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Realising Potential of Panchayati Raj in India

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There is now substantial evidence that basic public services and programmes meant for the poor and the weaker sections function inefficiently in India, especially in the poorer states. This is due to low capacity of the local implementing organisations caused by poor accountability, lack of motivation, absence of performance appraisal, absence of system of incentives and penalties, poor working conditions, and large-scale leakage due to corruption. At the receiving end, the poor are dis-empowered, and are not included in the decision making processes. Delivery will not improve in India unless the process simultaneously empowers the common person.

Economic well being of the marginalised people can be achieved in several ways. Growth, successful development project in health, education, or water can all mitigate their misery without empowering them, at least directly. Therefore empowerment can be conceptualised as a strategy as well as a goal. It is desirable in itself, as it improves the confidence of the women and other marginalised groups in themselves, but also

- makes bureaucracy more accountable and hence improves the efficiency and effectiveness of government programmes
- improves their awareness and hence makes them better recipients of aid
- reduces repression and exploitation

We need empowerment in India because much of development effort in India is supply driven, top-down, does not involve people, non-transparent, and hence full of leakages and not sustainable.

Empowerment is a political process. Historically it has been done by political parties or religious groups, such as Justice Party in Tamil Nadu, Erawah movement in Kerala, Arya Samaj movement in the north, or by Dr Ambedkar in the north and central India. Recent examples would be the Swadhyay religious movement in Gujarat, BSP as a political party in UP, and by some NGOs on specific issues in isolated places. In the recent years in some development projects, effort has been made to include empowerment, but more as a rhetoric, as an ideology without methodology. However there are exceptions. Swajal, Literacy Campaign, Lok Jumbish in Rajasthan, JFM in Madhya Pradesh, SHGs in AP, and some Watershed Committees, have succeeded in improving participation, and to that extent have empowered the stakeholders.

Disappointing performance

This has also been sought to be achieved through democratic decentralisation in India, by creating institutions of self-governance at the district, block and village levels. Creation of panchayats raised hopes initially, as decentralisation was expected to achieve higher economic efficiency, better accountability, larger resource mobilisation, lower cost of service provision and higher satisfaction of local preferences. But studies show that although some village level panchayat leaders have done commendable work, PRIs too on the whole have not benefited the people to the extent of funds provided by government. Their record in empowering the excluded people is even more disappointing.

Several empirical studies on the working of panchayats have brought out the following features about their functioning.

- Gram Sabha meetings were regularly held only in a few places, and in most cases, participation in gram sabha meetings was low. Often such meetings were only on paper.
- There was little knowledge in the villages of the amounts of funds received by the panchayats and the heads under which expenditure had been incurred.
- The criterion for the selection or rejection of beneficiaries was not clear to the poor. In many cases, it was obvious that lists were manipulated by the village chief and/or officials, and that only those who had the ability to pay bribes were selected as beneficiaries.
- Elected village sarpanches have spent huge amounts, often up to several lakhs in elections.
- Heterogeneous and unequal village societies often throw up leaders who have little concern for the poor.
- Factional fights at the local levels divert the energies of the elected officials from working for public welfare to consolidating the power of their group.
- The quality of delivery of benefits to the poor was low and leakages ranged from 20 to 70 percent. Most elected officials had the propensity to make money, and almost in all cases, panchayat sarpanch/beneficiaries paid 'commissions' to officials. In effect, there were only a small proportion of cases - perhaps 25-30 percent where the delivery of programs had improved after the recent spell of decentralisation.
- Picture is worse at the taluk and district level. The elected members of the PRIs at these levels behave more or less as contractors, with no institution of the gram sabhas at that level to put moral pressure on them. ZP and panchayat samiti members look upon devolved funds as equivalent to MP or MLA quota funds, and the Adhyaksha and the block President distribute these funds equally between all members. They in turn choose the contractor and the nature of schemes. Obviously schemes that offer maximum commission and least risk of verification (such as earth work, which of course is often done by machines but shown to be performed by fake labourers) are preferred.
- Panchayats at all levels are mostly busy implementing construction oriented schemes, which promote contractor - wage labour relationship. These do not require participation of the poor as equals, on the other hand these foster dependency of the poor on Sarpanch and block staff. In such a situation panchayat activities get reduced to collusion between Sarpanch and block engineers. Panchayats are not active in education, health, SHGs, watershed, nutrition, pastures and forestry programs, which require people to come together as equals and work through consensus.

Moreover many government programs are implemented either departmentally or through parallel bodies. The sole exception has been the SGRY (Sampoorna Gramin Rozgar Yojana – previously called Jawahar Rozgar Yojana), which is implemented through the village panchayat. But even under SGRY there is no social control by the people. Most often the Pradhan/Sarpanch selects the project which suits his needs or for which he is pressured by the dominant castes/clans. Participation of the poor especially women is missing.

Many panchayat elected leaders as well as the block/district level officials saw in these programmes an opportunity to loot. Panchayati raj is not about helping people as it should be, in reality it is about access to state power, driven by a desire to personal gain, not by a genuine

commitment to serving people. A client patron relationship has emerged out of this impulse, between district bureaucracy and the panchayati raj non-officials.

Though providing a framework for decentralised rural development, trends so far suggest that the panchayati raj system has not been able to enhance participation and empowerment. PRIs operate as extensions of government line departments rather than as local governance institutions.

Why are panchayats not delivering?

Some of the reasons for their lacklustre performance (especially of the taluk and district panchayats) are discussed below.

Lack of adequate devolution – So far the progress on fiscal and functional decentralisation has been disappointing. The primary function of Panchayats in all the three tiers is "the preparation of plans for economic development and social justice" (Art 243 G). Excepting Kerala, no other State has taken any positive step to devolve funds, functions and functionaries to the PRIs to enable the Panchayats to discharge this constitutionally mandated function properly. Further, it is imperative that the PRIs have resources to match the responsibilities placed on them. While State Finance Commissions have submitted their recommendations, very few States have implemented these or taken the necessary steps to ensure fiscal viability of the PRIs.

Too much control by bureaucracy: Under the State laws, wide powers of suspension and dismissal have been vested in the State bureaucracy. This straightaway places PRIs in a position of disadvantage vis-a-vis even middle rung functionaries of the State Governments. It also takes away the essential characteristic of PRIs as elected representative bodies. In some States, even Gram Panchayats have been placed in a position of subordination vis-a-vis Intermediate Panchayats and so on. However, these provisions have in-built limitations because they directly affect the concept of democratic decentralisation on the one hand and the autonomy of the PRIs on the other.

Instances have been reported where the Gram Panchayat Sarpanches have to spend extraordinary amount of time visiting Block Offices. There are also instances of harassment by Block level officials. Systems which require Gram Panchayat Pradhan / Sarpanch to approach Block office for funds and/or technical approval need to be drastically changed. Village bodies should be able to spend funds on their own without having to take technical approval from government officials. These interactions with the Block staff distort the role of Sarpanch as elected representatives of the Gram Sabha and induct them into the bad old ways of officialdom, besides encouraging corruption.

Another factor limiting initiative is the tied nature of funds disbursed to these institutions. They generally prescribe activities and target groups for the scheme as a whole. This has two implications. The activities stated under a certain scheme are not always appropriate for all parts of the district. This results in unsuitable activities being promoted or an under-spend of the funds, and hence loss of funds. Secondly, tied funds are inflexible, giving little scope for tailoring to local needs and conditions.

Overwhelming dependency on government funding - A review of money received and Own Source funds shows the overwhelming dependency (often more than 95%) of Panchayats on government funding. How these funds are used is not properly audited. These funds are a soft option and discourage any effort to generate local revenue. When Panchayats do not raise internal resources and instead receive funds from outside, people are less likely to request a social audit (i.e., accountability of PRI) if they are not asked to pay taxes.

Reluctance to use fiscal powers – At the village level, an important power devolved to GP is the right to levy tax on property, business, markets, fairs and for the service provided, like street lighting or public toilets, among other. Only a small number of village people are aware of this fiscal power, as it is in disuse. Very few panchayats use their fiscal power to levy new taxes. The argument pushed by the Panchayat heads is that it is difficult to levy tax on your own constituency, especially when you live in the community.

Status of Gram Sabha - Empowering Gram Sabhas could have been a powerful weapon towards transparency, and involvement of the poor and marginalised people. However, most of the State Acts have not spelt the powers of Gram Sabhas nor have any procedures been laid down for the functioning of these bodies.

Neglect of PESA - The Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA) applies to the tribal areas of nine States namely, Andhra Pradesh, Jharkhand, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Chattisgarh, Orissa and Rajasthan, which intends to enable tribal society to assume control over their own destiny to preserve and conserve their traditional rights over natural resources. PESA is unprecedented in that it gives radical self-governance powers to the tribal community and recognises its traditional community rights over natural resources. In reality, however, since its passage it has almost been forgotten and has not become part of mainstream political or policy discourse. Many state governments have passed laws not fully in conformity with the central law. Academics, administrators, policy makers and even parliamentarians remain unaware of it. The tribal communities informed about the provisions of the law greeted it with enthusiasm but found themselves progressively handicapped by the lack of actual preparedness to negotiate development and democratisation in the manner envisaged by the law.

Sustainability - The Constitutional Amendment Act itself has certain provisions, which adversely affect the sustainability of these institutions. Most importantly, while there are reservations for women and scheduled castes/scheduled tribes, these seats are to be allotted by rotation to different constituencies. In practice, this implies that a woman or a scheduled caste/tribal elected to a panchayat will normally have a term of five years, with no prospect of re-election. (In Karnataka the term is only for 20 months). This goes against the spirit of democracy, as people work hard for their constituencies in the expectation that they would be returned to power in the next elections. The existing provisions provide no incentive for the elected persons to deliver on their promises; on the contrary, self-interest would dominate, with little concern for the community at large.

Interference by MLAs with executive and neglect of legislative functions - There is a nebulous domain of executive powers into which MPs, MLAs, PRI and the judiciary all foray, each one working in this space by legitimate or illegitimate means. Along with this, there is no accountability for taking on the role of other wings of Government, having the necessary powers and authority for back-door influencing in decision making. One school of thought is to legitimize this by the MLA being made TP (taluk panchayat) president in a configuration wherein the constituency is co-terminus with the TP. The other school of thought opposes this. *If democratically elected local government bodies have been given the responsibilities of implementing economic development programmes and schemes in the local areas, what is the rationale and Constitutional legitimacy of entrusting this responsibility simultaneously to legislators? Parliamentarians seem to take with one hand what they give with another. This contradiction has not yet been resolved either by successive governments which came to power after 1993, or by the judiciary. The concerned citizens are perplexed at this dualism; the various levels of implementing agencies are confused and the institutions overseeing*

expenditure of tax payers' money are confounded. If legislators assume the role of the executives, what is the logic and significance of the principle of separation of powers?

Given these facts and the political sensitiveness, one approach could be to work within the existing frame-work and chalk out the deliverables and mandates of various stakeholders so that stepping on the toes of others is minimized, if not eliminated.

This mapping out of deliverables can also include the insistence on a minimum number of days laid down for functioning of the Legislative Assembly and Parliament (Many Assemblies meet only for 10 to 20 days in a year), failing which the elective representatives lose out on their allowance and funding under the MPLADS or MLA fund. Similarly, the deliverables can include functions like debating, law-making, budget-making analysis, critiquing etc. which is almost non-existent now. However, the practical problem remains: legislators do not find their assigned role attractive, and wish to usurp executive functions.

There exists the "main road" of playing the role of a representative of people and intervening and asking questions to set right issues of poor delivery and implementation, which may be full of obstacles and impediments. However, instead of sorting these out and strengthening this system of intervening to change the situation on the ground, back-door methods are used. Only in cases of scandals the legitimate route of raising these issues in legislative assembly or Parliament, is used. Policy implementation and programme delivery in the field can be in shades of grey with white or near white at one end and black at the other. But, the trigger for following the high-way route of intervention is found only in the areas of "near black", where assemblies and Parliament are rocked as these issues then become a common denominator across political parties for political gains.

Suggested reforms

Rural decentralisation and PRIs are a profound change in the Indian rural institutional scene. They may ultimately offer a better option for rural development and poverty alleviation. Disadvantaged jurisdictions could then be the main winners. It is an important opportunity. However, it was a mistake to think that PRIs will emerge as caring institutions in an environment of rent-seeking politics and unresponsive and inefficient bureaucracy. If district level civil servants and politicians are indifferent to public welfare, it is too much to expect that village and block level politicians will be any different. To hold that the directly elected MLA is wily, corrupt, and irresponsible, while the indirectly elected Adhyaksha or Taluk President can be trusted with crores, is honest, and committed to public welfare is neither good theory, nor is empirical valid.

Thus there are big risks in premature promotion of PRIs. Past attempts at decentralisation failed in India, in part because of resistance of the vested interests of the bureaucracy and state level politicians. These vested interests remain. Steep deterioration in political morality as well as in governance has further distorted the scene. If not carefully designed, sequenced and implemented, decentralisation can increase the fiscal burden on the states and lead to a breakdown in service delivery¹, in particular to the poor. Effective panchayats/user groups would also require effective district and block level administration. Hence efforts towards better accountability and performance from local bureaucracy should go simultaneously along with building local PRI capabilities, otherwise the elected PRI leaders would not change their perception of the state being an 'open treasury'.

Thus political and civil service reforms must go hand in hand with empowerment of panchayats. We describe below the reforms that are specific to panchayats and decentralisation.

¹ A cynic remark is that PRIs have only succeeded in decentralisation of corruption.

Change financing system - Considerable amount of funds flow to the Panchayats from the governments. Panchayats hardly raise internal resources such as taxes, revenue from common pool resources, etc., and instead depend upon funds from outside. The current system of funding is reinforcing the dependency on government funding and is the source of much corruption in local institutions. It is necessary to reconsider the current funding system. More emphasis should be put on Panchayats generating more internal revenue at all the three levels with matched funding from the government. This would also introduce more flexibility in the way the Panchayats use their resource.

Rather than receiving a share in taxes and Central grants the panchayats should have the right to levy and collect taxes on their own in order to reduce their dependence on state and central governments. For instance, Tamil Nadu collects land tax through government machinery and then transfers 85% to the panchayats. It will be more cost effective if the entire burden of collection is shifted to the village panchayats. Today the PRIs hesitate to levy and collect taxes, as they prefer the soft option of receiving grants from GOI. This must be discouraged and the local bodies be encouraged to raise local resources for development and then receive matching grants from the Centre/States. The more dependent a PRI is on the mass of its citizens for financial resources, the more likely it is to use scarce material resources to promote human development and reduce poverty. External funds with no commitment to raise internal funds make PRIs irresponsible and corrupt.

An innovative approach is needed for taxation and fund mobilization for Panchayats. There is an urgent need to transfer the task/function of levying of taxes to LSGI. Strengthening of funding and tax collection, with an emphasis on taxes collectable from within the geographical spread of the LSGI like the land revenue, irrigation cess etc unlike those from outside the LSGI's area such as Octroi. A system of fixing the tax rates for different areas and provision of a basket of taxes from which the LSGI could choose the appropriate ones for themselves. Similarly, there is a need to rationalize taxes by looking at differential taxes for large holdings (vertical relation to be changed to horizontal relation). Therefore panchayats should not only collect taxes on land, irrigation drinking water, power, and houses, but also be given the authority to levy taxes on politically unpopular subjects such as agricultural income tax on large holdings. Even if one percent panchayats start doing it, the fear that collecting such taxes is a political liability will disappear.

Untied grants – In addition, panchayats would need a share in state revenues. States need to increase the share of transfers to PRIs from state governments as untied grants, by (i) consolidating state schemes with broad rural development objectives into untied grants, as Kerala has done; (ii) making these grants a share of state revenues, (iii) explicitly defining through state legislation a formula to allocate grants to jurisdictions and PRI levels; and (iv) transfer collection of village taxes, such as land revenue, irrigation tax to PRIs.

The formula of transfer should no doubt give weightage to population and poverty, but also to efficiency, so that there is incentive to them for increasing the sources of own revenues of PRIs through own and assigned taxes and increasing their capacity to collect. State grants should be given to them only when the PRIs are able to collect a minimum percentage of the taxes assigned to them. Flow of funds from the State/GOI should also be dependent on good work or mobilization done by them. For instance these could be linked to the efforts made by panchayats in population and disease control, cleanliness, school attendance of females and their performance, and negatively with hunger deaths, crime, and civil and revenue suits.

Therefore, the additional allocations recommended by the Union Finance Commission to States, and in particular the supplementary sources to local governments, should be contingent upon the States fully implementing the suggestions given above.

Link devolution with performance - A "Devolution Index" may be prepared for all States and at least 1/3rd allocation of Centrally sponsored schemes in the Panchayat functional domain or block grant (when introduced) may be allocated to the State Governments on the basis of this index. It is emphasized that the Devolution Index will be prepared by the States themselves on the basis of self-assessment but would be available for further evaluation and assessment by academic bodies. A mechanism for calculating the index has been suggested at the Round Tables of the PRI Ministry, which could be adopted. This may be implemented after giving due notice to the States, say from Eleventh Five Year Plan (2007-12).

The focus of decentralization should now rest on Outcome Orientedness rather than just measuring the inputs and looking at utilization and percentages, thereof. For each tier or LSGI, a Panchayat Metric Grid may be evolved, which becomes an evaluation framework for any LSGI. The X-axis could look at the fulfilment or non-fulfilment of the 'basic' functions of the Panchayats as perceived by the citizens in the Panchayat. The Y-axis could look at attributes such as those listed below :-

- how participative is GS (representatives of women, dalits, minorities, STs etc,
- functioning of lights,
- Encroachments
- Management of Common Property Resources (CPR)
- Regular holding of Gram Sabha and Panchyat Meetings
- Attendance in Gram Sabha
- Number of Court Cases and litigations (Inverse Correlations)
- Number of Self-help Groups
- Agricultural productions
- Increase in wages
- Reduction in poverty
- Utilization of Resources (Timely)
- Quality of Work done
- Improvement in social and development indicators such as immunizations, Public Distribution System, Food for work programme, Enrolment in School etc.

This could be based on a citizen report card and marks given by the citizens every year in respect of parameters reflecting :

- (i) Development
- (ii) Participation and Conflict Resolution
- (iii) Infrastructure
- (iv) Regulation
- (v) Financial Performance

(vi) Innovation and Quality of Implementation

These may also be 'measured' using data and records of the LSGI and also be broadly clubbed into five categories, viz. (i) Development, (ii) Participation and Conflict Resolution, (iii) Infrastructure, (iv) Regulation and (v) Financial Performance.

Based on this, the citizen's grading A to E and the record based data ranking the LSGI from I to V can be done. This could be 'vetted' by the Audit/social audit team to finalize the LSGI's grade for the year. The 'best' Panchayats would have a rating of A-I with the most challenged being rated as E-V. Having got a scatter diagram of GPs in a Taluka, TPs in a district and Zilla Parishads in a State, a snapshot of 'performance' of LSGIs (across the country) will be available. This is not an index and no Panchayat need have this grade 'labelled' to it forever, and there is a constant possibility of improvement as this is continuously monitored on a yearly basis and offers scope for improvement.

The PMG grade, an indicator for evaluating the performance of the Panchayat, could be the starting point for deciding on incentives and disincentives. The incentive could be granting of additional resources, exposure visit, awards inviting other PRI representatives to their panchayat and such others. The disincentives could be cutting of grants, resources directly going to 'marginalised' sections of society who are generally not in the authority structures, greater control, publicity for poor performance, a provision for change of panchayat president with holding of fresh elections if a panchayat continues to be in the E-V grade for more than two years.

Audit of panchayats - Large expenditures are now being incurred by PRIs. Their accounts are to be audited by Local Fund Audit, but there are several problems. First, there are huge arrears, and in some cases accounts have not been audited for more than ten years. Secondly, the quality of their reports is very poor, therefore the utility of such audits is doubtful, the impact it makes on improving systems is at best marginal, perhaps negative. Thirdly, there are complaints of corruption, and the general impression is that audit reports can be bought. Lastly, elected officials are not held accountable for any lapses noticed in their reports, only officials are, which breeds irresponsible behaviour on the part of non-officials.

The quality of work done by panchayats should be closely monitored by a team of journalists, civil society members, panchayat leaders from the neighbouring districts (who have already done excellent work), and stakeholders. Based on these reports, panchayats should be graded, and future funds should be linked with their grade. Strengthening financial management and audit procedures will also strengthen accountability of the local bodies, their standing committees and its representatives to the people as well as to government.

Connecting the three tiers - In the structure of Gram Panchayats, Taluka Panchayats and Zilla Panchayats, there is a disconnect between the Gram Panchayat President and Taluka Panchayat. There ought to be a system of representation of Gram Panchayat Presidents in the Taluka Panchayat with direct election of Taluka Panchayat President. A similar system ought to be in place for the Zilla Panchayats too. The indirect election of ZP/TP President leads to malpractices and undesirable compromises motivated by money, muscle and power.

Gender empowerment - The empowerment of women through reservations in the panchayats is a necessary first step but needs to be reinforced by a number of other measures such as :

- the provision of Women Component Plans in the budgets of the PRIs;
- linkages with Self Help Groups (SHGs);
- adequate training and capacity building;

- encouragement to political parties to put up women candidates;
- the opportunity to women to serve a full term when they are elected to posts in the PR system;
- Mahila Sabhas (or equivalent) to facilitate women's concerns and priorities being raised in meetings of Gram Sabhas and Ward Sabhas (or equivalent sub-Gram Sabha forums);
- separate quorum for women's participation in Gram Sabhas and sub-Gram Sabha forums.

Encourage outside involvement - The situation in villages scattered across India indicates that there is a real need to build the human capital there and channelize it towards all round development and excellence. An initiative which may be attempted, could be, to invite persons or organizations from the village or other parts of the country or even NRIs and other organizations of 'Indians' to any village of their choice in India. These village 'architects' are not to be given any remuneration or grant or subsidy. They would have to present their credentials before the Gram Sabha and Gram Panchayat and, if the LSGI chooses to, they may be given the task of architecting the GP for a period of not less than 1 year. They would have no legal status or authority but, if there is commitment and sincerity, they can win over the villagers and play the role of a guide, mentor and architect, who harnesses the human energies of the village and channelizes it, giving the village the 'hand holding' it needs to formulate its own strategy for development and all round excellence. Typically, the architect comes with his knowledge, ideas, experiences and networks to be able to really make a difference, developing leadership in the village, imparting confidence and faith by being there and actively participating. This may be tried out on a pilot basis and if it succeeds, this can be documented and disseminated widely for covering nearly all villages which require this intervention. A similar variant at TP and ZP level may be formulated too.

This innovation is very much within the existing legal framework, as the State Governments, in accordance with the provisions of Article 243ZD (3)(b), may specify institutions, organizations and individuals, who may assist the Panchayats, Municipalities and DPCs in preparing plans of a technically acceptable nature.

Do we really require three tiers? In most states one of these two tiers is weak, district unit is weak in Tamil Nadu and Rajasthan, whereas the block unit is weak in Maharashtra and Gujarat. Some people have suggested that the states should be given the option of doing away with one of the levels, in case they so desire. Its implication for efficiency, equity and participation should be studied.

Increase the use of IT - IT as tool can be very effectively used in the area of implementation by the PRIs. Several transactions can be carried out using on-line applications. This has been sufficiently demonstrated in various pilot projects carried out across the country such as Mahitishakti in Gujarat, Gyandoot in Madhya Pradesh, Bhoomi in Karnataka and FRIENDS in Kerala. A note on the Mahiti Shakti project implemented in Gujarat is attached at Annexure A. All these initiatives help disseminate information to the public at large and also help carrying out of on-line transactions using ICT. It is proposed that in every Gram Panchayat, just as there are ISD/STD/PCO booths, a series of similar booths for disseminating information and making available various forms, services and transactions to people are set up by encouraging Public-Private Partnership (PPP). The booths/kiosks should operate more on the basis of principle of entrepreneurship than merely to be looked upon as extensions of state machinery. A combination of variety of services for the consumption of both government and public through these units would make them commercially and socially viable.

For instance, land records can be put on the web, and then disseminated through the private kiosks. This can be done on a basis wherein the revenue accrued from these transactions is taken by the operators while he pays a flat enrolment fee to the Panchayats to ensure that various forms and data is regularly put up and he pays for the information that is available to him.

This would need backend support by parallel ICT efforts for computerization of various services at the Gram Panchayats, taluka panchayats, Zilla Panchayats, which could, in turn be networked to the Panchayat Department and the Office of the Development Commissioner at the State Headquarters.

Linkages with MPLAD - Presently, moneys earmarked for Local Area Development of MPs are spent solely at the discretion of individual MPs. The implementation of MPLAD schemes is through the Collectors and not through the network of Panchayat institutions. This must be altered and PRIs made the principal agency instead of the Collectors. The MPLAD funds should be deposited with the Zila Parishad as untied funds. MPs may indicate their preferences for schemes/ programmes to the Zila Parishad or/ Block Panchayats/ Gram Panchayats which should be implemented by Panchayats as a part of the overall village /area / district plan.

It is suggested that MPs and MLAs declare the specific details of the work done under the MPLADS and MLA Fund, if these are not scrapped, while completing his term. In addition, s(he) should declare these details at the time of filling his nomination forms and at the completion of his term, in the form of an affidavit and these details may also be declared in the District Planning Committee Meeting and be open to questions. Similarly, in Parliament, it is suggested that these details be shared with a full discussion with questions raised on this, which the concerned member has to defend.

CBOs and PRIs

In some sectors there is people's involvement through parallel institutions like the Joint Forest Management Committees, Village Education Committees, Water User Groups, etc. In such development projects, government has relied upon committees that are independent of panchayats. Often in the same region, such as UP hills, the World Bank has promoted different committees, one for forests, the second for drinking water, and the third for education, and these may be all distinct from panchayats!

Difficulties tend to arise in the *inter-relationship* between multi-purpose elected bodies and single-purpose user committees. The two types of bodies often exist at slightly different levels – with, for example, one covering a single village and the other a cluster of villages – which makes synergy between them difficult. There is often confusion about which of the two types of bodies has jurisdiction over a particular topic – water use, education, etc. Such confusion is sometimes deliberately sown by politicians and/or bureaucrats at higher levels, to weaken bottom-up development processes.

Most or all members of user committees are often chosen by nomination from above rather than by elections (through which members of most multi-purpose councils are selected). Bureaucrats may nominate pliable locals as user committee members, or politicians may pack them with loyalists of the ruling party. This difference in modes of selection often produces dissonance between the two types of bodies – and sometimes politicians set these bodies against one another, again to weaken bottom-up development processes.

The overwhelming evidence on user committee managed natural resource projects, such as forests and watershed management, is that the benefits are not sustainable in the long term. After the source of funds from the project dries up, plantations disappear, committees are

disbanded or abandoned, and the livelihood base of the poor remains only marginally improved, if at all. Perhaps in some cases they create some sustainable social capital by raising awareness amongst the poor. However the evidence suggests that most of the social capital which projects with CBO involvement create is held by the rich, and that in fact most projects have contributed to a further entrenchment of their powers.

Finally and crucially, user committees often have far more funds than do multi-purpose bodies – and sometimes far more funds than they can manage effectively. This can create a doubly invidious situation – feast and famine, cheek by jowl. It can mean that user committees struggle to manage *excessively funded mandates*, while in the same place, multi-purpose bodies groan under the weight of *unfunded mandates*.

Thus the institutional links between political decentralisation, in the form of Panchayati Raj (PRIs), and administrative decentralisation, in the form of user committees promoted by the external donor projects needs to be strengthened. Linkages between these two institutions will also reinforce the voice of the weaker sections of the society. Panchayat representatives are strong, first, because they are democratically elected; second, they have better reach both horizontally and vertically among the bureaucracy as compared to any other people's institution; and third, they have the support of other forums. It is needless to mention that these forums have a much wider say in shaping up the policies and for advocating their cause.

However it is not being advocated that PRIs replace CBOs. It needs to be clearly understood that while panchayats are institutions of local self-government, CBOs will have to function as one of their implementing organs. Often panchayats are too big, Kerala panchayats cover a population of 23,000 people, Orissa and West Bengal panchayats cover 15 to 20 villages, and therefore smaller bodies need to be formed for operational purpose. For instance, school committees work much better when they consist of the parents of the actual school going children. Giving the authority over the school to the Sarpanch or panchayat often results in weakening accountability. All such parallel bodies should be required to report periodically to the Gram Sabha(s) so that the community as a whole is kept informed of the activities of parallel bodies.

While parallel structures are not to be encouraged, the multiplicity and enormity of tasks at the village requires that more and more villagers take up ownership of various activities, developmental programmes and functions in the village. It is suggested that for each function of the GP, the Gram Sabha be a Forum where people can volunteer or be selected to be a part of the Committee looking after a specific function, eg. MDM, PDS, FFW, Health, Anganwadi, lights, water etc. In addition to the villagers, a member of the GP can be identified for each of these Committees to ensure good quality service delivery leading to development and overall excellence. This will help at the time of the Panchayat Metric Grid (PMG) grading and also bring in better right to information, participation with checks and balances.

To sum up, effective panchayats would also require effective district and block level administration, hence one should promote reforms at all levels. These reforms would of course need political support both at the federal and state levels.