may be entrusted to them. The Provision of the Panchayat (Extension to Scheduled Areas) Act 1996 (PESA) extends panchayats to tribal areas in nine States. It enables the tribal society to shape their own development and preserve & conserve their traditional rights over natural resources. The status of PRIs in a State can be reviewed in terms of following parameters:

- (i) Conduct of Panchayat Elections;
- (ii) Devolution of Financial Powers;
- (iii) Devolution of Functions and Functionaries;
- (iv) Constitution of District Planning Committees (DPCs);
- (v) Act 40 of 1996 – Provision of the Panchayat (Extension to Scheduled Areas) Act, 1996 (PESA); and

- (vi) Status and Empowerment of Gram Sabha.

1.7 CONDUCT OF PANCHAYAT ELECTIONS

Consequent to the enactment of the 73rd Constitutional Amendment Act, almost all the States/UTs except Arunachal Pradesh enacted appropriate legislations for setting up of strong, viable and responsible Panchayats at different levels in their respective States. However, some States as well as Schedule VI areas in States are exempted from the pre -view of this enactment. Part IX of the Constitution pertaining to formation of panchayats is not applicable to the States of Jammu & Kashmir, Hill areas of Manipur, Meghalaya, Mizoram, and Nagaland. The State of Jammu & Kashmir is accorded a special status under Article 370 of the Constitution, while the States of Meghalaya, Mizoram and Nagaland are covered by the Scheduled VI of the Constitution and the traditional system of local self-government exists in these states. In the NCT of Delhi, the panchayati raj was suspended by the State Government and no effective steps have been taken to revive the PRIs till date. Each of the States/UTs has constituted the State Election Commission (SEC) to ensure elections to the PRIs once in five years. This is the broadest representative base that exists in any country in the world.

1.8 DEVOLUTION OF FINANCIAL POWERS TO PRIs

Article 243 I of the Constitution provides for the constitution of a State Finance Commission (SFC) to review the financial position of Panchayats and to make recommendations regarding principles governing (a) distribution between the State and the Panchayats of the net proceeds of taxes, duties, tolls and fees leviable by the State; (b) determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the Panchayats; (c) the grants-in-aid to the Panchayats from the Consolidated fund of the State; (d) the measures needed to improve the financial position of the Panchayats; and (e) any other matter referred to the Finance Commission in the interests of sound finance of the Panchayats.

The recommendations of the State Finance Commissions can be divided into three categories: (i) assignment of taxes, duties, levies and tolls to local bodies; (ii) sharing of revenue proceeds; and (iii) transfers on account of grants-in-aid and other financial assistance. The major recommendations of first SFCs with respect to devolution of taxes, grants and PRI's own taxes – State wise.

1.9 DEVOLUTION OF FUNCTIONS AND FUNCTIONARIES

According to Article 243 (G) of the 73rd Constitutional Amendment Act, the States are required to devolve adequate powers and responsibilities on the PRIs in order to make them effective institutions of local self-government. The responsibility for preparation of Plans for economic development and social justice and its implementation in relation to 29 Subjects listed in the Eleventh Schedule have also been assigned to

Panchayats. The List of 29 Subjects is given at Annexure. The State Governments are expected to place the functions of Departments dealing with these 29 Subjects including the officials, under the control of the Panchayats.

In view of this, the functional autonomy of PRIs along with their financial autonomy must be clearly delineated. Even in respect of the 29 Subjects identified in the Eleventh Schedule it is necessary for the State Governments to clearly identify what would be done by the different tiers of panchayats at each level. This should be based on the rule that what can be done at the lower level should be done at that level only and not at a higher level. Detailed instructions and guidelines would have to be issued by the concerned departments to their field officers in this regard. Furthermore, departmental functionaries required to implement the programmes at the panchayat level must be placed under their overall supervision and control. sabha meeting, to record gram sabha's views and to report to appropriate level of government to take remedial measures wherever necessary. The gram sabha, if regularly held, can become an effective forum of accountability not only for elected gram panchayat members but also for the elected representatives of the higher tiers where they could be compelled to explain to the people their past performance and future action plan for development. The existence of gram sabha / panchayats help in the process of social audit. Gram Sabha can evaluate the work carried out by panchayats and judge their quality, effectiveness and conformity with accepted norms. PRIs can also ensure wide publicity for their activities among the people through the gram sabha. Activities of various NGOs /

CBOs working at the village level can be effectively monitored by insisting on their close cooperation with the gram sabha. Agenda of Gram Sabha meetings must transcend the presently limited jurisdiction of Gram Panchayats. At present, gam sabhas attract only the potential `beneficiaries`. The States / UTs must devolve more powers upon panchayats, particularly gram panchayats and remove provisions which undermine gram panchayats / gram sabhas. Gram Sabhas also have to learn to define their own agenda and seek local solutions. Further, States could extend powers enjoyed by gram sabha.

1.10 INTERNATIONAL ORGANISATIONS VIEWS ABOUT DECENTRALISATION IN INDIA

International organizations like the World Bank and the UNDP have also recognized the role of the decentralization for good governance., The World Bank has realized that India is the only country where democratic decentralization at grassroots level is going on in the true sense in light of 73rd and 74th Constitutional Amendment Acts. The World Bank, in its Report 2000 Attacking Poverty- Part II has reported (refer Box- 5) that decentralization is pro-poor and increases the efficiency in the implementation and effectiveness of the programmes meant for the poor. However, the Bank has still to incorporate the role of PRIs in the design of its project.

1.11 OBJECTIVES

The broad objectives of this research book was to assess the working of the village panchayat in rural development of Saharsa District of Bihar. The specific need and objectives of the study was as follows:

1. To trace out the origin and growth of the village panchayat.
2. To examine the silent features of village panchayat.
3. To describe the organizational structure of the rural local self government.
4. To make qualitative appraisal of the functions of the village panchayat.
5. To evaluate the finance of the village panchayat. So that they might carry out their duties effectively and successfully.
6. To draw conclusion and make necessary suggestion to the village panchayat, so that it could play their efficient role in rural uplift and development.

1.12 METHODOLOGY

In this study we have chosen the Saharsa district of Bihar as the universe. This study was based on primary data as well as secondary data which would be collected from available published or unpublished reports and documents. Some of the data information would have been taken chiefly from the books of eminent authors. We have adopted the purposive sampling on the basis of geographical units of village panchayats and that was the Simri Bakhtiyarpur block as well as Kahra block for the primary data with the help of suitable questionnaire for the relevant information. A number of methods were used to collect data and gain a deeper qualitative understanding of the process, including extensive document reviews, key informant interviews, field visits to organizations, focus group discussions, and detailed but unstructured discussions with key personnel in various institutions.

1.13 PLAN OF THE STUDY

Qualitative and quantitative techniques of research were used during the study and these included; interviews, questionnaires, and observation methods. The information collected was organized according to seven chapters in order to make a meaningful presentation, conclusion and recommendations.

Chapter one of the study contained general background and introductory information including; background of the study, statement of the problem, scope of the study, objectives and details of the project with chapterisation of the study. Chapter two gives related information to the organisational structure of local self-government in Bihar and the establishment of District Panchayat as Zila Parishad, Block Panchayat as Panchayat Samiti and Village Panchayat accordingly Nyay Panchayat. Chapter three of the study contained brief description of Saharsa District of Bihar and the status of the Panchayati Raj Institutions at Saharsa District. Chapter four of the study presented the history of government policy recommendations of Balwant Mehta and accordingly subsequent recommendations of Committees etc. and programmes of rural development in village panchayat. Chapter five elaborated the present position of rural development in village panchayat. Chapter six described an evaluation of rural development of village panchayat in Saharsa District with the different programmes of rural development in Village Panchayat. Chapter seven presented the conclusions and suggestions for the true democracy and an ideal Village Panchayat on the basis of above study.

1.14 LIMITATIONS OF THE STUDY

The researcher encountered a few limitations during the study especially when it came to interviewing the representatives of the Panchayats. Some were not willing to give information at some instances, the researcher had to wait till late in the evening when they were through with their work so as to interview them. For the key informants, given their busy schedules, some interviews were rescheduled to fit their timetables which also sometimes failed. The research took slightly long to conduct particular interviews which delayed the study and the to and fro movements were also costly.
