

Sept, 2006

Decentralisation and local governance: bringing government closer to people

Presentation on India

T.R. Raghunandan

Joint Secretary, Ministry of Panchayati Raj,
Government of India

Salient features of the 73rd Constitution Amendment Act, 1993 ...

- Constitutional status for Gram Sabha (assembly of the community),
- Three tier Panchayat system at the village, intermediate and district levels,
- Reservation of seats and leadership positions for deprived communities and women,
- Regular elections every 5 years,
- Establishment of independent State Election Commission,
- State Finance Commissions to be set up once in 5 years,
- Powers to be so devolved upon Panchayats as to enable them to function as institutions of self government (Article 243 G read with Schedule XI).

Eleventh Schedule lists 29 matters as below

Agriculture, incl. extension

Land improvement, land reforms, consolidation soil conservation.

Minor irrigation, water management watershed devpment

Animal husbandry, dairying and poultry

Fisheries

Social forestry farm forestry

Minor forest produce

Fuel and fodder

Maintenance of community assets

Rural housing

Drinking water

Poverty alleviation programme

Public distribution system

Education, including primary and secondary schools

Technical training vocational education

Adult and non-formal education

Libraries

Cultural activities

Welfare of the weaker sections, in particular of SCs and STs

Social Welfare, Welfare of handicapped and mentally retarded

Women and Child development

Health and sanitation hospitals. Primary health centres dispensaries

Family welfare

Roads, culverts, bridges, ferries, waterways other means of communication

Non-conventional energy

Markets Fairs

Khadi, village and cottage industries

Small scale industries, food processing industries

Rural electrification, distribution of electricity

Statistics on Panchayats...

- **537** District Panchayats, **11,825** elected representatives. (41 % women, 18 % SC, 11 % ST)
- **6097** Intermediate Panchayats, **1,10,070** elected representatives. (43 % women, 22 % SC, 13 % ST)
- **2,34,676** Village Panchayats, **20,73,715** elected representatives. (40 % women, 16% SC and 11% ST)

At the Village Panchayat level, each elected representative's constituency comprises of about 340 people, (70 families)

- **Strengthening Gram Sabhas:**
- Constituting Ward Sabhas,
- Regular meetings,
- Satisfactory consultation with women and other marginalised groups,
- Mahila Sabha (womens' groupings) meetings prior to Gram Sabhas.
- New Right to Information legislation
-

Gram Sabhas to -

- accord prior approval for plans, programmes and budgets prepared by the Gram Panchayat;
- certify utilisation of funds allocated for the plans, projects or programmes of the Panchayat;
- Identify and select those to receive benefits.

Role clarity for Panchayats through Activity Mapping

- Identification of activities related to devolved functions
- Attribution of appropriate activity to a Panchayat level, based on the principle that each activity ought to be undertaken at the lowest level that it can be undertaken.
- Activity Mapping to trigger transfer of funds and functionaries,

Role Clarity, challenges

- Wide prevalence of concurrent responsibilities,
- Pull of competing loyalties because of dual control of staff,
- Parallel committees fostered by departments and multilateral lending agencies continue,
- Lip service to Panchayat system by co-opting office bearers into parallel systems,
- Parallel system accounts not captured in Panchayat accounts
- User groups created at sub-panchayat level with no connection to the Panchayat.

Parallel bodies and Panchayats, initiatives for harmonisation

- Reconceptualise parallel bodies as technical support systems of Panchayats.
- Mandate strong Standing Committee System within Panchayats with timelines for decision making
- Funds to be deposited in Panchayat fund,
- Fund use to be tracked electronically to prevent delay or diversion.
- Use Comptroller and Auditor General to provide technical guidance and support for accounting,

Role clarity - the trigger for capacity building...

- Normal fear about devolution: PRIs do not have the capacity to manage enhanced powers.
- Skeptics feel that capacity building of Panchayats should *precede* devolution.
- If you really empower PRIs by giving them clear roles and hold them accountable for their newly earned responsibilities, they will have an *incentive* to seek out the capacity support they need;
- Capacity building then becomes demand driven;
- Thus, devolution *accelerates* capacity building of Panchayats.

Finance to follow function: Challenges

- Rationalising and simplifying the intergovernmental fiscal transfer system:
 - Reducing number of transfers,
 - Ensuring predictability in fiscal transfers,
 - Moving from system of predominantly specific purpose transfers to more general purpose transfers,
 - Better accounting and accountability at local level

Accountability of Panchayats

- Establish standards and norms for
 - audit,
 - Accounting,
 - fund management and tracking,

Social audit of Panchayats

While imperative at Gram Sabha level, can also be undertaken at higher levels,

Social Audit Policies based on best practices in different States,

Social audit resolutions to be treated on par with formal audit paragraphs to ensure time-bound consideration and disposal.

IT enabling of Panchayats

- IT positioned primarily as tool for enhancing quality of decision making in Panchayats,
- Common standards for software,
- Promotion of IT literacy among staff and elected members,
- Time bound networking of all Panchayats,
- Satellite based interactive distance learning

Participative planning

- **Planning Commission** to ensure that the 11th Plan (2007-2012) is founded on participative District Plans prepared in accordance with the Constitution,
- Bulk transfer of untied funds to Panchayats in poorest districts of the country, through the Backward Regions Grant Fund to be used to glue together already substantial specific purpose transfers into participative local plans.

Some innovations

- **The Devolution Index:**
 - Aimed at incentivising devolution,
 - Measures both 'empowerment by the State and 'accountability' of the Panchayat,
 - To be positioned as the trigger for incentive grants.
- **The Decentralisation Community and Solution Exchange:**
 - UNDP and the Ministry of Panchayati Raj,
 - Internet community of solution seekers and providers on decentralisation,
 - 500 members, with at least 25 % active ones,
 - Compendium of suggestions ready within 15 days of floating a query

Challenges

- Best practices to be upscaled,
- Building networks
- Building a good database and monitoring system
- Shifting staff loyalty to local bodies,
- Integration of rural and urban planning.
- More local revenues,
- Maintenance of assets created
- Incremental reform versus 'big bang' approach?

Thank you