

**Key Paper
On
Rural Local Self-Government in Punjab:
Its Evolution, Functioning and Functional Deficiencies**

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RURAL LOCAL-SELF GOVERNMENT IN PUNJAB: ITS EVOLUTION, FUNCTIONING AND FUNCTIONAL DEFICIENCIES

Introduction

Decentralization has been a major feature of the development landscape since the mid-1980s (Devas and others, 2004). The local-self governments (panchayats and municipalities) in both rural and urban areas are the best instruments of democratic decentralization in India. The 'panchayat' in rural India and 'municipalities' in urban India are defined in the constitution as institutions of local-self government. The popular saying of 'panch-parmeshwar' (five people are god) or 'panch-pradhan' (five people are head) from the ancient times connotes that the 'panchayat' had deep roots in the Indian culture. After the 73rd Amendment to the Indian Constitution, 'Panchayati Raj System' has occupied a pivotal place in the Indian democratic system. With this epoch making amendment, the local governments have become the third tier in our federal system after the Union and the States. But ironically, the review of literature reveals that after more than a decade of passing of the historic constitutional amendments of 1992, the local governments have not been institutionalized in many states. Their levels of functioning varies from state to state and in many states the devolution of functions, functionaries and funds to the local governments have not been taking place as envisaged in the Part IX and IXA of the Constitution. This paper critically examines different facets of these issues with special reference to the panchayati raj system in Punjab.

Objectives

- To look into the evolution of the panchayati raj system in India and also in Punjab;
- To examine the salient features of the 73rd Constitutional Amendment and features of the Punjab Panchayati Raj Act, 1994;
- To discuss the status of devolution of functions, functionaries and funds to the PRIs in Punjab;
- To review the functioning of different organs of the Panchayati Raj Institutions (PRIs); and
- To analyze deficiencies of the PRIs in Punjab.

Outline

The issues discussed in this paper are:

- I. Panchayati Raj System: During ancient period; medieval period and after independence.

- II. Key features of the 73rd Constitutional Amendment.
- III. Key features of the Punjab Panchayati Raj Act 1994.
- IV. Devolution of functions, functionaries and funds.
- V. State Election Commission.
- VI. Functioning of gram sabhas.
- VII. Functioning of District Planning Committees.
- VIII. Empowerment of the disadvantaged: women and Scheduled Castes.
- IX. Capacity building of the representatives of PRIs.
- X. The deficiencies in the system.

I Panchayati Raj System: During Ancient Period; Medieval Period and after Independence

I.1 Panchayats in Ancient Times

The panchayats in India have the distinction of a protracted history, before earning a coveted place in the Indian Constitution. The significance of the system has been chronicled during different periods of Indian history. It is not a flight of fancy, but the truth is that, ancient Indian history has narrated the existence of village panchayats comprising five informally elected elderly members to settle disputes in the village. A reference to an organized system of rural local self-government (panchayat) was found in ancient Vedic literature. **Rig Veda** has mentioned about 'gramini', the village head employed by the king for civil and military purposes; while **Atharva Veda** envisaged the institution of 'sabha', 'samiti', 'sabhapati' and 'sabhasad' primarily performing judicial functions. A mention of village institutions had been made in the great epics, the **Ramayana** and the **Mahabharat**, where the gramin was responsible for collecting state dues, keeping village records, settling disputes and controlling crime. Kautaliya's *Artha Shastra* gives a comprehensive account of the system of village administration prevailing in ancient India. Besides, evidence of the village panchayats is also discerned in the Maurya and Chola dynasties and during the golden era of the Guptas.¹

I.2 Panchayati Raj System during Medieval and British Period

The medieval period was the uneventful period in the history of panchayat system in India. The system was largely ineffective during Mughal rule in India because of *Shariat* laws. Except Akbar, no other Mughal ruler assigned importance to the panchayats. In the same vein, during the initial years of British rule, the autonomy of the panchayats gradually got diluted with the establishment of local civil and criminal courts, revenue and police organization. However, the British rulers were well cognizant about the role played by self-governing communities at the village level. Sir Charles Metcalfe, a British governor in India during 1852 called panchayat as "the little republic", but with some reservations because a caste ridden feudal system with power concentrated in the hands of a few

landlords would foil the sole mission of decentralization. This is amply reflected in the East Indian Company Resolution of 1865 which said:

*"The people of this country are perfectly capable of administering their local affairs. The municipal feeling is deeply mooted in them. The village communities are the most abiding of Indian institutions. They maintained the framework of society while successive swarms of invaders swept over the country."*²

The initiative taken by the Viceroy, Lord Mayo, in 1870 through a resolution for decentralization of power was aimed at improving administrative efficiency. In 1882, Lord Ripon resolved in favour of progressive extension of local governing bodies with the avowed purpose of imparting political education to the people in general and rural people in particular. The Royal Commission on Decentralization in 1907, recognized the importance of the panchayats at the village level, which recommended association of the people with the task of local administration. A few subsequent initiatives focused on decentralization during British Raj are Montague Chelmsford Act, 1919; the Simon Commission report 1925 and Government of India Act, 1935. With these initiatives, by 1925 eight provinces had passed Panchayat Acts and by 1926 six Indian princely states also passed panchayat laws. By 1948, 20 other native states had Village Panchayat Acts.³

I.3 Panchayti Raj System after Independence

After independence, the process of empowering Panchayats gathered momentum. Mahatma Gandhi, the father of the nation, while emphasizing on 'Gram Swaraj'(village autonomy) strongly advocated that:

"Independence must begin at the bottom. Thus every village will be a republic of panchayat having full power."

The spirit and importance of panchayati raj system found place in Article 40 of the Directive Principles of State Policy of the Constitution of India, which says:

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

Pandit Jawaharlal Nehru the first Prime Minister of India, considered panchayats as an important socio-economic and political institution at the village level. While inaugurating the Panchayati Raj in Rajasthan in 1959, he underlined the importance of people taking responsibilities:

"to uplift millions of villages is not an ordinary task, the reason for the slow progress is our dependence on official machinery. An officer is probably necessary because he is an expert. But this can be done only if the people take up the responsibility in their own

hands. The people are not merely to be consulted, but effective power has to be entrusted to them."⁵

The then Rural Development Minister Shri S K. Dey, stated:

"In panchayati raj system, the people of India would govern themselves through their representative institutions, from the panchayat to Parliament and thus democracy would travel from gram sabha (village parliament) to Lok Sabha (Lower House of the National Parliament)"⁶

Former Prime Minister Rajiv Gandhi, while emphasizing on the significance of panchayats had remarked:

"We must put an end to planning from above. We must put an end to priorities being conceived and decided at ethereal heights, far from the ground realities."

While delineating a few functions of the these local self-governments, Pandit Jawaharlal Nehru, advocated:

*"The panchayati raj bodies should assume the responsibilities of looking after the needs of everyone in the village and thus become an insurance against illness, unemployment, illiteracy and other disabilities."*⁸

The First Five Year Plan also recognized the need for disaggregated planning through a process of democratic decentralization incorporating the idea of a village plan and a district development council. The Government of India constituted several committees at different points of time to strengthen the local self-government institutions. The first one was the Balwantray Mehta Committee constituted in 1957. The committee recommended the urgency of democratic and elected institutions at the lowest level and suggested a three-tier system at the district, intermediate and village levels. K Santham Committee constituted in 1959, in its report in 1965, recommended setting up of a Panchayati Raj Finance Corporation and district election commissions. Ashok Mehta Committee (1977) recommended a two-tier set-up at district and village level. The Sarkaria Commission on Centre-State relations appointed in 1983 recommended in its report that the objectives of decentralized planning cannot be achieved unless the Panchayati Raj and other local bodies are allowed to perform their assigned role. Instead of playing their role, ironically, these institutions have been allowed to stagnate. Elections to these bodies have not been held regularly and often they remain superseded for a long period. The Sarkaria Commission recommended that it was necessary to hold elections regularly and adequate funds devolved to these institutions. The GVK Rao committee, 1985, emphasized the need for regular elections to the PRIs. A committee headed by PK Thungon, 1986 recommended that panchayati raj bodies should be constitutionally recognized, should have provision for timely and regular elections and their term should be five years. While

the LM Singhvi Committee of 1987 recommended that the PRIs should get constitutional safeguards and financial resources should be devolved to them.

Taking into consideration all these recommendations and success of West Bengal, Karnataka and Andhra Pradesh experiment and the prevailing mood for decentralization, Prime Minister Rajiv Gandhi introduced the 64th Constitutional Amendment Bill in 1989, which was passed by the Lok Sabha, but failed to get the concurrences of the Rajya Sabha.

Later, a cabinet committee was constituted to look into the contents of the Panchayati Raj Bill of 1989 afresh and a comprehensive amendment was introduced in the form of the Constitution 73rd Amendment Bill in 1992 during the Prime Ministership of P V Narasimha Rao, which was passed by both the Houses of Parliament and came into effect on April 24, 1993. Shortly after the aforesaid amendment, in his letter of May 5, 1993 to panches and sarpanches, he had mentioned:

"Democracy and devolution of powers to panchayats have now become part of the most sacred document of this nation: the Constitution of India. No one can now snatch democratic practices from your panchayat. The Constitutional changes will prove to be a major landmark in the history of development of rural areas of this country. They will be vibrant institutions performing necessary development, regulatory and general administrative functions,"⁹

II Panchayati Raj System after 73rd Amendment

The 73rd amendment of the Constitution is an epoch making event in the history of democratic decentralization in India. While introducing the constitutional amendment bill in Parliament on December 1, 1992, the then Cabinet Minister of Rural Development observed:

"This casts a duty on the centre as well as the states to establish and nourish the village panchayats so as to make them effective self-governing institutions and by introducing this Act, the Government was fulfilling Mahatma Gandhi's dream of Gram Swaraj."¹⁰

With 496 panchayats at the district level, known as Zilla Parishads; 5905 at the intermediate level, known as Block Samitis/Panchayat Samitis; and 230762, at the village level known as Village Panchayat, India today has the world's largest functioning democracy at the grassroots. These elected democratic institutions are manned by 3.4 million elected representatives, including more than one million women; .36 million Scheduled Castes and .26 million Scheduled Tribes (Kurukshtera, 2002).

In conformity with the Constitutional Amendment all the states have amended their state Acts or passed new acts repealing the then existing ones. Today the PRIs are the bedrock of effective implementation of India's rural development and poverty alleviation

programmes. It is true that, if effectively empowered, the PRIs have the potential to build a progressive India (which veritably lives in its villages) in harmony with the felt needs and aspirations of the people. The structure of the PRIs of a few states is shown in Table-II.1.

Table-II.1
Structure of Population and at Different Institutions in a Few States

States	Average population per Gram Panchayat	Average Number of Villages per Gram Panchayat	Average Number of Gram Panchayat per Panchayat Samitis	Average Number of Panchayat Samitis per Zilla Parishad
Gujarat	1764	1.4	73.1	9.6
Karnataka	10,081	10.7	4.7	9.0
Kerala	20,512	1.4	-	-
Madhya Pradesh	3000	4.1	41.0	10.2
Maharashtra	1653	1.7	82.8	10.3
Punjab	1108	1.2	92.8	9.8

Source: Panchayati Raj Institutions in India, Ministry of Rural Development, 1991.

II.1 Important Features of 73rd Constitutional Amendment

The main features of the 73rd Constitutional Amendment are: (i) Establishment of a three-tier structure: village panchayat (gram panchayat); intermediate panchayat (block samiti/mandal panchayat/panchayat samiti; and the district panchayat (zilla parishad); (ii) Regular elections every five years; (iii) Reservation of seats for the Scheduled Castes and Scheduled Tribes in proportion to their population; (iv) Not less than one-third reservation of seats for women at three different levels of PRIs; (v) Establishment of State Finance Commissions to recommend measures to improve the finances of panchayats; (vi) Establishment of State Election Commissions to conduct election to the PRIs; (vii) Establishment of District Planning Committees to prepare development plans for the districts; (viii) Preparation of plans for economic development and social justice and their execution concerning 29 subjects listed in the 11th Schedule of the Constitution; (ix) Establishment of grama sabha (village assemblies) and their empowerment as a decision making body at the village level; and (x) Rotation in accordance with the reservation of seats for women and the Scheduled Castes in the PRIs.

Key Features of 73rd Constitutional Amendment

S. No	Key Features	Provision in the Act
1	Three Tier Structure	Article 243-B, Gram Panchayat at Village level, Intermediate Panchayat at Block Level and District Panchayat at the District Level
2	Elections at every five years	Article 243-E, every Panchayat shall continue for five years from the date appointed for its first meeting and no longer.
3	Reservation of seats for Scheduled Castes and Scheduled Tribes	Article 243-D, reservation of seats for the Scheduled Castes and Scheduled Tribes in proportion to their population for membership of panchayats.
4	Reservation of seats for women	Article 243-D (3), provides that not less than one third (including the number of seats reserved for women belonging to Scheduled Castes and Scheduled Tribes) of the total number of seats to be filled up by direct election in every panchayat shall be allotted by rotation to different constituencies in a panchayat.
5	Establishment of State finance Commissions	Article 243-I provides for constitution of State Finance Commission to review financial position of the PRIs and to make recommendations to the Governor and distribution between the state and the PRIs of the net proceeds of the taxes, duties, tolls and fees leviable by the state.
6	Establishment of State Election Commission	Article 243-K, provides for the establishment of State Election Commission. The superintendence, direction and control of the preparation of electoral rolls for and the conduct of all elections to the panchayats shall be vested in the State Election Commission.
7	Establishment of District Planning Committee (DPCs)	Article 243ZD provides for the constitution of DPCs to consolidate the development plans prepared by the gram panchayat.
8	29 duties and responsibilities	Article 243 (G), made addition of Eleventh Schedule and assigning duties and responsibilities on 29 subjects.
9	Establishment of Gram Sabha	Article 243, provides for gram sabha to exercise such powers and perform such functions at the village level as the legislature of a State may by law provides.

III Panchayati Raj Institutions in Punjab

The panchayat system in Punjab was introduced with the enactment of the Village Panchayat Act in 1912 and its scope was substantially expanded thereafter from 1919 onwards under the Montague-Chelmsford Act. The Punjab Village Panchayat Act, 1921 replaced the 1912 Act. Then the Village Panchayat Act of 1939 replaced the Punjab Village Panchayat Act of 1921. One of the key features of the 1939 Act was the formation of district boards in the districts of the state. These boards did good work in the areas of education, construction of roads and health care. After independence, the Punjab government formulated the Gram Panchayat Act 1952, which replaced the Village Panchayat Act 1939. In 1961, the Government of Punjab decided to organize a panchayati raj system based on the recommendation of Balwant Rai Mehta Committee. As a result, a three-tier system comprising gram panchayats at the village level; panchayat samitis at the block level and zilla parishad at the district level were constituted and the district boards were abolished. The panchayat samitis and zilla parishads functioned as representative bodies up to 1970 and again from 1975-78 (in the intervening period from 1970-75, they had been dissolved). There after these two tiers remained in force till 1994. However, elections to gram panchayats were held regularly (1952, 1957, 1962, 1968, 1973, 1978, 1983, 1992, and 1998) since independence, with the exception of 1988 due to the turbulent situation in the state. With the passage of the 73rd Constitutional Amendment Act, 1992, the state government enacted, the Punjab Panchayati Raj Act, 1994, which replaced the Gram Panchayat Act, 1952, in April 1994. The Act proposed to endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government. Some of the important features of Punjab Panchayati Raj Act which are in conformity with the 73rd Amendment Act, 1992 of the Government of India, are: (i) establishment of a three-tier system of panchayats in the state i.e gram panchayats at the village level, panchayat samitis at the block level and zilla parishad at the district level; (ii) election to panchayats, panchayat samitis and zilla parishads to be held once in five years; (iii) reservation of seats for the Scheduled Castes in proportion to their population and reservation of not less than one-third of seats for women at all levels; (iv) reservation of one office of panch for the other Backward Classes (OBCs) in a gram panchayat, where their population in the gram sabha areas is more than 20 per cent of the total population of that area; (v) devolution of powers and responsibilities to gram panchayats, panchayat samitis and zilla parishads in respect of matters listed in the 11th Schedule of the Constitution of India; (vi) constitution of DPCs and standing committees at the gram panchayat, panchayat samiti and zilla parishad level; (vii) constitution of State Election Commission and State Finance Commission (viii) constitution of a gram sabha for a village or a group of contiguous villages with a population of not less than 200.

In order to improve the working of the panchayati raj system, Punjab government appointed several study teams such as Rajinder Singh study team, Badal study team, Harcharan Singh Committee and Departmental Officers Committee. An observation made by the Badal Committee is pertinent today.

"Panchayati raj was introduced in this state more as a result of the National Policy of the Central Government rather than as an act of faith and as a means to bring about effective decentralization. Although comprehensive legislation was brought about through Panchayati Raj Acts, yet these institutions suffered from lack of funds and genuine transfer of power and responsibility."¹¹

The Badal committee felt that by and large the Maharashtra pattern of Panchayati Raj system, with slight modifications, would best suit the state of Punjab.

The latest elections to the PRIs (held during 2002 to the gram panchayats and in 2003 to the block samiti and zilla prishads) in Punjab recorded a total of 12,443 gram panchayats, 140 panchayat samitis and 17 zilla parishads and these institutions are manned by 88358 gram panchayat representatives; 2486 panchayat samiti representatives and 140 zilla parishad representatives respectively. Out of the total 88358 village panchayat representatives: 23,519 are women; 23,460 are Scheduled Castes and 3,318 belong to the OBCs. The panchayat samitis representatives include 806 women, 771 Scheduled Castes and 43 OBCs. In the case of zilla parishads, 281 representatives include 83 women, 83 Scheduled Castes and 4 OBCs (Table-III.1 & 2). The average number of villages per gram panchayat in Punjab is 1.2 as depicted in Table-II.1. This signifies that except a few, each village in Punjab has a gram Panchayat of its own.

Table-III.1
Region/District Wise Number of Gram Panchayats (2003)/Panchayat Samitis/Zilla Parishad (2002)

Region	Districts	Gram Panchayats		Panchayat Samitis		Zila Parishad	
		Number	Elected Members	Number	Elected Members	Number	Elected Members
Majha	Amritsar	1287	9397	16	283	1	25
	Gurdaspur	1592	10734	15	259	1	25
Doaba	Hoshiarpur	1317	8700	10	185	1	21
	Jullandhar	886	6260	10	173	1	19
Malwa	Kapurthala	535	3570	5	81	1	10
	Nawanshahar	445	3132	5	83	1	10
	Bhatinda	306	2667	8	134	1	14
	Faridkot	181	1428	2	46	1	10
	Fatehgarh Sahib	430	2814	5	75	1	10
	Ferozepur	1089	7553	10	187	1	22
	Ludhiana	876	6504	12	204	1	23
	Mansa	242	2016	5	85	1	10
	Moga	326	2814	5	105	1	13
	Muktsar	265	2181	4	82	1	10
	Patiala	1079	7206	9	172	1	21
	Roopnagar	852	5564	7	122	1	13
	Sangrur	735	5818	12	210	1	25
	Total	12443	88358	140	2486	17	281

Source: State Election Commission and Department of Rural Development and Panchayati Raj Punjab.
Statistical Abstract of Punjab, 2004.

Table III.2
Women/Scheduled Castes/OBC Representation in PRIs (2002/2003)

Region	Districts	Gram Panchayat			Panchayat Samiti			Zila Parishad		
		Women*	SC**	OBC	Women	SC	OBC	Women	SC	OBC
Majha	Amritsar	991	2513	218	107	92	2	6	7	-
	Gurdaspur	853	2272	671	77	70	11	8	6	1
Doaba	Hoshiarpur	3189	2636	311	60	65	5	7	7	-
	Jullandhar	2133	1011	154	57	75	1	7	7	-
Malwa	Kapurthala	1279	2351	240	27	26	2	3	4	1
	Nawanshahar	164	1034	116	27	31	2	3	4	-
	Bhatinda	818	469	26	43	43	-	-	-	-
	Faridkot	487	755	14	13	16	-	3	4	-
	Fatehgarh Sahib	989	761	88	25	24	-	3	3	-
	Ferozpur	2200	1280	550	60	36	8	7	5	1
	Ludhiana	2213	1994	103	65	68	-	7	8	-
	Mansa	661	546	18	26	16	-	3	3	-
	Moga	964	691	40	35	34	-	4	4	-
	Muktsar	440	734	21	26	32	-	3	4	-
	Patiala	1969	1698	408	55	47	7	7	6	1
	Roopnagar	1937	1253	196	40	33	2	4	4	-
	Sangrur	2232	1462	144	63	63	2	8	7	-
	Total	23519	23460	3318	806	771	43	83	83	4

*include SC female

**both SC male and female

Source: State Election Commission and Department of Rural Development and Panchayati Raj, Punjab.

III.1 Constitution and Functions of PRIs

PRIs comprised of three institutions namely gram panchayats, panchayat samitis and zilla parishads, the constitution and functions of these three organizations are narrated below:

III.1.1 Gram Panchayat

The members of village panchayats are elected by the same Electoral College, which elects members of the Legislative Assembly of the state and the Lok Sabha (the lower house of Parliament). Under the 1994 Punjab Panchayati Raj Act, it is envisaged that a village panchayat will discharge duties and responsibilities related to the subjects mentioned in the 11th Schedule of the Constitution. Important functions of the gram panchayat include preparation of annual development plans, its budget; construction, repair and maintenance of community assets; khadi and village industries; rural housing; rural electrification; non-conventional sources of energy; poverty alleviation; education; public health and family welfare; adult and non-formal education; cultural activities; fairs

and festivals; promoting agriculture, including animal husbandry; dairying and poultry; fisheries; social and farm forestry; women and child development; social welfare and public distribution system.

A gram panchayat consists of a sarpanch and 5 to 13 elected panches depending upon the population.

III.1.2 Panchayat Samiti

There is a panchayat samiti in each development block, a compact development area. Its membership comprises:

- (a) 15 to 25 directly elected members from territorial constituencies.
- (b) Members of the Punjab Legislative Assembly, major portion of whose constituency falls in the panchayat samitis area shall also be member/members of the panchayat samitis.

The Punjab Panchayati Raj Act, 1994 has assigned the panchayat Samitis 26 functions. The important functions are agricultural improvement, land improvement, irrigation and water management and promotion of animal husbandry and dairying and poultry, fisheries, roads, social services, social welfare, technical training, poverty alleviation, rural, electrification, etc.

III.1.3 Zilla Parishad

Every district has a zilla parishad, having jurisdiction over the entire district excluding the areas included in a municipality or a Cantonment Board. The members of the zilla parishad are:

- i. Directly elected from demarcated constituencies;
- ii. All chairpersons of panchayat samitis; and
- iii. Members of Parliament/MLAs (Member of Legislative Assemblies) whose constituencies fall in the jurisdiction and geographical area of the zilla parishad.

The directly elected members of zilla parishads vary from 10 to 25. The Additional Deputy Commissioner (Development) in every district shall be the ex-officio Chief Executive Officer of the zilla parishad of that district.

The Punjab Panchayati Raj Act of 1994 assigns 22 functions to the zila parishads. The functions include agricultural development, irrigation; ground water resources and watershed development; horticulture; statistics; rural electrification; distribution of essential commodities; soil conservation; animal husbandry and dairying; fisheries; small-scale industries including food processing industries; rural roads; health and hygiene; rural

housing; education; social welfare and welfare of the weaker sections; poverty alleviation; social reform activities; weights and measures and promotion of thrift and savings through small savings campaigns.

III.2 Standing Committees

Provision of standing committees has been made at the village panchayat, panchayat samiti and zila parishad levels for effective implementation of rural development activities.

III.2.1 Standing Committees of Gram Panchayat

The Punjab Panchayati Raj Act envisages the constitution of standing committees in every village panchayat. Each standing committee consists of not less than three and not more than five members including the sarpanch (Presidents). The sarpanch is the ex-officio member and chairman of all the standing committees. The standing committees at the village panchayat level are:

- a. Production Committee;
- b. Social Justice Committee; and
- c. Amenities Committees

The functions of each standing committee are given in Annexure-I.

III.2.2 Standing Committees of Panchayat Samiti

The standing committees at the panchayat samiti level are:

- a. General Committee;
- b. Finance Committee;
- c. Audit Committee;
- d. Planning Committee; and
- e. Social Justice Committee

Each standing committee consists of not more than six members including the chairman of the panchayat samiti and other elected members of the panchayat samiti. Functions of standing committees are given in Annexure-I.

III.2.3 Standing Committees of Zilla Parishad

The standing committees at the zilla parishad level are:

- a. General Management Committee;
- b. Finance Audit and Planning Committee;

- c. Social Justice Committee;
- d. Education and Health Committee; and
- e. Agriculture and Industry Committee.

Each standing committee consists of not more than five members, including the chairman and the elected members of the zilla parishad. The functions of the standing committees are given in Annexure-I

IV. Devolution of Functions, Functionaries and Funds to PRIs

After the 73rd Constitutional amendment, State Governments are devolving functions, functionaries and funds to PRIs in order to enable them to function as an effective self-government.

The Vision - 2020 document brought out by the National Planning Commission has emphasized on democratic decentralization and speedy devolution of functions, functionaries and funds to local self-government institutes. A few points highlighted in the document are as follows:

- Devolution of power to local bodies will continue at an accelerated rate. Pressure from the grassroots will increasingly pressurize state government.
- Local communities will come to depend less on state and central government and rely on their own initiative and organizational capacity.
- Financial devolution will give local bodies authority to levy taxes and greater control over the use of local natural resources. It will also make them increasingly responsible for financing local infrastructure.
- Direct democracy through gram sabhas, as opposed to representative democracy, will become more prevalent at the local level. People at the local level will be more directly involved in setting priorities for distribution of resources and managing local projects.
- A better-educated and better-informed electorate will be increasingly demand its rights and increasingly critical of non-performing government.

IV.1 Devolution of Functions

The 73rd Constitution Amendment provides for devolution of functions and transfer of functionaries and funds to the three tiers of local self-government institutions. According to article 243G of the Constitution:

"subject to the provisions of the Constitution, the legislature of a state, by law, may endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to:

- (a) *The preparation of plans for economic development and social justice; and*
- (b) *The implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to matters listed in the Eleventh Schedule."*

Article 243G is the crux of the spirit of decentralization.

In the states of Kerala and Karnataka, according to available information 29 subjects and in Madhya Pradesh 18 subjects have been transferred to the PRIs. In these states, the panchayats are running schools, supervising dispensaries, engaged in-group farming, harvesting rain water and even setting up small power plants (EPW, 2002). But village panchayats in many other states are dependent on their respective governments for functions, functionaries and funds (EPW, 2002). A high-powered task force of the Union Ministry of Rural Development (2001) pointed out that the functions devolved upon the PRIs were in the nature of subjects rather than in terms of activities or sub-activities.

Table-IV.1.1
Status of Transfer of Functions to PRIs in Selected States

States	No of Subjects transferred to the PRIs
Gujarat	20 (68.96)
Karnataka	29 (100.00)
Kerala	29 (100.00)
Madhya Pradesh	23 (79.31)
Maharashtra	18 (62.07)
Punjab	6 (20.69)

Note: Figures in parentheses show percentages to total 29 departments/subjects transferred to Panchayats.

Source: Kurukshetra, June 2002.

The Government of Punjab, in January 2004, through a notification transferred six departments to local self-government. The details of functions assigned to different tiers of PRIs are given in annexure-II. The departments transferred to the PRIs are as follows:

- i. Social security, women and child development;
- ii. Welfare of Scheduled Castes and Backward classes;
- iii. Public health;
- iv. Rural development and panchayati raj;
- v. Health and family welfare;
- vi. School education.

A detail of department transferred, schemes to be implemented and role and responsibilities of PRIs at three different levels is given in Annexure-II.

The distribution of functions among the three tiers of PRIs also varies from state to state. Some state governments have assigned more functions to block and district level panchayats, whereas other states have ignored the district panchayats and the intermediate panchayats and given more powers to gram panchayats. For example the Maharashtra Government has assigned more functions to block and district panchayats, while the Madhya Pradesh and Kerala governments have assigned more powers to the gram panchayats (Jha, 2002).

IV.1.1 Deficiencies

- (a) It is observed that functions in Punjab have been transferred to the PRIs only on paper, while line department functionaries continue to exercise power and authority. In other words, the PRIs have been assigned responsibilities, but not power and authority.
- (b) There is gross overlapping in functions of three different tiers of PRIs i.e. village panchayats, panchayat samitis and zilla parishads.

IV.1.2 Reasons

- (a) The functionaries of the line departments are reluctant to share authority with the panchayats. The truth is that the bureaucracy does not favour delegation of functions to the PRIs.
- (b) There is ambiguity in sharing of responsibilities assigned to different PRIs in Panchayati Raj Act, 1994.
- (c) There are panchayat representatives particularly those belonging to the Scheduled Castes, who lack the competence to perform the duties and discharge the responsibilities assigned to them, for want of training and education.
- (d) There is lack of political will at the state level to assign functions and responsibilities to the PRIs.

IV.2 Transfer of Functionaries

Considering the workload, duties and responsibilities of the Panchayati Raj Institutions, it is pertinent that these institutions be provided with functionaries working in the state government departments, as mandated in the 73rd Amendment. The state governments of Karnataka, Kerala, and Madhya Pradesh have transferred such functionaries and directed them to work under the control of panchayats.

The Punjab Panchayati Raj Act, 1994, envisaged that the panchayat secretaries, the only village level official, should act under the control of panchayats, headed by a sarpanch. The panchayat secretaries, however, are posted at the panchayat samiti headquarters and do not consider themselves as employees of the panchayats. One panchayat secretary deals four to five villages. They maintain the accounts of the gram panchayats and are the "friend, philosopher and guide" of sarpanches and village panchayats.

Table-IV.2.1
Status of Transfer of Functionaries to PRIs in Selected States

States	No of departments/subjects functionaries transferred to the PRIs
Gujarat	Nil
Karnataka	29 (100)
Kerala	15 (51.72)
Madhya Pradesh	09 (31.03)
Maharashtra	09 (31.03)
Punjab	Nil

Note: Figures in parentheses show percentages to total 29 departments/ subjects transferred to Panchayats.

Source: Kurukshetra, June 2002.

Singh and others (2004) during training programmes of representatives of the PRIs in five districts of Punjab observed that in the real sense there is no transfer of functionaries to the PRIs. Rather, the PRIs have been assigned responsibility only to oversee some activities of line department functionaries. Similar to Punjab in most other laggard states, the key functionaries namely, secretaries and executive officers at all levels of panchayats are state government employees (Pai, 2004).

The state level functionaries feel that their role in the implementation of development schemes might be reduced considerably on the transfer of powers and functions to the PRIs (Patnaik, 2003). Mani Shankar Aiyar (2002) is of the view that in the absence of such effective devolution of functionaries with functions, there is a kind of diarchy operating at the ground level, which is detrimental to good governance.

IV.3 Devolution of Funds

A major impediment in the effective functioning of the PRIs is the lack of adequate funds for the implementation of need-based programmes. A large number of functions have been vested in decentralized bodies without sufficient finances and this has resulted in the near failure to fulfill their responsibilities leading to discontinuation of the system in many states (Hedge, 1994). Besides, funds that are available are mostly tied in nature, leaving little flexibility to the panchayats' (Siva Subrahmanyam, 2003). Devolution of funds to the PRIs would enable these bodies to function as effective self-government.

Article 243-H of the Constitution, empowers the state legislatures to enact laws:

- (i) to authorize a panchayat to levy, collect and appropriate such taxes, duties, tolls and fees;
- (ii) to assign to a panchayat, certain taxes, duties, tolls levied and collected by the state government;

- (iii) to provide for making grants-in-aid to the panchayats from the consolidated fund of the state; and
- (iv) to provide for the constitution of such funds for panchayats and also the withdrawal of such money there from; as may be specified by law.

Article 243-I of the Constitution provides the setting up of a State Finance Commission (SFC) in every fifth year to review the financial position of the panchayats and to make recommendations to the Governor as to:

- a) the principles which should govern :-
 - i. the distribution between the state and the panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the state, which may be divided between them under this Part and the allocation between the panchayats at all levels of their respective shares of such proceeds;
 - ii. the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the panchayats;
 - iii. the grants-in-aid to the panchayats from the consolidated fund of the state.
- b) the measures needed to improve the financial position of the panchayats;
- c) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the panchayats.

280 (3) (bb) of the Constitution enjoins the Central Finance Commission to suggest 'measures needed to augment the consolidated fund of a state to supplement the resources of the panchayats and municipalities in the state on the basis of the recommendations made by the Finance Commission of the State'.

In Punjab, the First State Finance Commission was constituted in April 1994, and the Second State Finance Commission in September 2000, under Article 243 (I) referred above. Important recommendations of the First State Finance Commission included:

Transfer of 20 per cent of the net proceeds of five taxes such as stamp duty, Punjab motor vehicles tax, electricity duty, entertainment tax and entertainment tax (cinematograph shows) to be transferred to the PRIs and ULBs.

In addition, a share in liquor taxes and grants and transfers of the 10th Finance Commission's award was recommended to be devolved on local bodies and panchayats in a specified ratio. The year-wise breakup of Rs. 1231.42 crore recommended by the First Finance Commission for transfer to local bodies and PRIs is given in the Table IV.3.1.

Table- IV. 3.1
Revenue of PRIs During 1996-97 to 1999-2000 (Rs. in crore)

S.No.	Year	Shared Taxes	Liquor Tax	Grants	TFC Award	Total
1	1996-97	104.17	20.53	65.00	33.49	223.19
2	1997-98	110.96	23.61	65.00	33.49	233.06
3	1998-99	118.24	27.16	65.00	33.49	243.89
4	1999-2000	126.04	31.23	65.00	33.49	255.75
5	2000-01	134.43	35.91	65.00	40.19	275.53
	TOTAL	593.84	138.44	325.00	174.14	1231.42

Source: First State Finance Commission Report, Punjab.

Note: 10 million equal to 1 crore.

These recommendations established for the first time the right of the panchayats to a share in the consolidated funds of the state and the federal government.

The Second State Finance Commission largely recommended the same principles of transfers from higher levels but instead of 20% of five specified taxes, it recommended the transfer of 4% of the net proceeds of the state taxes and recommended that 2/3rd of the recommended amount on the basis of population should be the share of the PRIs of the state. The inter-institutional transfer of the above funds between gram panchayats, panchayat samiti and zilla prishads was in the ratio of 50:30:20 respectively.

The recommendations of 10th Finance Commission and the 11th Finance Commission with regard to transfer of funds from the consolidated fund of the central government to the PRIs in Punjab was as follows:

- i) The Tenth Finance Commission had recommended a grant of Rs. 100 per capita of rural population as per 1971 census for each Panchayat; and
- ii) The Eleventh Finance Commission recommended the transfer of Rs. 30.93 crore to the PRIs of Punjab for the five year period 2000-05. This is 1.933 per cent of the sum of Rs. 1600 crore allotted for transfer to the PRIs in the country.

The recommendations of two central finance commissions were nominal in terms of transfer of funds but established the right of the panchayats on the consolidated fund of the central government.

The Eleventh Finance Commission (EFC) while considering the claim of local self government bodies on the funds of the federal government, suggested that the state should supplement the resources of panchayats by assigning land taxes, professional taxes and surcharge/cess on state taxes for improving the basic civic services and taking up schemes of social and economic development.

The Twelfth Finance Commission

The states of the Union of India pleaded before the Twelfth Finance Commission, that:

- i. a formula based approach, need to be followed, for grants from the Central Finance Commission, which may include a minimum level of own revenue generation by the local bodies;
- ii. the *inter se* distribution should take into account the rural capital assets rather than the population;
- iii. the frequent occurrence of natural calamities should be taken into account;
- iv. grants in aid should be provided to support an incentive fund for the panchayat samitis and zilla prishads;
- v. the system of grants should be linked to the level of reforms undertaken by the PRIs;
- vi. the central grants should be conditional upon the implementation of the recommendations of State Finance Commission;
- vii. the funds should be made available to local bodies to meet the revenue account gap, as also for upgradation of services;
- viii. the divisible pool of central taxes should be expanded by 10 per cent for devolution to the local bodies;
- ix. central support is required for providing services as per national norms;
- x. the states which discharge their constitutional mandate in letter and spirit of the 73rd Amendment, should be rewarded;
- xi. 50 per cent of the transfers from the state government to the local bodies should be funded by the center;
- xii. the transfers recommended by the State Finance Commission should be treated as committed expenditure of the state;

The Ministry of Rural Development of Government of India raised the following issues relating to Panchayati Raj Institutions (PRIs):

- i. the internal revenue mobilization of the PRIs is poor, being only 4.17 per cent of the total revenue;
- ii. the internal revenue mobilization of PRIs is extremely poor because of their reluctance to charge fees, low rates even when imposed and non-revision for long periods;
- iii. there is lack of administrative initiative for collection of taxes;
- iv. release of funds meant for panchayats to line departments which operate independent of panchayats;

The Ministry of Rural Development, in its revised memorandum recommended a grant of Rs. 23,468 crore at the rate of Rs. 2.00 lakh per gram panchayat per annum for operation and maintenance of activities related to assets like water supply system, canal system, buildings, roads and drains.

The Ministry also recommended to include constitution and functioning of district planning committees as required under article 243 ZD and assignment of all the 29 functions given in the 11th Schedule along with funds and all the functionaries of the panchayats. In addition, the Department of Drinking Water Supply, Ministry of Rural Development submitted the requirement of funds for water supply and sanitation sector. It suggested a grant of Rs. 29,200 crore for maintenance and upgradation of drinking water supply schemes.

The National Institute of Rural Development was commissioned to study the innovative/best practices being adopted by different states and to augment the resources of the PRIs with a view to explore the scope for their replication in other states. A detailed study was confined to three states namely Kerala, Gujarat and Madhya Pradesh, which exhibit some distinct features in the system of their PRIs. The Twelfth Finance Commission is in broad agreement with these recommendations and recommended them for adoption by state governments. These are:

- i. Levy of major taxes and enhancing non-tax revenue should be obligatory for the panchayats.
- ii. A minimum revenue collection from the panchayats taxes should be insisted;
- iii. User charges should be made obligatory levies;
- iv. The common property resources vested in the village panchayats must be identified and listed for revenue generation;
- v. Valuation of taxable lands and buildings should be done by panchayats;
- vi. Powers to levy a tax/surcharge/cess on agricultural holdings should be given to the panchayat samitis or zila prishads;
- vii. Revenue transfers from the state to the panchayats in the form of revenue sharing/or revenue assignment should be made statutory;
- viii. State government should adhere to its commitment in regard to grants in aid; all intended grants to the panchayats should be made statutory in nature; and
- ix. The maintenance of accounts by the panchayats should be standardized.

Taking into account the memorandum submitted by the states and submission made by the Ministry of Rural Development, including the Department of Drinking Water Supply, the Twelfth Finance Commission has recommended a sum of Rs. 25,000 crore for the period 2005-10 as grants-in-aid to augment the consolidated fund of the states to supplement the resources both of municipalities and panchayats. This is equivalent to 1.24 per cent of the sharable tax revenue and 0.9 per cent of gross revenue receipts of the federal government, as estimated for the period 2005-10. Obviously this is very low transfer as against genuine financial requirements of local self-governments of the federation. However, the Commission decided to allocate 80 per cent of this amount i.e. Rs. 20,000 crore to the PRIs and Rs. 5,000 crore to the municipalities. This is because the Commission felt that the urban local bodies had a greater access to taxes and non tax resources of their own and that the PRIs need larger support from the consolidated fund of the federal government.

As far the *inter se* allocation of the grant in aid among the states, the Commission decided, according to the detailed criteria, to allocate to Punjab, 1.620 per cent of the allocation of Rs. 25,000 crore, i.e. Rs. 320 crore to Punjab for 5 years. This is, no doubt, a small amount for the 12,443 PRIs in the state.

Professor Oommen (2005) has observed that the Twelfth Finance Commission had contributed significantly towards healthy fiscal federalism. But local bodies were yet to be put prominently on the public finance map of India. He further observed that future finance commissions and their counterparts at the state level would have to play a more important role to make fiscal decentralization a working reality in Indian fiscal federalism.

The dismal level of the total expenditure of the local bodies (urban as well as rural) as percentage of combined expenditure of the union and state local bodies works out to only 4.7 per cent, whereas in advanced countries, the local governments normally account for 20-35 per cent of the total government expenditure (in Denmark it is as high as 45 per cent and in Finland it is 41 per cent) (UNDP, 1993). The tax revenue of the local bodies as a percentage of the combined tax revenue of state and local governments is as low as 1.6 per cent. However, as a percentage of GDP, the tax revenue of the local bodies is only 0.26 per cent and the tax-GDP ratio of PRIs is as low as 00.04 per cent.

Oommen (2005) concluded that despite the tall claims of political decentralization in India, fiscal decentralization has not made much progress.

It is clear that despite extensive submissions made by the states, government of India, Ministry of Rural Development and Department of Drinking Water Supply and the study of National Institute of Rural Development, the financial transfers by the 12th Finance Commission remained niggardly, with no hope of a large slice of financial assistance to the PRIs from the consolidated fund of the federal government. This is a signal that the PRIs must build and develop their own resource structure through a network of taxes, levies, tolls and fees to effectively serve the rural sector of the society.

Gram Panchayat Fund

Section-86 of the Punjab Panchayati Raj Act 1994 envisages that for each gram panchayat there is to be a gram panchayat fund bearing the name of the gram panchayat. The following amounts are included in this fund:

- i. All grants and transfers from the government and other local authorities.
- ii. Proceeds of all funds collected for common secular purposes of the villages in the gram sabha area;
- iii. All donations;
- iv. All taxes, duties, cess tolls and fee imposed and realized under the Act

- v. Sales proceeds of dust, dung or refugees dead bodies of animals, trees and other produce;
- vi. Income from fisheries;
- vii. Income from common land;
- viii. 40% of the total land revenue realizable within the limits of the gram panchayats;
- ix. Any other income.

Section-88 of the Punjab Panchayati Raj Act, 1994, has not given freedom to the gram panchayats to impose any tax, unless the state government authorizes it to issues an order to this effect. Under Section-89 of the Punjab Panchayati Raj Act 1994, every gram panchayat shall be, on the recommendation of the state finance commission be entitled to receive grant-in-aid from the consolidated fund of the state.

The taxation power of the PRIs as envisaged in the Punjab Panchayati Raj Act, 1994 is given in Table-IV.3.2.

**Table-IV.3.2
Taxation Power to PRIs in Punjab Panchayati Raj Act, 1994 of Punjab**

Section	Gram Panchayat	Section	Panchayat Samitis	Section	Zilla Parishad
88	(i) Tax on lands and buildings (ii) Tax on profession, trade, calling, employment, (iii) Additional stamp duty on all payments for admission to any entertainment (iv) Fees on registration of vehicle (v) Fees for sanitary arrangement (v) Water rate (vi) Lighting rate (vii) Conservancy rate	149	(1) toll on persons, vehicles or animals or any loss of them at any toll-bar (ii) Toll on any ferry (iii) fees on registration of vehicle other than Motor Vehicle Act, 1988 (iv) Fees on providing sanitary arrangements (v) Fees on license for market (vi) fee on any other license (vii) Water rate (viii) lighting rate	189	The State Government on the recommendation of the state finance commission under article-243-1 or otherwise allow to levy any tax, duty, fee, toll and cess.

Source: Punjab Panchayati Raj Act, 1994

The internal revenue generated through taxes by the PRIs is meager. According to the Second Finance Commission report, internal revenue mobilization (IRM) by gram panchayats during 1999-2000 was Rs. 74.91 crore only. A large share of it is generated from the lease money of shamlat lands (common village lands). Except collection of house tax by the gram panchayats and liquor tax by the panchayat samitis, no other tax as envisaged in the 1994 Act is either levied or collected by the PRIs. The levy and collection of house tax is as follows: general category households pay Rs. 7/-; Other Backward Classes households pay Rs. 5/-, and Scheduled Caste households pay Rs. 3/- per year as house tax fixed by the Government of Punjab. House tax of the general castes and

the OBCs is collected by the gram panchayat; the state government pays house tax of the Scheduled Castes households to the panchayat samitis. Liquor tax is collected by the panchayat samitis. Revenue from shamlat land is shared by the gram panchayat and the panchayat samiti on 80:20 basis. The zilla parishad virtually does not impose any tax. The per capita tax of PRIs in 2002-03 was rupees 60.8, 51.5, 33.9, 5.5 and 0.53 respectively for Maharashtra, Kerala, Madhya Pradesh, Haryana and Punjab respectively (Oommen, 2005)

IV.3.1 Revenue and Expenditure Pattern of Gram Panchayats:

Income pattern of gram panchayat (Table-IV.3.3) depicts that nearly three fourth of income comprises grants from the central and state government. Although the IRM (Internal Mobilization of Revenue) by the gram panchayat is 36.63 per cent, a major percentage of it from CPR (Common Property Resources) and only meager 0.60 per cent is from taxes etc. This shows neither the government has initiated any action nor the gram panchayats have shown any desire to collect tax from the people to enhance the internal revenues of the panchayats.

**Table-IV.3.3
Total Revenue of Gram Panchayats, 1999-2000 (Rs. in crore)**

S. No.	Particulars	Total Receipts
1.	Tax Revenues a. House Tax b. Others Total (a+b)	1.18 (0.58) 0.05 (0.02) 1.23 (0.60)
2.	Non tax Revenues (a) Leasing of Panchayat Lands (b) Other non-tax revenue Total (a+b)	62.19 (30.41) 11.49 (5.62) 73.68 (36.03)
3.	Total own Revenue sources (1+2 or c)	74.91(36.63)
4.	Grants (a) Share of taxes as per recommendations of First State Finance Commission (b) As per recommendations of 11th finance commission (c) For execution of Centrally Sponsored and State Plan Schemes (d) From MP area development fund (e) Others (grants under IRDP, DWCRA, TRYSEM, Tools Kits for artisans)	19.20 (9.39) - 96.20 (47.04) 8.07 (3.95) 6.11 (2.99)
	Total (a+b+c+d+e)	129.58 (63.37)
5.	Grand Total (3+5)	204.49 (100.00)

Source: Second Finance Commission Report, Government of Punjab.

Note: Figures in parenthesis shows percentage share to total revenue.

Table-IV. 3.4
Expenditure of Gram Panchayats, 1999-2000 (Rs in crore)

Sr. No	Particulars	Expenditure
1	Establishment*	4.11 (9.35)
2	Welfare Activities	17.97 (40.87)
3	Miscellaneous (O&M)**	21.89 (49.78)
	Total	43.97 (100)

*Expenditure on core infrastructure.

**Maintenance of streets, drains, street lighting management of sullage water.

Source: Second Finance Commission Report, Government of Punjab.

Note: Figures in parenthesis show percentage share to total expenditure

Table-IV.3.4 reveals that 40.86 per cent of income is spent on welfare activities and 49.78 percent on operation and maintenance of core infrastructure like roads, school buildings, water supply scheme, etc and only 4.11 percent on the establishment.

Table- IV.3.5
Total Revenue of Panchayat Samitis, 1999-2000 (Rs in crore)

Sr. No	Particulars	Total Receipts
1	Income from moveable and immovable properties	3.41 (19.62)
2	Rates and duties	0.80 (4.60)
3	Revenues from other sources	3.13 (18.01)
4	Total revenues from own sources (1+2+3)	7.34 (42.23)
5	Grants	
	a) in lieu of liquor tax	6.25 (35.96)
	b) share of taxes as per SFC's recommendations	3.67 (21.12)
	c) in lieu of profession tax	0.12 (0.69)
	Total (a+b+c)	10.04 (57.77)
6	Grand Total (4+5)	17.38 (100.00)

Source: Second Finance Commission Report, Government of Punjab.

Note: Figures in parenthesis shows percentage share to total revenue.

IV.3.2 Revenue and Expenditure Pattern of Panchayat Samitis:

The main source of revenue for the panchayat samitis is grant of the government. 57.77 percent of total revenue of panchayat samitis (Table-IV.3.5) is in the form of grant from the government and 42.33 percent through internal resource largely from auction from liquor shops and exercise duty on IMFL (Indian made Foreign Liquor).

Table-IV. 3.6
Expenditure of Panchayat Samitis, 1999-2000 (Rs in crore)

Sr. No	Particulars	Total Receipts
1	Establishment cost including pensions and retirement benefits	27.21 (86.93)
2	Contingencies	2.19 (6.70)
3	Development work	Nil
4	Khed Prishad	0.08 (0.26)
5	Sports and tournament	0.07 (0.22)
6	Others	1.75 (5.59)
	Total	31.30 (100)

Source: Second Finance Commission Report, Government of Punjab.

Note: Figures in parenthesis shows percentage share to total expenditure.

A colossal percentage of expenditure, 86.93, of panchayat samitis is incurred on administration that is payment of salaries and pension benefits of the staffs. As most of the developmental work is undertaken by the gram panchayats, the role of panchayat samitis becomes very limited. However, nearly six percent of expenditure of panchayat samitis is incurred on culture and sports.

IV.3.3 Revenue and Expenditure Pattern of Zilla Prishads :

Almost the entire revenue of the zilla parishad is grant in aid from the government. It constitutes 84.67 per cent (Table-IV.3.7). Ironically, government has not given any revenue raising authority to this institution of PRI. Thus it has no taxable sources of income.

Table-IV.3.7
Total Revenue of Zilla Parishad, 1999-2000 (Rs. in crore)

Sr. No	Particulars	Total Receipts
1	Duties, fines and fees	0.56 (5.54)
2	Income from properties	
	a) Rent of property	0.83
	b) Lease money of land	0.02
	c) Sale of property	0.07
	d) Others	0.08
	Total (a+b+c+d)	1.00 (9.79)
3.	Income from cattle fairs, ferries and others	Nil
4	Total own revenue (1+2+3)	1.56 (15.33)
5	Share of taxes as per SFC's recommendations	8.61 (84.67)
	Grand Total (4+5)	10.17 (100.00)

Source: Second Finance Commission Report, Government of Punjab.

Note: Figures in parenthesis show percentage share to total revenue.

The expenditure of zilla parishad on salaries and pension benefits is as high as 96.36 per cent of the total expenditure (Table-3.8). The zilla parishads should be empowered to levy taxes and raise resources for their sustenance.

**Table-IV. 3.8
Expenditure of Zila Prishad, 1999-2000 (Rs in crore)**

Sr. No	Particulars	Expenditure
1	Establishment cost including pensions and retirement benefits	7.40 (96.35)
2	Contingencies	0.26 (3.38)
3	Others	0.02 (0.27)
	Total	7.68 (100.00)

Source: Second Finance Commission Report, Government of Punjab.

Note: Figures in parenthesis show percentage share to total expenditure.

The low income from taxes and poor devolution of funds from the consolidated fund of the state make the resource gap of gram panchayats large as projected by the Second Finance Commission (Table-IV.3.9).

**Table-IV.3.9
Projected Resource Gap of Gram Panchayat, 2002-03 to 2005-06 (Rs in crore)**

Items	2002-03	2003-04	2004-05	2005-06
Income from all sources	195.31	201.07	206.90	214.82
Expenditure	313.88	342.86	373.12	404.73
Gap	-118.37	-141.79	-166.22	-189.91

Source: Second Finance Commission Report, Government of Punjab.

However after the 73rd constitutional amendment and with devolution of some power to PRIs, the growth of income of the PRIs has recorded an upward trend as shown in Table-IV.3.10. But these funds are spent by the panchayats with strict conditionality of line departments. In other words, PRIs in Punjab have little financial freedom.

**Table-IV.3.10
Total Income of PRIs Before Devolution and After Devolution (Rs in crore)**

Tier of Panchayats	Before Devolution				After Devolution			
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
District Panchayat	1.66	1.69	1.86	2.04	17.19	18.52	19.90	21.50
Intermediate Panchayat	17.90	18.32	20.15	22.17	45.59	49.69	54.30	59.25
Gram Panchayat	47.47	71.99	79.19	87.11	216.00	239.57	264.47	290.85
Total	67.03	92.00	101.20	111.32	278.78	307.78	338.67	371.60
Percapita Income (Rs.)	47	64	68	74	181	197	214	231

Source: Second Finance Commission Report, Government of Punjab.

Table-IV.3.11
Per Capita Annual Income and Expenditure of PRIs of Selected States, 1998-99

States	Per Capita Income/Revenue	Per Capita Expenditure	Gap
Karnataka	3225	2951*	274(8.5)
Kerala	3380	3406*	-26 (0.76)
Madhya Pradesh	2480	1998*	487 (19.64)
Maharashtra	3570	3148*	422 (11.82)
Punjab	1139	654**	485 (42.58)

* Jha, S "Strengthening Local Government Rural Fiscal Decentralization in India", EPW, June 29, 2002.

** Calculated.

The table shows that Punjab PRIs have low per capita income and expenditure. The income and expenditure gap of the PRIs in Punjab is 42.58 per cent while it is 8.5 per cent in Karnataka and -0.76 per cent in Kerala.

IV.3.4 Devolution of Funds of Different Department to PRIs in Different States:

Devolution of funds to panchayats is an important area of financial empowerment of the PRIs. The governments of Madhya Pradesh, Karnataka and Kerala have devolved larger funds to the panchayats. Starting from 1996, about 40 per cent of the state controlled funds in Kerala were devolved to the 'Panchayat Village Planning Council'. The Karnataka Panchayat Act provides a grant of Rs. 1 lakh to the gram panchayats by the government every year.

Table-IV.3.12
Transfer of Funds to PRIs in Selected States (Rs. in crore)

States	Funds of different departments transferred to panchayats
Gujarat	-
Karnataka	29 (100.00)
Kerala	15 (51.72)
Madhya Pradesh	10 (34.48)
Maharashtra	18 (62.07)
Punjab	-

Note: Figures in parentheses show percentages to total 29 departments/ subjects transferred to Panchayats.

Source: Kurukshetra, June 2002.

The freedom of the gram panchayats to spend the grants-in-aid on development activities is subject to many restrictions imposed by block level bureaucrats, which delay the completion of projects.

Singh and others (2004) during the training programmes of the representatives of PRIs in five districts of Punjab, observed, "Gram panchayats do not have financial autonomy. Because of the meager revenue collected through their own sources of taxes and fees, the panchayats mainly depend on grants-in-aid from the government. Money flows to the panchayats from the government largely through the line departments and is not given to the panchayats directly. Moreover, the panchayats are given money in dribbles and there is lack of continuous and sustainable flow of grants, which hampers development works of the panchayats. Many sarpanches complained that there was hardly a rational criterion for the distribution of funds to the panchayats and samitis and that grants are given on party lines."

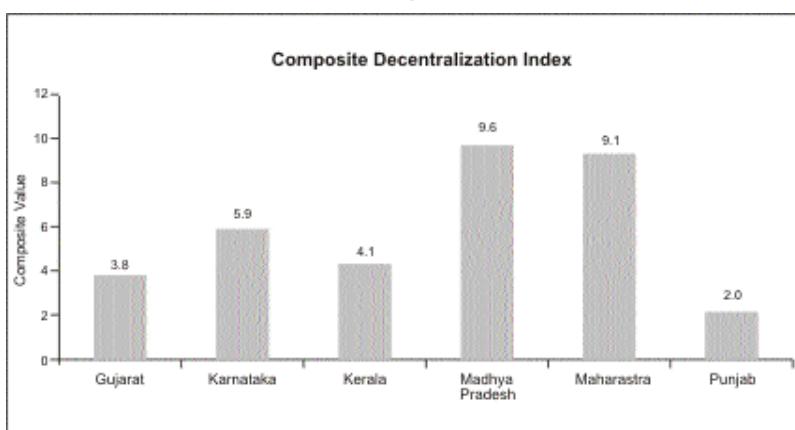
The relative position of Punjab among 16 major states in the matter of devolution of functions, functionaries and funds to the PRIs has been assessed by researchers. Punjab occupies a poor second place from the bottom. Karnataka, Kerala and Maharashtra occupy first, second and third places respectively. Even Uttar Pradesh and neighboring Haryana and Himachal Pradesh are above Punjab.

Status of Decentralization

The devolution of three Fs: functions, functionnaires and funds to PRIs is poor in Punjab as compared to other progressive Indian states such as Karnataka, Kerala and Madhya Pradesh.

Composite decentralization index developed by Eleventh Finance Commission, Punjab score only 2.0 as against 9.6, 9.1 and 5.9 by Madhya Pradesh, Maharashtra and Karnataka respectively (Graph-1)

Graph 1



IV.3.5 Deficiencies

- (a) Transfer of funds from the consolidated fund of the state to the PRIs is meager.
- (b) The flow of grants-in-aid is not predictable and transfers are sometimes politically motivated.
- (c) Funds for development activities are utilized under the supervision of government functionaries and panchayats lack freedom of spending independently.
- (d) Funds given to panchayats are tied in nature and the PRIs have no freedom.
- (e) The recommendations of the SFCs are accepted but most of them are not implemented.

IV.3.6 Reasons

- (a) As the panchayats are near the taxpayers, the panchayats are reluctant to collect taxes from them.
- (b) Line department functionaries are not willing to transfer financial powers to the PRIs.
- (c) There is lack of political and bureaucratic will to implement the recommendations of the SFCs in letter and spirit.
- (d) The panchayats do not have the staff to manage funds and maintain account books.

V. State Election Commission

Article 243K (1) of the Constitution provides that:

"The superintendence, direction and control of the preparation of electoral rolls for and the conduction of all elections to the panchayats shall be vested in a state election commission to be appointed by the Governor."

The state election commission was appointed in Punjab under Section 139 of the Punjab State Election Commission Ordinance, 1994. It is governed by the Punjab Panchayat Election Act, 1994. According to the Punjab Panchayat Election Act, the election commission shall hold office for a term of five years from the date it assumes office. A few important functions of the state election commission are:

- Prepare and revise electoral rolls for every constituency;
- Notification of election, publication of election programme, scrutiny of nomination papers and conducting election;
- Help the government in setting up Election Tribunals in each district to hear election petitions; and
- Take all necessary steps for the conduct of free and fair polls; adjournment of polls, countermanding of election on the ground of booth capturing, etc.

After the State Election Commission came into existence, the following elections were held to the PRIs:

- General elections to 12,150 gram panchayats in June, 1998.
- General elections to 140 panchayat samitis and 17 zilla parishads in June, 2002.
- General elections to 12,339 gram panchayats in June, 2003.

VI. Functioning of Gram Sabha

The Ashok Mehta Committee (1978), while affirming the role of the gram sabha said:

"The gram sabha has an important role in activating the democratic process at the grassroot level, in inculcating community spirit, in increasing political awareness, in strengthening development orientation, in educating and in enabling the weaker sections to progressively assert their viewpoint"

The year 1999-2000 was declared as the "Year of Gram Sabha" by the then Finance Minister in his budget speech. This was done in recognition of the fact that the gram sabha is potentially the most significant institution of participatory democracy and decentralization. The gram sabha is a key institution and has been assigned a basic role in the 73rd constitutional amendment. Article 243A of the Indian constitution states "The Gram Sabha may exercise such powers and perform such functions at the village level as the legislative assembly of the state may by law, provide". While Article 243 (B) states that: "Gram sabha means a body consisting of persons registered in the electoral roll relating to a village comprised within the area of panchayat". Emphasizing the importance of the gram sabha, S P Jain remarked:

"Panchayats as the basic units of self-government at the village level are expected to bring about an element of transparency between the people and the government system. Accordingly, all activities to be carried out by the village panchayats have to get the approval of the gram sabha, which consists of all adult members of the area. The gram sabha is expected to accord approval to different activities related to the schemes and plans and also for the selection of beneficiaries for different poverty alleviation programmes."

VI.1 Constitution of Gram Sabha

The Punjab Panchayati Raj Act 1994 envisages that:

"the state government may, by notification declare any village or group of contiguous villages with a population of not less than two hundred to constitute a gram sabha."

The Act provides that:

"Every person who is entered as voter on the electoral roll prepared by the State Election Commission shall be member of the gram sabha."

VI.2 Meeting and Quorum of Gram Sabha

The Punjab Panchayati Raj Act, 1994 states:

"Every gram sabha shall hold two general meetings in each year, one in the month of December after the harvesting of sauni crop (hereinafter called the Sauni meeting) and the other in the month of June after the harvesting of the Hari crop (hereinafter called the Hari meeting) on such dates as may be fixed by the panchayat".

For any meeting of the gram sabha, one-fifth of its total member shall form the quorum. And in the case of adjournment, the quorum shall be one-tenth. However, the provision shall not apply to any other meeting of the gram sabha held due to adjournment.

The secretary of the gram panchayat and the gram sewak shall attend every meeting of the gram sabha. The meetings of the gram sabha need to be called with proper intimation to panches at least three clear days before the day, time and place of the meeting and the business to be transacted.

VI.3 Functions of Gram Sabha

According to Punjab Panchayati Raj Act, 1994, the gram sabha shall perform the following functions:

- (i) To approve annual budget, plan development programmes, review annual statement of accounts and progress report;
- (ii) To identify beneficiaries for the implementation of development schemes pertaining to the village; provided that in case the gram sabha fails to identify the beneficiaries within a reasonable time, the gram panchayat shall identify the beneficiaries.
- (iii) To mobilize voluntary labour and contributions in kind or cash or both for the community welfare programme;
- (iv) To promote the programme of adult education and family welfare within the village;
- (v) To promote unity and harmony among all sections of society in the village;
- (vi) To seek clarifications from the sarpanch and panches of the gram panchayat about any particular activity, scheme, income and expenditure; and
- (vii) To perform such other functions as may be prescribed.

VI.4 Relevance of Gram Sabha

Although experience of the working of gram sabhas in different states, does not provide a promising picture, it cannot be denied that the institution has the potential to serve as a strong forum for participatory democracy, provided it is suitably armed with necessary powers and functions (Jain, 1997). Jaya Prakash Narain, one of the strong proponents of decentralized democracy was of the opinion that:

"The gram sabha signifies village democracy. Let us not have only representative government from the village up to Delhi. At one place, at least let there be direct government and direct democracy. The relationship between panchayat and gram sabha should be that of cabinet and assembly".

While Joseph and John (2001) have remarked that " the gram sabha experiment is yet to take off due to a number of reasons. First, not many functions have been transferred to the village panchayat making attendance in the sabha worthwhile for the people. Secondly, since this is a new development, most people do not know its role and its purpose. Thirdly, there is a huge gap between the demands raised in the gram sabha and the resources that the panchayats have for fulfilling them."

During the training programme organized by CRRID, for the representatives of PRIs in five districts of Punjab, the following observations were made about the functioning of gram sabhas:

- (a) Gram sabha meetings in most of the gram panchayats do not take place regularly and quite often even the quorum is not adhered to;
- (b) The proceedings of the gram sabha are largely manipulated by sarpanches and panchayat secretaries. In most cases, notice and agenda of 'gram sabha' meetings are not circulated to the members of gram sabha as stipulated in the Punjab Panchayati Raj Act, 1994;
- (c) Women sarpanches generally do not preside over the gram sabha. Instead their husbands or relatives preside on their behalf;
- (d) A number of Scheduled Castes and women sarpanches and panches are not aware of the functions and importance of the gram sabha; and
- (e) The division of panchayat on caste and class basis has made the working of the gram sabha less rewarding.

VI.5 Deficiencies

- (a) Lack of community awareness regarding the duties and responsibilities of the gram sabha.
- (b) The 'gram sabha' takes place occasionally only during the selection of beneficiaries of different welfare schemes or on availability of grants from the government.

- (c) The participation of members of gram sabha particularly women and youths is usually low.

VII. District Planning Committee (DPC)

The 73rd Constitutional Amendment envisages constitution of DPCs by the state governments as prescribed by Article 243ZD, to consolidate the development plans prepared by the gram panchayats. The Punjab Panchayati Raj Act, 1994, provides the district planning committee to prepare the draft development plan having regard to : (i) matters of common interest between the panchayats and the municipalities including special planning and sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation; and (ii) the extent and type of resources whether financial or otherwise available.

The DPCs have not been constituted in Punjab, in Gujarat and Maharashtra and many states where even if these are constituted, they do not function in accordance with the mandate of Article 243 ZD.

Punjab has District Planning and Development Boards (DPDBs) in each district with a cabinet minister as the chairman, a minister of state as the vice-chairman and the deputy commission of the district as its member secretary. The other members are the sitting MLAs, chairman of the zilla parishad, six non-official members, one sarpanch or panchayat samiti or zilla parishad member, mayors of the municipal corporations falling in the district, presidents of class 'A', 'B' and 'C' municipal council falling in the district.

The functions of the DPDB are as follows:

- (i) To formulate a long-term district perspective plan and to evolve a strategy for planned development of the district;
- (ii) To prepare schemes/programmes taking into account the resources from the State Plan Fund, State Marketing Board, State Rural Development Board and community contributions;
- (iii) To take appropriate measures for proper implementation of schemes/programmes and projects;
- (iv) To monitor the progress of projects. For this purpose the DPDB may meet as frequently as necessary. The board sends performance reports to the State Planning Board at regular intervals;
- (v) To encourage the panchayats and other local bodies to take up implementation of development projects to ensure maximum involvement of the people;
- (vi) To help generate additional resources for development works with the cooperation of the people; NGOs, NRIs and other agencies; and
- (vii) Any other related function as may be assigned by the State Planning Board. Recently, government of Punjab has initiated measures for the formation of District Planning Committees in the state.

VII.1 Deficiencies

- (a) The district planning committees have not been constituted in Punjab. This is due to the lack of political will and inertia for implementing the mandate of the 73rd Constitutional Amendment.

VIII. Empowerment of Disadvantaged: Scheduled Castes and Women

The politics of caste is well known, where caste councils were active side by side the village councils. Almost all caste groups had their separate councils in which decisions were taken concerning their social and occupational issues. These caste councils were spread horizontally across many villages in the region and they had their own specific code of social conduct and like a village council, the decisions of the caste councils were mandatory for their members. However, in the village council the voice of the *dalits* (deprived sections of society) was ignored and even they were denied participation in the decision making process.

Pandit Jawaharlal Nehru while inaugurating the Panchayati Raj in Rajasthan said:

"Everybody should be considered equal in our panchayats and there should be no discrimination between men and women and high and low caste."

Assertions of Pandit Nehru found a credible place in the 73rd Constitutional Amendment. The 73rd Constitutional Amendment has provided that:

"In all panchayats, seats would be reserved for Scheduled Castes and Scheduled Tribes in proportion to their population. Offices of the chairpersons of the panchayats at all levels shall be reserved in favour of the Scheduled Castes and Scheduled Tribes in proportion to their population in the state".

The Punjab Panchayati Raj Act 1994 provides that:

"Offices of sarpanch of gram panchayats in the district shall be reserved for the Scheduled Castes and the number of such offices shall bear, as nearly as may, the same proportion to the total number of offices of sarpanches in the district as the population of Scheduled Castes in the district bears to the total population of the district provided that not less than one-third of the total number of offices of sarpanches of Gram Panchayats in the district shall be reserved for women belonging to the Scheduled Castes".

As far as reservation of seats for panches is concerned, the Act envisaged that:

"The offices of panches shall be reserved for the Scheduled Castes and Backward Classes in such a way that the number of offices reserved for Scheduled Castes shall bear, as nearly as may be, the same proportion to the total number of offices (to be filled up by direct election) in that gram panchayat, as the population of the Scheduled Castes to the total population in that gram sabha area."

VIII.1 Scheduled Castes in Panchayats

Scheduled Castes constitute nearly 30 per cent of the population of Punjab, the highest among the states of India. Over 80 per cent of them live in the rural areas. Punjab villages are, therefore, predominantly Sikh and *dalit* (Puri, 2004). Of the total elected representatives of PRIs, 26.68 per cent belong to the Scheduled Castes. In the elections held in 2002-03, 24314 representatives were elected to different PRIs such as gram panchayats, panchayat samitis and zilla parishads. Again, of the total elected representatives on the PRIs, 23460 relate to gram panchayats, 771 to panchayat samitis and 83 to zilla parishads (Table-VII.1). Table-VII.1 shows that 41.33 per cent of the Scheduled Caste representatives are in four districts namely Amritsar, Gurdaspur, Hoshiarpur and Kapurthala.

However, it is noted that the PRIs instead of becoming a vibrant institution for promoting equitable development, remained a privilege of socio-economically dominant groups and communities (Gurumurthy, 1987). Tyagi and Sinha (2001) study on empowerment of the weaker sections through panchayats have the following findings: (i) despite their adequate representation in numerical terms, the Scheduled Castes and Scheduled Tribes have not been able to play a active part in the panchayats; (ii) The Scheduled Castes and Scheduled Tribes still lack confidence because of their low economic status, they are more concerned with their livelihood activities; (iii) the dominant sections downplay the views of the Scheduled Caste and Scheduled Tribe members of panchayats; (iv) the Schedule Castes get elected to the panchayats, but economic pressure is so severe that they are not able to pay attention to enhancing their socio-political influence in the panchayats; and (v) the Scheduled Castes and Scheduled Tribes are not able to press their views effectively because of lack of education. Punalekar (2001) remarked that ‘even if they hold positions of power like that of sarpanch or deputy sarpanch, they cannot effectively ensure social and economic justice to their community’.

Table-VIII.1
Scheduled Castes Representation in PRIs in Punjab, 2002-03

Region	Districts	Gram Panchayat	Panchayat Samiti	Zilla Parishad	Total
Majha	Amritsar	2513 (10.71)	92 (11.93)	7 (8.43)	2612 (10.74)
	Gurdaspur	2272 (9.68)	70 (9.78)	6 (7.23)	2348 (9.66)
Doaba	Hoshiarpur	2636 (11.24)	65 (8.43)	7 (8.43)	2708 (11.14)
	Jullandhar	1011 (4.31)	75 (9.73)	7 (8.43)	1093 (4.50)
Malwa	Kapurthala	2351 (10.02)	26 (3.37)	4 (4.82)	2381 (9.79)
	Nawanshahar	1034 (4.41)	31 (4.02)	4 (4.82)	1069 (4.400)
Malwa	Bhatinda	469 (1.20)	43 (5.58)	-	512 (2.110)
	Faridkot	755 (3.22)	16 (2.08)	4 (4.82)	775 (3.19)
	Fatehgarh Sahib	761 (3.24)	24 (3.11)	3 (3.61)	788 (3.24)
	Ferozepur	1280 (5.46)	36 (4.67)	5 (6.02)	1321 (5.43)
	Ludhiana	1994 (8.50)	68 (8.82)	8 (9.64)	2020 (8.31)
	Mansa	546 (2.33)	16 (2.08)	3 (3.61)	565 (2.32)
	Moga	691 (2.95)	34 (4.41)	4 (4.82)	729 (2.30)
	Muktsar	734 (3.13)	32 (4.15)	4 (4.82)	770 (3.17)
	Patiala	1698 (7.24)	47 (6.10)	6 (7.23)	1751 (7.20)
	Roopnagar	1253 (5.34)	33 (4.28)	4 (4.82)	1290 (5.31)
	Sangrur	1462 (6.23)	63 (8.17)	7 (8.43)	1532 (6.30)
Total		23460	771	83	24314

Source: State Election Commission and Department of Rural Development and Panchayat Raj, Punjab.

Note: Figures in parenthesis show percentages to total.

VIII. 2 Women in Panchayati Raj

The Balwant Rai Mehta Committee (1957) recommended the inclusion of two women members in panchayats in order to carry on specific programmes for women and children. Following the recommendations of the committee, women became members of the PRIs in many states, as co-opted members rather than elected members. The Ashok Mehta Committee (1978) recommended that two women who get the highest number of votes in zilla parishad elections should be the members of the zilla parishad. In case no woman comes forward for election, two women be co-opted. Similar provision and procedures were recommended for the mandal panchayats. In the light of the recommendations, certain state governments made provision for reservation for women of which Andhra Pradesh, Maharashtra and Karnataka are worth mentioning in this regard.

The 73rd Constitutional Amendment Act is a glorious step in the annals of women empowerment in India. Article 243 D (3) provides:

"Not less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes and Scheduled Tribes) of the total number of seats to be filled by

direct election in every panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in a panchayat"

Clause (4) of the Punjab Panchayati Raj Act of 1994 has the following provisions:

"Not less than one-third of the total number of offices of chairpersons in the panchayats at each level shall be reserved for women.

Provided also that the number of offices reserved under this clause shall be allotted by rotation to different panchayats at each level".

According to Mani Shankar Aiyer (2004) the Minister of Panchayati Raj:

"India can truly be proud of being the first and the only country in the world to have empowered through free and fair elections more than one million women who are participating in the panchayats".

He suggested that, there is, however, still a long way to go for achieving real and genuine empowerment of women. To this end:

- i. No confidence motions against women chairpersons should be allowed to be tabled only once every two years, so as to end the widespread harassment of women chairperson through threats of no-confidence motions, which are in vogue in respect of women than men chairpersons; and
- ii. If a women chairperson or member is removed for any reason whatsoever, she must be replaced by another woman of the same category but not by a man.

Reservation for women in the PRIs implies that for every reserved post on an average three women will contest the elections. At the national level more than 10 lakh will get elected as members. One third of all local government institutions and units will have women as chairpersons. However, because of ignorance on the part of women about the functional procedures and their rights, coupled with improper methods of identifying and nominating women panchayat members, they have not been accepted as equals in local bodies by men (Jamatani, 1995).

In Punjab, 4173 women representatives are elected to gram panchayats; 806 to panchayat samitis and 83 to zilla parishads. The educated and middle-aged women are performing exceedingly well despite the constraints of male dominance. They take up and implement developmental activities without nepotism. Many of them are visiting schools and anganwadi centers and health sub-centres which has resulted in improvement of enrolment to schools and anganwadi Centres. This has ensured regular visits of health functionaries to the village. There is no doubt that reservation has brought about a social change and limited the impact of discrimination on the basis of gender.

Table-VIII.2
Women in PRIs (2002/2003) in Punjab Region

Region	Districts	Gram Panchayat	Panchayat Samiti	Zilla Parishad
Majha	Amritsar	991	107	6
	Gurdaspur	853	77	8
Doaba	Hoshiarpur	3189	60	7
	Jullandhar	2133	57	7
Malwa	Kapurthala	1279	27	3
	Nawanshahar	164	27	3
	Bhatinda	818	43	-
	Faridkot	487	13	3
	Fatehgarh Sahib	989	25	3
	Ferozpur	2200	60	7
	Ludhiana	2213	65	7
	Mansa	661	26	3
	Moga	964	35	4
	Muktsar	440	26	3
	Patiala	1969	55	7
	Roopnagar	1937	40	4
	Sangrur	2232	63	8
	Total	23519	806	83

Note: Include SC female.

Source: State Election Commission and Department of Rural Development and Panchayati Raj, Punjab.

IX. Capacity Building

Capacity building is a vital instrument for promoting effective functioning of the PRIs. Balwant Rai Mehta Committee (1957) noted:

"No efforts so far have been made either by the governments or by the public or political organizations to impart any training in administrative matters to persons elected to local bodies".

Government of India in 1957 stressed:

"training is essential if we are to make our local bodies effective and useful".

In 1978, Ashok Mehta Committee recommended:

"Development of human resources should be the primary features in the PRIs. The functionaries and the staff in the PRIs should be adequately equipped to play their apportioned roles".

In consonance with these national committees, the committees appointed by several state governments on panchayati raj, also recommended training for both panchayat functionaries and elected representatives (Nayak, 2000). Giridhari Lal Vyas Committee in Rajasthan recommended training at regular intervals both for officials and non-officials of the PRIs. Bongiwar Committee in Maharashtra emphasized that training needs to represent the local conditions, systems, problems and development needs of the PRIs. The Narasimhan Committee in Andhra Pradesh underlined the need for training of both officials and functionaries of PRIs for proper planning of rural transformation. Zeena Hari Darji Committee in Gujarat recommended that training was the best measure for making panchayati raj successful.

The Centre for Research in Rural and Industrial Development (CRRID) has been engaged in a capacity building programme of representatives of the PRIs in Punjab for more than a decade. During 1994-2004, the center conducted more than 360 training workshops in different districts of Punjab and imparted training to more than 26,000 representatives of the PRIs (Table-VIII.1). For the broad curriculum covered in these training programmes, see Table-VIII.2.

Table-IX.1
Training Workshops Conducted by CRRID for the Representatives of PRIs

Sr. No.	Year	Number of workshops	Level	Number of Participants*
1.	1994	1	State	95
2.	1995	15	Block	1912
3.	1996	14	Block	2815
4.	1997	13	Block	2473
5.	1998	3	Block	105
6.	1999	9	Block	315
7.	2000	1	State	65
8.	2000	3	Block	111
9.	2001	2	State	436
10.	2001	4	District	496
11.	2001	48	Block	1795
12.	2002	42	Block	1675
13.	2002	2	District	365
14.	2002	2	State	350
15	2004	202	Block	13252
16	2005	4	Block (UT)	160
TOTAL		365	ALL	26420

Source: CRRID, Panchayati Raj Wing.

The participants benefited from these training programmes in several ways. Broadly they are:

- (i) It has promoted an interface between the representatives of PRIs and government functionaries.
- (ii) The problem solving approach through panel-group discussions created immense interest among the trainees.
- (iii) The participatory approach through group work and group discussion followed by presentations reinforced learning.

Table-IX.2
Broad Curriculum of Capacity Building Programme Conducted by CRRID

S. No.	Topics	Contents
I	Panchayati Raj System in India & Punjab	1. Historical background 2. 73rd Constitutional Amendment GOI 3. Punjab Panchayati Raj Act 1994 4. Role and responsibility of representatives of PRIs 5. Functioning of gram sabha
II	Internal Revenue Mobilization (IRM)/Maintenance of Accounts	1. Samlat land management 2. Taxation/Fees/User charges 3. Maintenance of accounts
III	Poverty Alleviation and Employment Generation	1. Various rural development schemes 2. Welfare schemes for BPL families 3. Generation of self-employment and wage employment programme
IV	Social Development	1. Primary education 2. Primary health care 3. National Health Programmes 4. Sex-ratio and PNDT Act 5. Birth and death registration 6. Nutrition Care
V	Social Welfare	1. Old age pension scheme 2. Scholarship to Scheduled Castes students 3. Welfare Schemes for girl child
VI	Public Health	1. Safe drinking water 2. Operation and maintenance of water supply schemes 3. collection of user charges 4. Sanitation

Source: Documented in CRRID's various Training Reports.

The resource persons from the government involved in imparting training to representatives of the PRIs were the DDPO, (District Development Panchayat Officer), the SMO (Senior Medical Officer), the CDPO (Child Development Programme Officer), the BDO (Block Development Officer); Engineer of the Public Health Department; the District Welfare Officer; the District Education Officer, etc. Mass training programmes were organized through DTTs (District Training Teams). The DTTs were imparted TOTs (Training of Trainer) at the district level, who in turn carried out capacity building programmes at the block level. The block was the primary unit of the training programme. This decentralized strategy was instrumental in larger enrolment and fewer drop-outs.

X. Other Deficiencies

A few other deficiencies in the functioning of the PRIs in Punjab are:

X.1. Lack of coordination between the rural PRIs and urban local bodies:

At present, there is lack of coordination between the PRIs and the Urban local bodies. Article 243 ZD of the Constitution provides that the municipal bodies are expected to coordinate and work in tandem with other institutions of self-government. The chairman of the zila parishad is the chairman of the district planning committee and the mayor of the municipal corporation and president of the municipal councils in the district are members of this constitutional body.

X.2 Weak social auditing:

Technically the panchayats do not have adequate expertise, manpower, and skill to plan and implement development schemes and projects. Thereby they are increasing their dependence on the state apparatus (Dhaka, 2002). This puts them on the defensive while facing social auditing by the community.

X.3 Politicization of PRIs:

Many sarpanches contest elections under the patronage of national and regional political parties, as it facilitates their political advancement. This has promoted the use of money and muscle power and even communal clashes have taken place in panchayat elections. Politicization of the panchayats is also responsible for the dismal functioning of gram sabhas.

X.4. Centralization of power in the hands of sarpanches:

Centralization of power in the hands of sarpanches dilutes the objective of deconcentration of power. Citing the case of West Bengal, Ghatak and Ghatak (2002) remarked ‘the power of the village council is totally concentrated in the hands of pradhans (Presidents), for all

practical purposes, and the pradhan is a powerful man'. During training programme of representatives of the PRIs in Punjab, many panches complained that the sarpanches did not take them into confidence while performing the functions of gram panchayats such as spending government grants, selecting the beneficiaries of welfare schemes and implementation of development programmes.

X.5 Growth of parallel bodies:

The parallel bodies taking away functions of PRIs is a growing concern. Water user groups, joint forest management committees and expert committees are a few examples of the working of parallel institutions in different states. A parliamentary standing committee commented that these parallel bodies were undermining the decision-making powers of the gram sabhas and the gram panchayats. Even the youth clubs, mahila mandals and other village level organizations, that get direct grants from the government were undermining the role assigned to the PRIs by the constitution.

Conclusion

The local-self government institutions (rural) in Punjab, after the 73rd Constitutional Amendment of 1992, are governed by the Punjab Panchayati Raj (PPR) Act, 1994. However, even more than a decade after passing the PPR Act, 1994, many of its clauses have not been implemented in letter and spirit, resulting in ineffective functioning of the PRIs in the state.

The PRIs at the different levels have not been delegated duties and responsibilities as envisaged in the Constitution and the PPR Act, 1994. Only supervising functions of six departments out of the 29 listed in the 11th Schedule were transferred to the PRIs after ten years in January, 2004. This transfer does not confer any financial power or functions or functionaries to the three tiers of the PRIs.

Although village panchayats are expected to involve in all development functions at the grassroots level, they do not have their own staff or the staff of the line departments has been transferred to them.

However, the panchayat samitis and zilla parishads with much less involvement in development activities have an adequate number of functionaries. The expenditure on salaries and pensions of the functionaries of these institutions as brought out by the two state finance commissions, constitutes about 90 per cent of the total expenditure of the panchayat samitis and zila parishads. The uneven distribution of functionaries and funds among the three tiers of the PRIs is a matter of concern.

The empowerment of the PRIs is almost stalled due to the apprehensions of the state government about the capacity of the PRIs to shoulder the responsibilities due to lack of

the requisite managerial capacity. On the other hand, serious efforts have not been made to build the capacity of elected representatives of the PRIs through a planned and well thought out of training programme.

The generation of income by the PRIs from tax and non-tax resources continues to be dismal. Revenue from common village property handled by the Panchayats is adequate but not enough to meet the administrative expenditure of the village panchayats.

There has been a lack of political will on the part of successive governments to enact legislation on empowering the PRIs to recover taxes as provided in the Punjab Panchayati Raj Act. The per capita income from taxes of the gram panchayats continues to be less than a rupee in a developed and prosperous state like Punjab. The income of the PRIs from taxes is low for want of willingness of the government to authorize village panchayats to recover taxes. There is need for legislation regarding the levy and recovery of taxes and also expansion of the tax base of the PRIs.

The two good institutions provided in the constitution, namely the gram sabha and the district planning committee, which have been provided to control the day-to-day working of social and development planning of the panchayats, have not been set up.

The district planning and development board operates at the district level and is not a substitute for DPCs provided under Article 243 ZE of the Constitution.

The sarpanch (head of the village panchayat), the chairman of the panchayat samiti and the chairman of the zilla parishad have usually political connections and are powerful men, while members of these institutions have no or little opportunity to contribute to the functioning of these elected constitutional bodies. Also the standing committees for day-to-day working of the three tiers of PRIs, are usually non-functional and decision making rests largely with the chairpersons of the Panchayats.

The capacity building of the representatives of the PRIs, a key area of human resource development to promote effective empowerment and efficiency is not given the importance it deserves. Institutional arrangements for imparting training on various aspects of management and development are marginal and insufficient.

Despite these shortcomings, the representatives of the PRIs, are social and political opinion-makers at the grassroots level. The opinions of the sarpanches are usually taken seriously by the government and non-government agencies while seeking information about the rural development.

There is no doubt that in the near future the sarpanches will become effective in terms of socio-political development at the grassroots level.

Reservation of seats for the Scheduled Castes and women will, in the long run promote their empowerment and bring them into the mainstream of society. Political empowerment through elections raises their socio-political status.

Rural development in the state is dependent on the effectiveness of the panchayati raj system. A vibrant panchayati raj system is the key to rapid socio-economic development and the potential of the PRIs must be synergistically used by development functionaries to bring about a change in the mindset of the citizens in the countryside. Selection of qualified and right candidates and their subsequent capacity building will strengthen these institutions in the long run.

A vast majority of India's population lives in the rural areas with limited opportunities and resources. On the other hand, the major economic activities are concentrated in the urban areas. The cities with service centres and connectivity are attracting people from the rural areas who seek growth and prosperity. Their concern particularly in Punjab is not about hunger but about migration in search of jobs. Infrastructure services like roads, water supply, sanitation, schools, health centres are grossly inadequate in the rural areas. All this is resulting in 'rural push and urban pull'. The uncontrolled migration to the urban areas will stop only when the quality of life in our villages becomes on par with or better than the urban centres.

This will require an efficient and reliable surface transport system, water supply, communication facilities to retain the village folk and enable them to commute for work to the nearest town, reducing the pressure on the civic services of the towns. Of course, such villages will need services like good schools and hospitals and a fair percentage of middle-income group residents to support local commercial activities. Provision of urban services in rural areas will catch the imagination of citizens seeking a clean and cheaper living on the periphery of large and medium towns.

The Punjab Government should implement the Punjab Panchayati Raj Act 1994 by following the best practices adopted by other progressive states of India and seriously implementing the report of the Central and State Finance Commissions for strengthening the local government institutions as envisaged in the 73rd Constitutional Amendment.

The Prime Minister, Dr. Manmohan Singh, while speaking at the Chief Ministers' conference on 'Empowerment of Panchayati Raj' in June, 2004, said:

"Our challenge today is to institutionalize this system of local-self government to make India not only the world's largest democracy, but also to make it the world's most representative and participatory democracy."¹²

Punjab must meet this challenge by contributing its share by becoming one of the model states in institutionizing the local self-government system.

Notes & References

Notes

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Annexure-I
Functions of Standing Committees in three tiers of PRIs

PRIs	Name of the Standing Committees	Key Functions
I. Gram Panchayat	1. Production committee	i. Promotion of agricultural production, animal husbandry and rural industry and poverty alleviation programmes.
	2. Social Justice Committee	i. Promotion of education, economic, social, cultural and other interests of the Scheduled castes, Backward class and other weaker sections. ii. Protection of such castes and classes from social injustice and any form of exploitation iii. Welfare of women and children
	3. Amenities Committee	i. Performing functions in respect of education, public health, public works and other functions of G.P.
II. Panchayat Samiti	1. General committee	i. General Standing Committee shall perform functions relating to the establishment matters, communications, building rural housing, village extension, relief against natural-calamities, water supply and all miscellaneous residency matters.
	2. Finance, Audit and Planning committee	i. Budget, scrutinizing proposals for increase of revenue, examinations of receipts and expenditure statement, consideration of all proposals affecting the finances of the Panchayat Samiti and general supervision of finances of panchayat samiti.
	3. Social Justice Committee	i. Promotion of education, economic, social, cultural and other interests of the scheduled castes and backward classes and other weaker sections of the society. (ii) Protecting them from social injustice and all other forms of exploitation. (iii) Protection from social injustice. (iv) Social justice to the SCs, OBCs, women and other weaker sections.
Zilla Parishad	1. General Committee	(i) Establishment matters and functions relating to communications, building, rural housing, village extensions relief against the Natural calamities.
	2. Finance Audit and planning committee	(i) Framing of budgets, scrutinizing proposals for increase of revenue, consideration of proposals relating to finance of zilla parishad. (ii) Allocations of outlays to developments, horizontal and vertical linkages, implementation of state Government guidelines, regular review of planning programmes.
	3. Social Justice Committee	(i) Promotion of education, economic, social, cultural and other interest of SCs, OBCs (ii) Protecting the SCs and OBCs from social injustice (iii) Ameliorate the lot of the SCs and OBCs.
	4. Education and Health Committee	(i) Promotion of educational activities in the zilla parishad (ii) Planning of education in the district. (iii) Survey and evaluation of educational activities. (iv) Maintenance of drainage, health services, hospitals, water supply, family welfare and other allied matters.
	5. Agriculture and Industry committee	(i) Agricultural production, animal husbandry, co-operation counter budding. (ii) Village and cottage industries (iii) Promotion of industrial development of the district.

Source: Punjab Panchayati Raj Act, 1994.

Annexure II.1
Devolution of Departments and Schemes to Gram Panchayat

Sr. No.	Department	Schemes	Roles/Responsibilities of Gram Panchayat
1.	Social Security, Women and Child Development	1. Old Age Pension 2. Balika Samrudhi Yojana 3. Bus pass for women 4. Kanya Jagruti Yojana 5. Insurance scheme 6. Constructions of house under J.J. Act and VRC	Selection of beneficiaries
2.	Welfare of Scheduled Castes and Backward Castes	1. Scholarship to Scheduled Castes primary school children 2. pre-matric scholarship for Scheduled Castes students 3. post-matric scholarship for SC/ST students 4. Free books to Scheduled Castes students from primary to Matric level 5. Grants to SCs for purchase of plots/construction of houses	Helping line departments in the implementation of the schemes
3.	Public Health	1. Checking attendance of pump operators 2. Collection of user charges	Helping the department personnel for collection of user charges
4.	Department of Rural Development and Panchayati Raj	1. Swarnjayanti Gram Swarozgar Yojana 2. Sampoorna Gramin Rozgar Yojana 3. Indira Awas Yojana 4. Prime Minister Rozgar Yojana 5. Rajiv Gandhi Rural Public Health Yojana 6. Integrated Rural Development Programme	1. Identification of Beneficiaries 2. Implementation of work up to 10 lakh 3. Selection of activities/works according to priority
5.	Health & Family Welfare	1. Primary Health Care	1. Participate in Awareness campaign 2. Identification of beneficiaries of MCH services 3. Checking the availability of medicine
6.	School Education	1. Extension and development of education facilities	1. Checking of attendance of teachers 2. Ensuring teacher participation in Gram Sabha

Source: Module on Empowerment of PRIs by the Punjab Government, Department of Rural Development and Panchayati Raj Punjab, 2004.

Annexure II.2
Devolution of Departments and Schemes to Panchayat Samitis

Sr. No.	Department	Schemes	Roles/Responsibilities of Gram Panchayat
1.	Social Security, Women and Child Development	1. Old age pension 2. Balika Samruddhi Yojana 3. Bus pass for Women 4. Kanya Jagruti Yojana 5. Insurance scheme 6. Constructions of House under J.J. Act and VRC	1. G.P will submit application for sanction to P.S. D.S.S. will issue the sanction letter 2. P.S. will release the sanctioned money
2.	Welfare of Scheduled Castes and Backward Castes	1. Scholarship to Scheduled Castes primary school children 2. pre-matric scholarship for Scheduled Castes students 3. post-matric scholarship for SC/ST students 4. Free books to Scheduled Castes students from primary to matric level 5. Grants to SCs for purchase of plots/ construction of houses	1. Proper custody of the scholarship amount on receipt 2. Disbursement of the scholarships 3. Report regarding beneficiaries and disbursement of the scholarship to the Z.P.
3.	Public Health	1. Checking attendance of pump operators 2. Collection of user charges	
4.	Department of Rural Development and Panchayati Raj	1. Swarnjayanti Gram Swarozgar Yojana 2. Sampoorna Gramin Rozgar Yojana 3. Indira Awas Yojana 4. Prime Minister Rozgar Yojana 5. Rajiv Gandhi Rural Public Health Yojana 6. Integrated Rural Development Programme	1. Gram sewak/Gram Sanika will work under chairman of Panchayat Samiti 2. Implementation of housing scheme and P.S. Assist in the selection of beneficiaries by the gram sabha
5.	Health & Family Welfare	1. Primary Health Care	1. Monitoring and evaluation of Health Services 2. Implement the directions of Z.P. 3. Mobilize community support Meetings with SMO/CMO review the recommendations of PAC 3. To check availability of Medicines
6.	School Education	1. Extension and development of education facilities	Block Education Officer/Block Development Officer to be the supervisory officer of all department officer for elementary education in the Block for tour dairies

Source: **Module on Empowerment of PRIs by the Punjab Government**, Department of Rural Development and Panchayati Raj Punjab, 2004.

Annexure II.3
Devolution of Departments and Schemes to Zilla Parishads

Sr. No.	Departments	Schemes	Roles/Responsibilities of Zilla Parishad
1.	Social Security, Women and Child Development	1.Old Age Pension 2. Balika Samrudhi Yojana 3. Bus Pass for Women 4.Kanya Jagruti Yojana 5. Insurance Scheme 6. Constructions of House under J.J. Act and VRC	1. Monitoring of the scheme 2. D.S. S consolidates the list received from CDPOs and submits to the Z.P. for information and record. 3. After the approval C.E.O/Z.P. The finals will be released by the D.S.S.O through cheque/draft to P.S. 1. To monitor the implementation of the scheme 2. The programme officer will get the amount released from the Z.P. according to list sent by the CDPO 3. The amount so released will be sent to the CDPO for downward distribution to the G.P. 1. To monitor the implementation of the scheme. 2. The PO after receiving the list of passes from the CDPO will send a consolidated list to the Dept. The dept. will deposit the amount incurred due to issuance of passes with the Punjab Roadways, according to financial rules. 1. To monitor the implementation of the scheme 2. After receiving the list of beneficiaries from the CDPO, the PO will send a consolidated list to the dept. The dept. will send membership cards and the scholarship amount to the PO. 3. The PO will send the membership card/scholarship money to the CDPO's block-wise. 1. To monitor the implementation of the scheme. 2. The PO will get the list approval by the ZP and send it to the LIC. 3. The LIC will send the due amount according to their policy to the PO/CDPO 1. To check the presence of the staff. 2. To check the cleanliness, quality of food and facilities to the inmates. 3. To provide medical facilities to inmates 4. After checking Z.P. will submit a report to the Deptt. for necessary action.

Contd...

2.	Welfare of Scheduled Castes and Backward Castes	1. Scholarship to Scheduled Castes primary school children 2. pre-matric scholarship for Scheduled Castes students 3. post-matric scholarship for SC/ST students 4. Free books to Scheduled Castes students from primary to Matric level	Monitoring of the schemes.
		5. Grants to SCs for purchase of plots/construction of houses	Zilla Parishad will allocate funds to the Panchayat Samiti in proportion to the number of beneficiaries under the target group within 15 days.
3	Public Health	1. Checking attendance of pump operators 2. Collection of user charges	
4.	Department of Rural Development and Panchayati Raj	1. Swamjayanti Gram Swarozgar Yojana 2. Sampoorna Gramin Rozgar Yojana 3. Indira Awas Yojana 4. Prime Minister Rozgar Yojana 5. Rajiv Gandhi Rural Public Health Yojana 6. Intergrated Rural Development Programme	1. Identification of families. 2. Implementation of house building programme in the district. 3. Popularizing low cost housing. 4. IAY is implemented through Z.P. 5. Final approval of the beneficiaries/Swarozgar as selected by the gram sabha. 6. Approval of the annual action plan by the governing body of DRDA constituted under the chairmanship of the chairman of Z.P.
5.	Health & Family Welfare	1. Primary Health Care	1. Monitor and evaluate the functions and activities of panchayat samiti. 2. Check the attendance of doctors/paramedics 3. Monitor Quality Assurance programme. 4. Review meetings with CMO/CS
6.	School Education	1. Extension and development of education facilities	1. Establishment of new elementary schools. 2. New recruitment of elementary teachers will be done by Z.P. in a new cadre. 3. Education sub committee of Z.P. will supervise and monitor functioning of elementary school in their jurisdictions.

Source: **Module on Empowerment of PRIs by the Punjab Government**, Department of Rural Development and Panchayati Raj Punjab, 2004.

Annexure III.1
Key Recommendations of the First Finance Commission in Punjab

Finance Commission	Year	Key Recommendations
First Finance Commission	1995-2000	<p>(I) 20 percent of the net proceeds of the following five state taxes be shared with the PRIs and ULBs:</p> <ul style="list-style-type: none"> ❖ Stamp Duty ❖ Punjab Motor Vehicles Tax ❖ Electricity Duty ❖ Entertainment Tax ❖ Entertainment Tax (cinematograph shows) <p>❖ In addition to enhanced share of the Excise Duty on Indian Made Foreign Liquor and Indian Liquor was to be devolved to the Panchayati Raj Institutions</p> <p>Under above devolution, the revenue was divided between the PRIs and ULBs in the prescribed formula.</p> <p>(II) Total land revenue is assigned to gram panchayats. Land revenue cess, when recommended by Z.P., to be assigned to PRIs.</p> <p>(III) Weak Gram Panchayats having per capita income less than Rs 100, be given grants to bring their income up to Rs 100 per capita.</p> <p>(IV) Allocation of (i) unified funds; (ii) Rural Development Board Funds and</p> <p>(iii) State Marketing Board Funds to be made by the District Planning Committee after considering requirements/demands of gram panchayats, panchayat samitis, zilla parishad and Municipalities, strictly according to the guidelines of Planning Department.</p> <p>(V) District Rural Development Agency should work under the control of Z.P.</p> <p>(VI) Constitution of State Council for Panchayati Raj to review the functioning of PRIs in the state and to ensure the implementation of the 73rd constitutional amendment in letter and spirit.</p> <p>(VII) Constitution of Public Account Committees at district and state level of PRIs.</p>

Source: Report of the First Finance Commission, December, 1995, State Finance Commission, Government of Punjab, Chandigarh.

Annexure III.2
Key Recommendations of the Second Finance Commission in Punjab

Finance Commission	Year	Key Recommendations								
Second Finance Commission	2001-05	<p>(I) 4% of the net receipts from all state taxes, be transferred to the local bodies allocated in the ratio of 67.5: 32.5 of PRIs : ULBs.</p> <p>(II) House tax in rural areas may be renamed of property tax & levied on annual value of property. Five per cent of the estimated cost may be taken as annual value of houses in the rural areas.</p> <p>(III) A target of minimum recovery of Rs. 5/- per capita per annum as tax revenue may be fixed for each panchayat.</p> <p>(IV) The state government should take urgent steps to implement the recommendations of the 11th Finance Commission for improvement in the maintenance of accounts by Gram Panchayats.</p> <p>(V) The Finance Audit and Planning Committee of the panchayat samiti to be constituted with the task of examining the action taken by gram panchayats in the block on the audit report of their accounts.</p> <p>(VI) The share of State taxes allocated to PRIs may be distributed amongst districts by giving following weightage.</p> <table> <tr> <td>i. Rural population of the districts as per 2001 census</td> <td>65%</td> </tr> <tr> <td>ii. Shortfall of per capita own income gram panchayats in the district as compared to per capita own income of all gram panchayats in the state.</td> <td>15%</td> </tr> <tr> <td>iii. Population of SCs in rural area of district</td> <td>15%</td> </tr> <tr> <td>iv. Rural population of sub mountain district</td> <td>5%</td> </tr> </table> <p>(VII) There has been huge shortfall in transfers to the PRIs in their share in State taxes & auction money of country liquor & excise duty in IMFL transfers as per recommendation of the First State Finance Commission as recommended.</p> <p>(VIII) A quasi-judicial authority on the pattern of Lokpal may be constituted to look into complaints of corruption against sarpanches of gram panchayat samiti and chairman of panchayat samitis and Z.P.</p>	i. Rural population of the districts as per 2001 census	65%	ii. Shortfall of per capita own income gram panchayats in the district as compared to per capita own income of all gram panchayats in the state.	15%	iii. Population of SCs in rural area of district	15%	iv. Rural population of sub mountain district	5%
i. Rural population of the districts as per 2001 census	65%									
ii. Shortfall of per capita own income gram panchayats in the district as compared to per capita own income of all gram panchayats in the state.	15%									
iii. Population of SCs in rural area of district	15%									
iv. Rural population of sub mountain district	5%									

Source: Report of the Second Finance Commission, February 2002, State Finance Commission, Government of Punjab, Chandigarh.

ABBREVIATIONS

BDO	Block Development Officer
CDPO	Child Development Programme Officer
CEO	Chief Executive Officer
CMO	Chief Medical Officer
CPR	Common Property Resources
CRRID	Centre for Research in Rural & Industrial Development
DDPO	District Development and Panchayat Officer
DPC	District Planning Committee
DPDB	District Planning and Development Board
EPW	Economic and Political Weekly
G.P.	Gram Panchayat (village level elected democratic council)
G.S.	Gram Sabha (village assembly)
GOI	Government of India
IMFL	Indian Made Foreign Liquor
IRM	Internal Revenue Mobilization
MCH	Maternal and Child Health Care
MLA	Member of Legislative Assembly
MP	Member of Parliament
NRI	Non-Resident Indian
OBC/BC	Other Backward Castes (economically backward caste)
One Crore	Ten million
One Lakh	100 thousand
P.S.	Panchayat Samiti (block level institution)
PO	Panchayat Officer
PRIs	Panchayati Raj Institutions
SC	Scheduled Caste (socio economically backward caste)
SEC	State Election Commission
SFC	State Finance Commission
SMO	Senior Medical Officer
ULB	Urban Local Bodies
Z.P.	Zilla Parishad (District Level Institution)